Total Produce
Let's Grow Together

Annual Report & Accounts 2011

Total Produce plc Annual Report and Accounts 2011

Contents

Our Process

Our supply chain is global and flexible in its application. This report follows the route to market of our specialist premium berry division, Total Berry...

Revenue
€2,527m
-2.8% on prior year

Adjusted EPS
7.24 cent
+5.8% on prior year

Adjusted EBITDA
€59.7m
-4.2% on prior year

Shareholders Equity
€176.7m
+4.8% on prior year

Adjusted EBITA
€45.0m
-6.0% on prior year

Dividend per Share
1.89 cent
+6.0% on prior year

Any forward looking statements made in the annual report have been made in good faith based on the information available as of the date of the report and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in this report, and the company undertakes no obligation to update any such statements whether as a result of new information, future events or otherwise. Outlined on page 34 of this report are important factors that could cause these developments or the company's actual results to differ materially from those expressed or implied in these forward-looking statements.

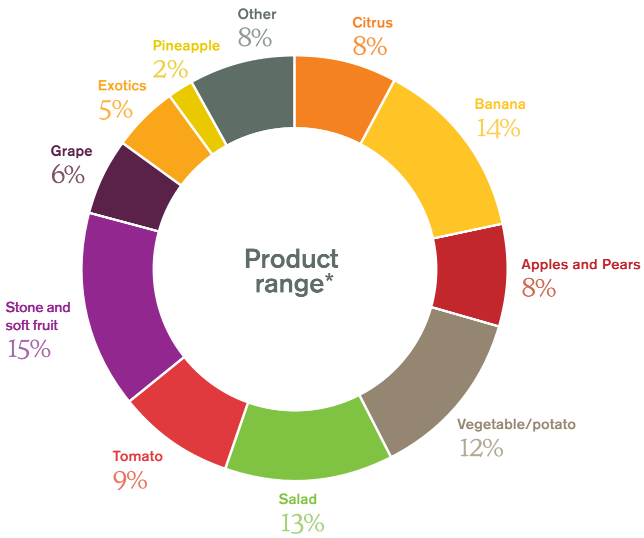
Distribution
250m
cartons distributed annually

Locations
90+ facilities
in over 20 different countries

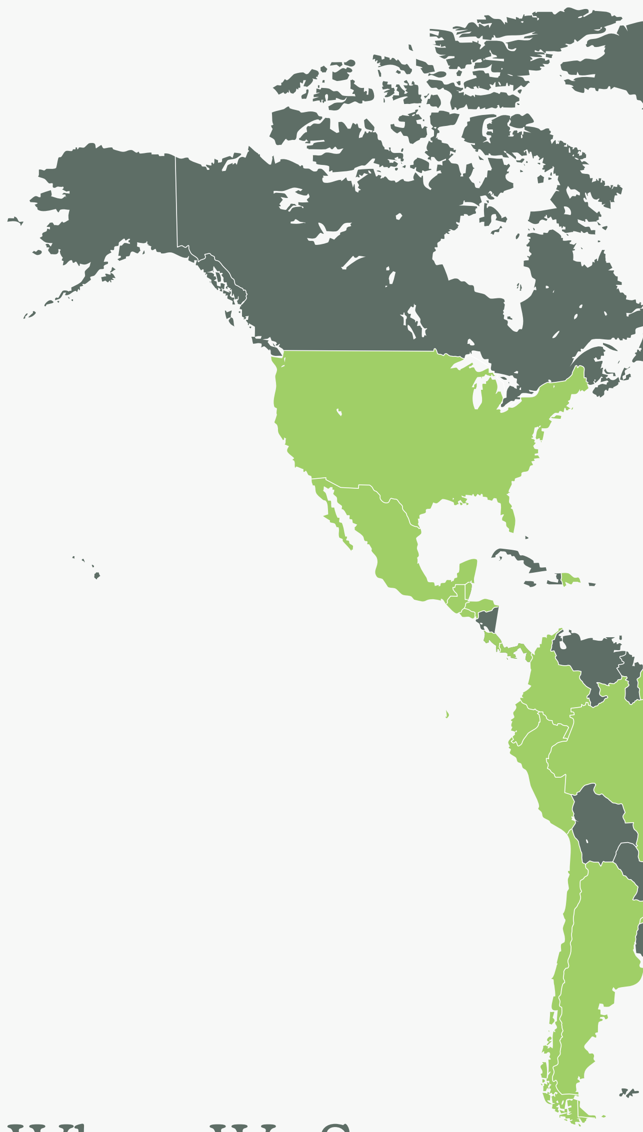
People
4,000+
employees worldwide

Diverse Market, Diverse Produce

Fruits 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 efficient solutions. Total Produce's global network differentiates our Group, our service and our products.



* Expressed as a percentage of Group revenue



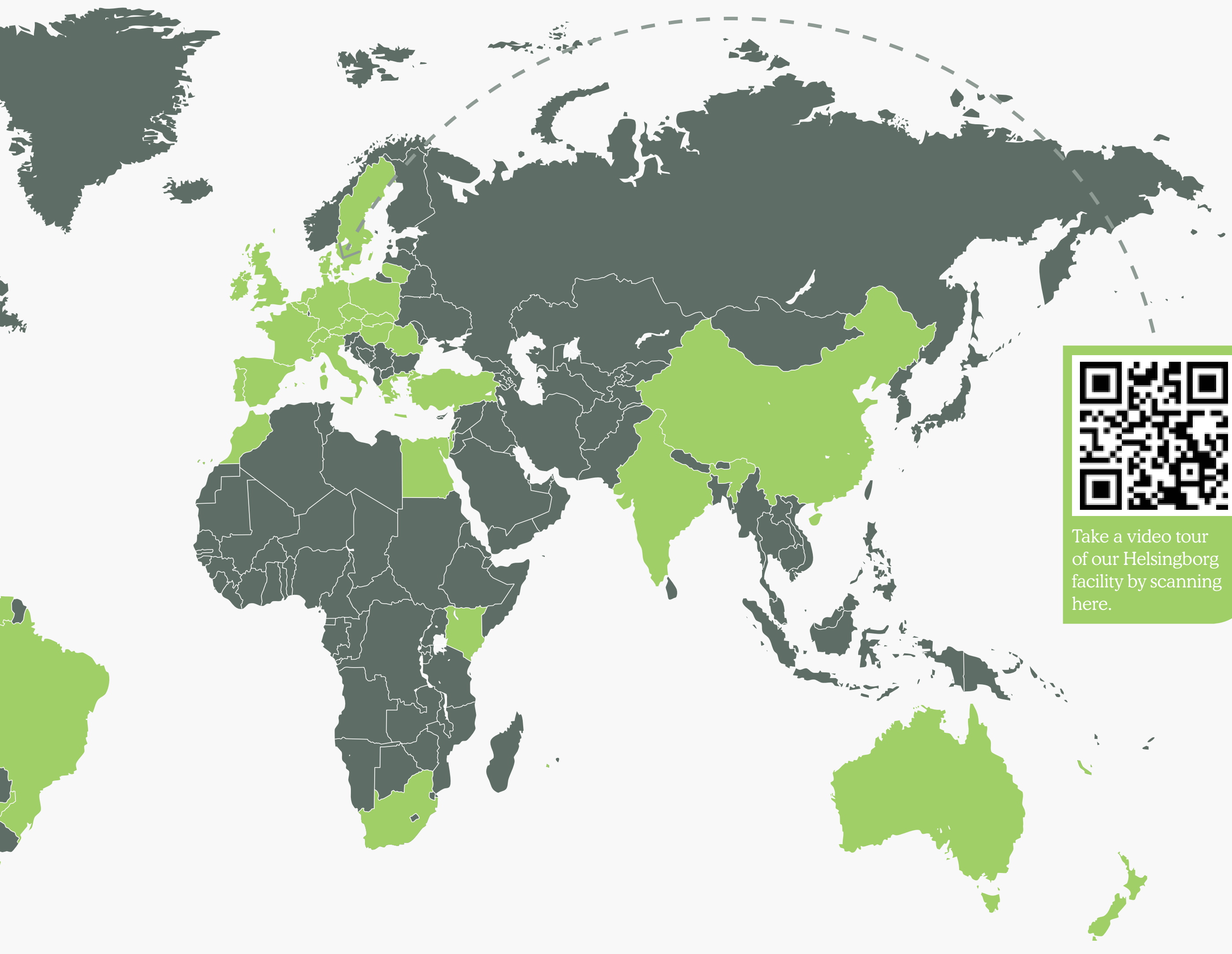
Where We Source

Globally, Total Produce's multi-source strategy ensures continuity of supply, consistency of quality and value across 52 weeks of the year. But it's not our reach that makes the difference – it's the depth of the relationships we have forged, partnering as we do only the most accomplished growers from across the globe.

Products

Hundreds

of lines of fruit and vegetables



Take a video tour of our Helsingborg facility by scanning here.

Vegetables

Sourced in Ireland, Spain, France, Italy, UK, Mexico, South Africa, Egypt, Holland, Belgium, Morocco, Portugal, Israel, Kenya, Sweden, Denmark, Germany, Guatemala, Lithuania, Estonia, Peru and Poland.

Deciduous

Sourced in France, Italy, UK, Holland, Belgium, China, South Africa, Chile, Argentina, Brazil, New Zealand, the United States and India.

Citrus

Sourced in Chile, Peru, Argentina, Brazil, South Africa, Morocco, Egypt, Greece, Spain and the United States.

Salad

Sourced in Ireland, Spain, Holland, Belgium, Italy, Mexico, Israel, UK, Sweden, Poland, Denmark and Germany.

Tropical

Sourced in Colombia, Costa Rica, Honduras, Spain, Guatemala, Belize, Ecuador, Panama, Dominican Republic, Brazil and Spain.

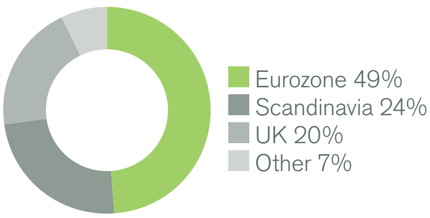
Stone Fruit

Sourced in Spain, Israel, Morocco, South Africa, Argentina, Chile, Australia and New Zealand.

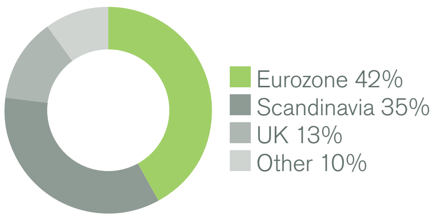
Highlighted countries constitute a representative sample only

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

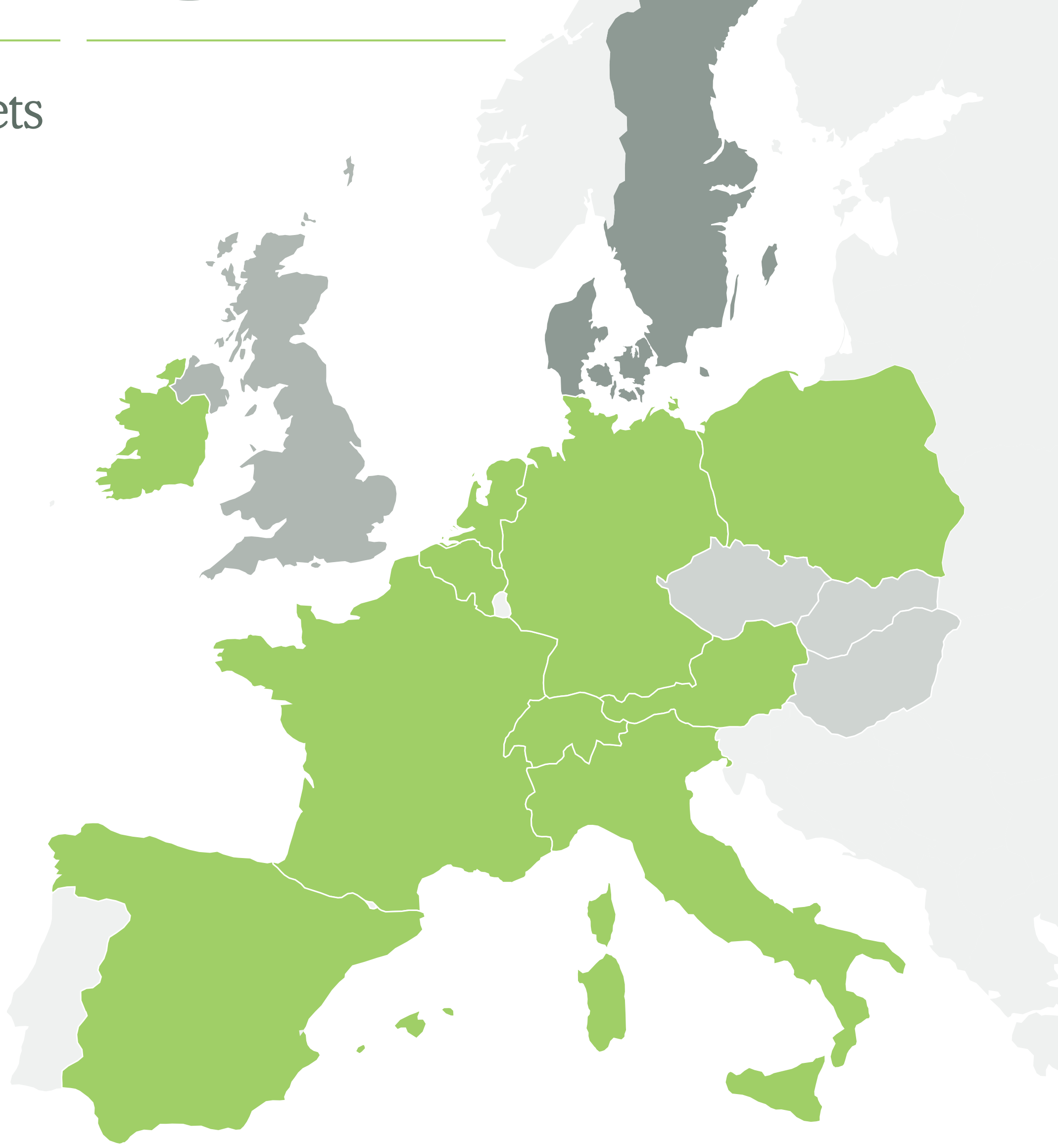
Fresh Produce Division – Revenue by segment



Fresh Produce Division – Adjusted EBITA by segment



Our Main Markets



Step 1: United States

New Product Development: Applying conventional horticultural processes, we develop and customise new berry plant varieties for individual markets.

Communicating with our Consumers
Championing the consumer & differentiating our produce.

With the introduction of the Total Produce Smartphone App and the on-going development of the Total Produce Smartpack range we continue to strive to promote consumption and set apart our produce and the service we provide.

Connecting with the Consumer

With the introduction of the QR-coded Smartpacks range across 2011, Total Produce adopted an integrated online approach to differentiating packaging. Promoting consumption by addressing consumers most frequently asked fresh produce questions in a contemporary, fun and accessible way, Total Produce Smartpacks complement consumer website topfruit.com and its associated facebook page and YOUTUBE channel. QR coded fruit packs linking to our fruit byte videos are now available across Europe. Sister topfruit sites in the Czech Republic, Spain, Slovakia and Belgium are already online with further sites due for launch in Sweden, Denmark and Germany in 2012. Total Produce's topfruit facebook community continues to grow, releasing topical content to reflect and promote the seasonality of our produce.

Topfruit/Facebook

Hosting our growing online community of fresh produce enthusiasts from across Europe.

TOPFRUIT.COM

find us on facebook.
keyword: topfruit

Total Produce has also launched our own QR Code Reader App for Smartphones. Available to download for free from both the App Store and the Android Market, the TOP QR reader enables Smartphone users to scan and instantly download targeted content from QR codes on fresh produce packaging.

Development of the App represents a natural progression, complementing as it does Total Produce Smartpack QR-coded packaging. Available in multiple languages including English, Czech, Slovak, Danish, Swedish, Spanish, French and German, the Total Produce TOP QR reader App is available to download now.

Sample our fruit bytes using the Total Produce QR Reader

1. Download our free Total Produce QR Code Scanner for Smartphones from Apple's APP Store or the Android Market Store.
2. Activate the application and point the phone camera at the QR code.
3. Press the 'Scan' button/icon.

Available on the iPhone App Store | Android Market | YouTube

Halloween | Christmas | New Year

TotalProduce SMARTPACKS

Step 2: Egypt

Cultivation: We search the globe for superior production partners and the richest growing lands on which to nurture our new varieties throughout the year.

Our Produce

Growing, sourcing, importing, packaging, distributing and marketing hundreds of lines of fruits, vegetables and flowers, consistency of quality is our first priority at Total Produce.

We believe that presenting superior produce to the European consumer begins with planning and preparation across the months preceding delivery.

To this end, we in Total Produce are pro-active and enthusiastic participants in production – committed to bringing together the needs of our customers and the capacities of our suppliers. By bringing to bear our collective strengths and in-house expertise we couple supply with demand and anticipate contingencies – securing the best produce, grown to the right standards from the right regions, in the right quantities at the right times.

Central to this is our maintenance of an on-the-ground presence in all the major growing regions of the world, putting in place experienced quality personnel, evaluating potential suppliers, providing technical expertise where needed and investigating and implementing innovation. In Total Produce, Quality Assurance begins at source.

Our integrated quality strategy extends across the full length of our supply chain – our resources at production are complemented by a sophisticated logistical infrastructure encompassing state-of-the-art transportation, storage, ripening and distribution facilities across Europe and the globe – one which supports complete traceability of our produce from farm to fork.

Quality – Marking Us Apart in the Marketplace

The care with which our produce is assessed on arrival in Europe reflects our efforts at source. Here experienced teams of Quality Assurance personnel apply stringent specifications and subject our produce to scrupulous testing before dispatch to trade partners. Rigorous inspections and Quality Assurance protocols ensure that our produce not only looks right and meets the right specifications but also that the eating experience surpasses expectations.

At Total Produce, we recognise that our responsibilities extend beyond our customers back door. We work closely with trade partners – listening to feedback and relaying it back to source and advising customers on evolving legislative requirements and industry best practice to ensure the delivery of premium produce in pristine condition to the ultimate consumer.

Citrus Fruits

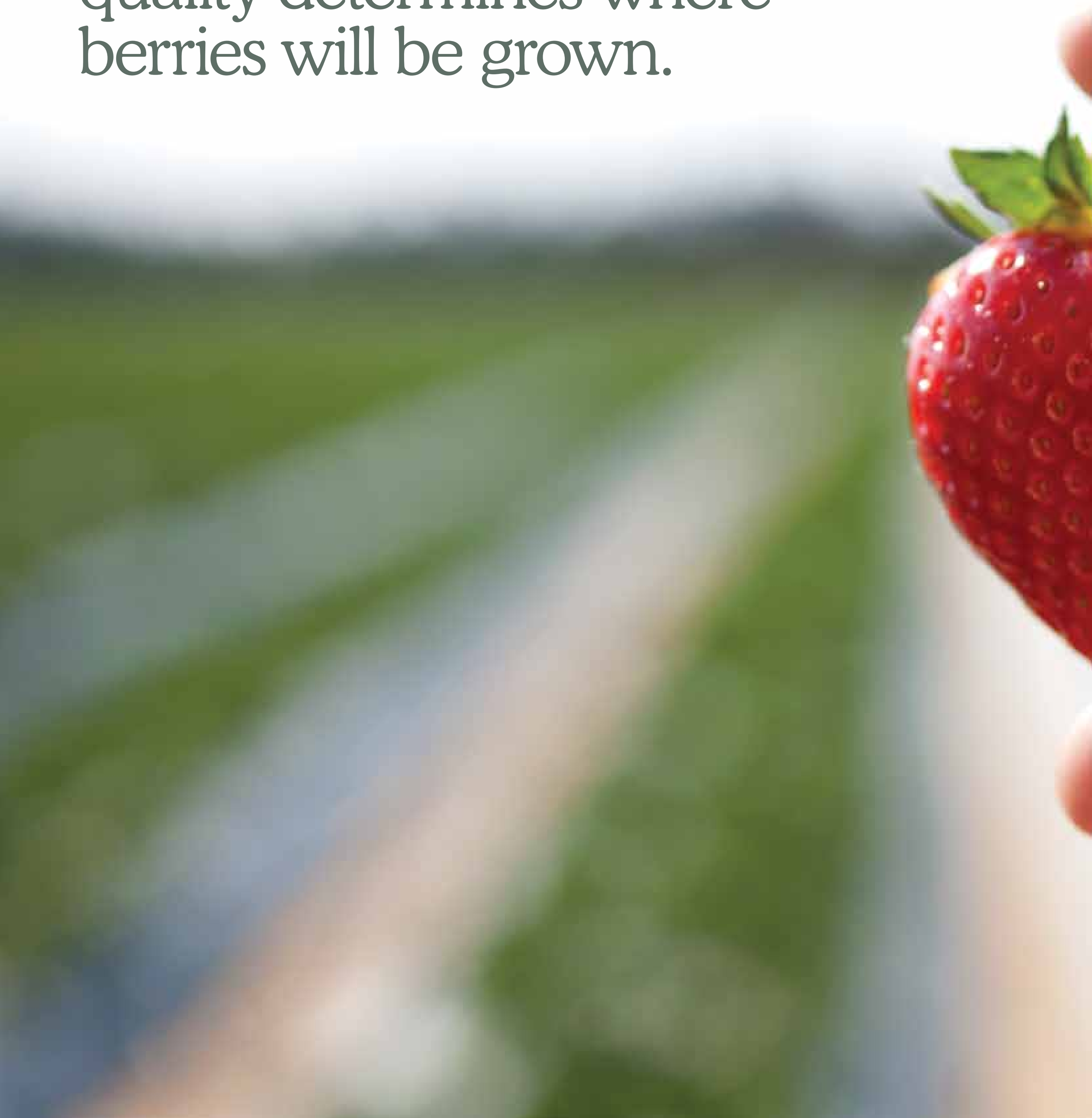
Southern Hemisphere citrus is procured from a variety of sources. Total Produce's partner *Capespan*, specialises in South African citrus produce and its Outspan label is a brand of global renown. From September to April, produce is sourced locally in Europe, with Spain being the principal producer. *Total Produce Sourcing Spain* complements the local operating company *Grupo Eurobanan* by liaising with growers in this important market, implementing quality assurance and co-ordinating supply and demand for much of the Group. Sales of citrus produce including oranges, easi-peelers, lemons, limes and grapefruit account for 8% of the Group's turnover.

Scan here to view a Citrus 'Fruit Byte'.

8%
of our product portfolio

Step 3: Egypt

Evaluation: Yields, availability, product provenance, sustainability, and most importantly berry quality determines where berries will be grown.



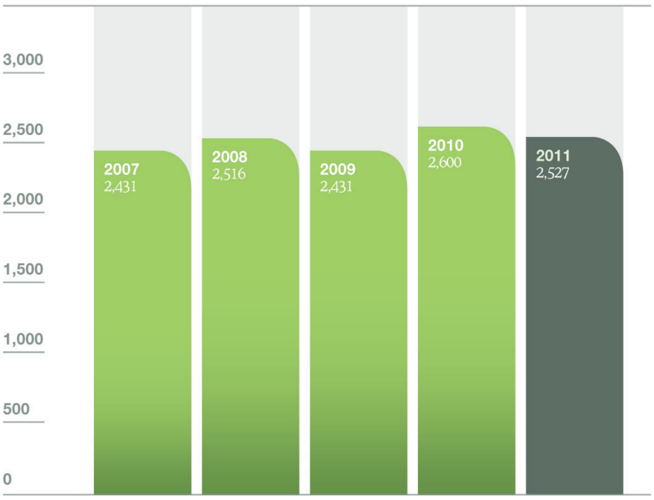
Step 4: Egypt

Growing Together:

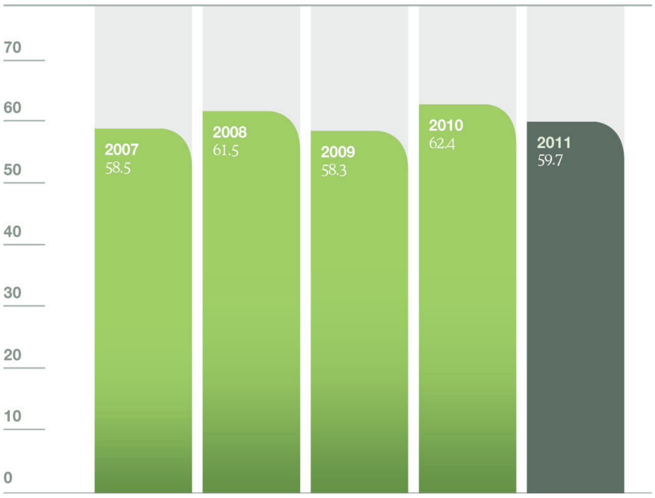
We forge partnerships – reconciling the expectations of the marketplace with the production competencies and capacities of local and global growers.

Five Year Summary

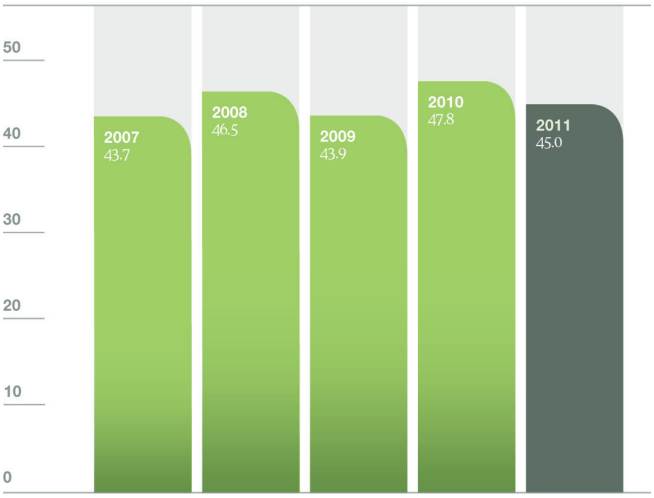
Sales (€'m)



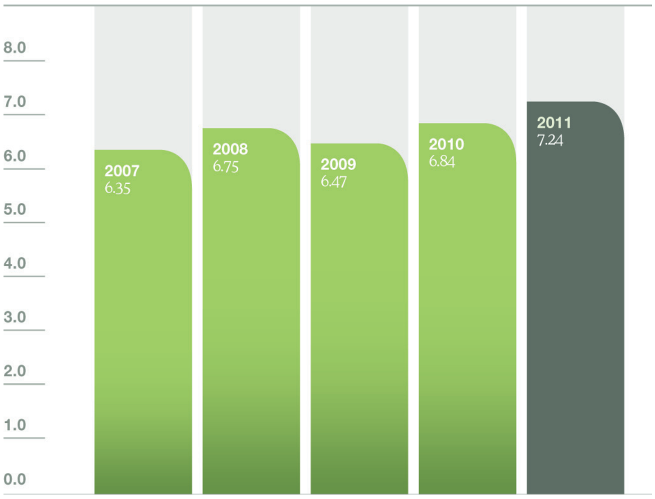
Adjusted EBITDA (€'m)



Adjusted EBITA (€'m)



Adjusted EPS (€ cent)



	2011 €	2010 €	2009 €	2008 €	2007 €
Revenue (including share of joint ventures/associates)	**2,527m**	2,600m	2,431m	2,516m	2,431m
Group revenue	**2,284m**	2,343m	2,186m	2,251m	2,151m
Adjusted EBITDA*[1]	**59.7m**	62.4m	58.3m	61.5m	58.5m
Adjusted EBITA[1]	**45.0m**	47.8m	43.9m	46.5m	43.7m
Adjusted profit before tax[2]	**39.7m**	43.2m	40.1m	40.8m	38.9m
Profit before tax	**34.4m**	33.6m	28.4m	29.8m	33.2m
Adjusted fully diluted earnings per share[3]	**7.24 cent**	6.84 cent	6.47 cent	6.75 cent	6.35 cent
Basic earnings per share	**7.11 cent**	5.25 cent	3.70 cent	4.36 cent	5.43 cent

* EBITDA 2007 – 2010 re-presented to treat the Group's share of joint ventures' and associates' depreciation within the adjusted EBITDA calculation.

1 Excludes exceptional items, acquisition related costs and fair value movement on investment properties.

2 Adjusted profit before tax excludes exceptional items, acquisition related costs, 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, acquisition related costs, fair value movements on investment property and amortisation of intangible assets and the related tax on these items.

Chairman's Statement

The Group has delivered a solid performance in 2011 with a 5.8% increase in adjusted earnings per share to 7.24 cent per share.

The Group has performed satisfactorily despite challenging conditions in certain markets due to the prolonged impact of the e-coli ('EHEC') scare in May 2011. Trading conditions to this point were normal until the occurrence of this scare which was incorrectly attributed to certain salad lines and significantly impacted the European fresh produce industry and the results of the Group in 2011.

Total Produce is ambitious to continue to grow and generate value for its stakeholders by pursuing a focussed strategy of seeking medium and large acquisitions in both new and existing markets. The Group pursues alliances and investments with producers worldwide giving them access to the leading fresh produce Group in Europe. We continuously seek to achieve synergies in the supply chain and to manage our cost base to optimise efficiencies.

Successful acquisitions are a key driver of the growth of Total Produce and we are pleased to report significant activity both in 2011 and post the year-end. During 2011, the Group invested €19.9m mainly in the second half of the year in additional business interests. The Group has increased its shareholding in Capespan South Africa to 25.3% through the acquisition of additional shares and the exchange of shares for the disposal of the Group's 50% interest in the European fruit business of Capespan to Capespan South Africa.

The total consideration of €13m for this sale was satisfied by an exchange of an additional 20 million shares in Capespan South Africa and €8.5m in cash. The Group is now the second largest shareholder of Capespan South Africa, the leading South African fresh produce company whose shares are marketable securities traded over the counter.

In addition to the above, the Group invested €14.8m in capital expenditure including development expenditure which mainly comprised the expansion of the Group's state-of-the art facilities in Sweden. Deferred consideration payments of €14.1m were made during the year in respect of previous acquisitions following the achievement of profit targets.

On 20 December 2011, the Group announced that it had entered into an agreement to acquire a 50% shareholding in Frankort & Koning for consideration of up to €15.0m. The transaction was subject to the normal regulatory clearances which were received on 5 March 2012 and further increases the Group's presence in the Netherlands, Germany and Poland. The Group is in a strong financial position and continues to pursue attractive acquisition opportunities.

The Board is pleased to propose an increase of 8.6% in its final dividend to 1.35 cent per share. This brings the full year dividend in respect of 2011 to 1.89 cent per share, an increase of 6.0% on 2010. This represents a distribution of 26% based on adjusted earnings per share of 7.24 cent.

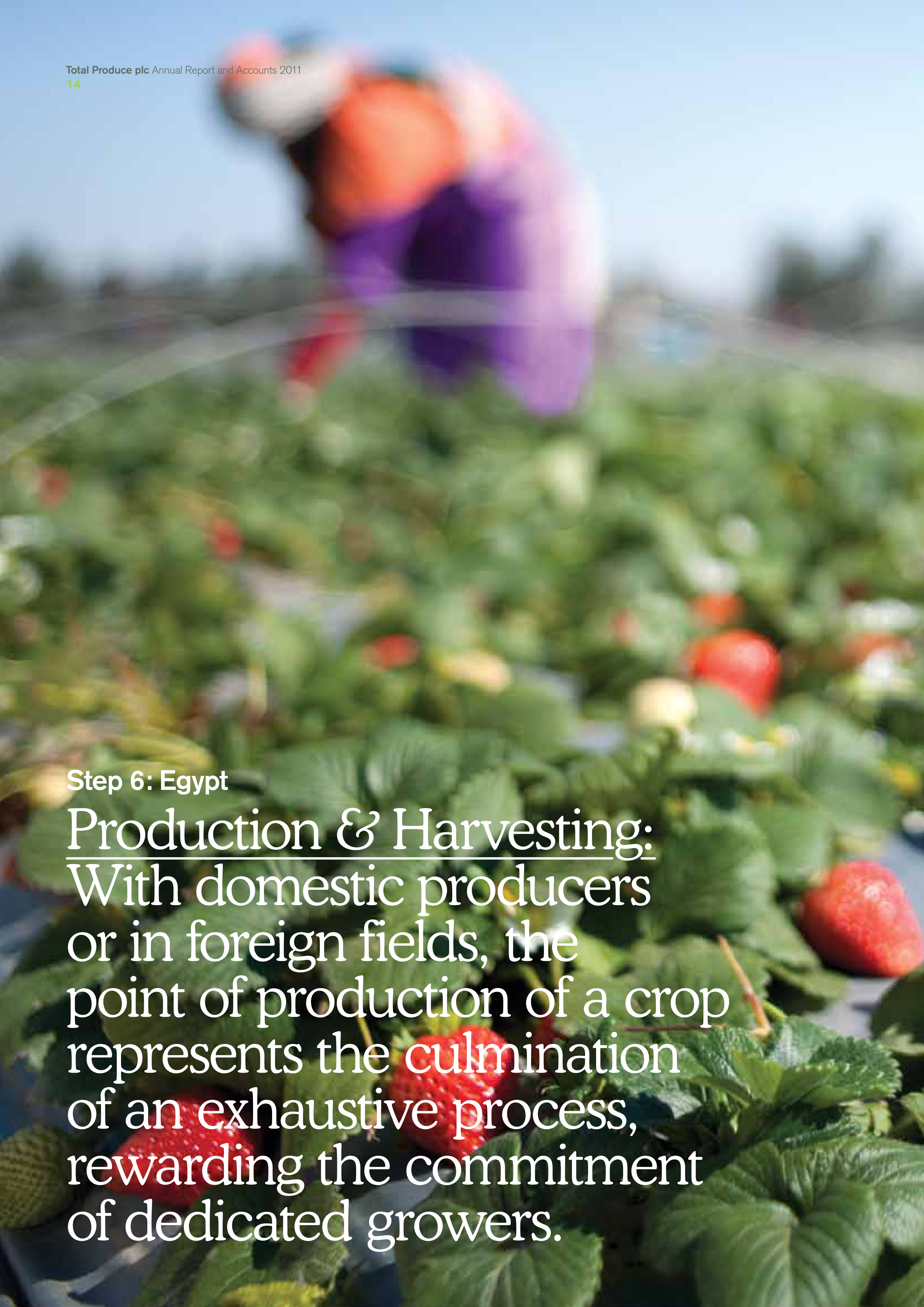
For 2012, trading conditions since the start of the year have been satisfactory. With the benefit of a good geographic spread of activities across Europe and the full year impact of acquisitions completed in the second half of 2011, the Group is targeting adjusted EPS for 2012 in the range of 7.0 to 8.0 cent per share.

The success of the Group in a challenging year for the European Fresh Produce industry is due to the talent, hard work and dedication of all our excellent people. Total Produce has over 4,000 people in over 20 countries. On behalf of the Board I would like to thank all of our people for their contribution to Total Produce's good results in 2011.

C P McCann
Chairman
5 March 2012

Step 5: Egypt

Our Competitive Advantage: Quality Assurance begins at source. From seed to store, our produce is closely scrutinised, ensuring adherence to the most exacting standards.



Step 6: Egypt

Production & Harvesting:

With domestic producers or in foreign fields, the point of production of a crop represents the culmination of an exhaustive process, rewarding the commitment of dedicated growers.

Operating Review

Total Produce delivered a solid performance in 2011 in what was a challenging year for the European fresh produce industry.

Summary

Total Produce delivered a solid performance in 2011. Revenue of €2.53 billion represents a 2.8% decrease on the prior year. Adjusted EBITA for the year was €45.0m, which represented a 6.0% decrease on the €47.8m recorded in 2010. The result for the year was satisfactory allowing for the impact of the unusual trading conditions for the Group's Fresh Produce division particularly in Continental and Eastern Europe from late May onwards due to the e-coli ('EHEC') scare. The effects lasted longer than anticipated with the market slow to recover. The Group has benefited from currency translation and the positive contribution of acquisitions made in the second half of the year.

Exceptional items in the year amounted to a net gain of €2.7m before tax (2010: net charge of €2.3m), including gains on the disposal of a joint venture, pension curtailments and fair value gains reclassified to the income statement arising on the reclassification of an available-for-sale financial asset to an associate investment. These gains were partly offset by property revaluation charges. An analysis of these items is set out in Note 5 of the accompanying financial statements.

Operating profit for 2011 after exceptional items amounted to €39.1m an increase of 5.6% on 2010, with profit before tax increasing 2.3% to €34.4m.

Operations Review

The table overleaf 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.

Deciduous Fruits

Combined, the sales of deciduous produce which includes apples, pears and grapes account for 14% of the Group's turnover. From September to April, produce is sourced locally in Europe, with specialist procurement divisions on site in key European growing regions. By way of example, *Total Produce Sourcing France* manages much of the Group's procurement of French apples. When the seasons change, supply switches to the Southern Hemisphere with *Capespan* specialising in South African produce. Its Cape brand is among the world's best known deciduous brands.

Scan here to view South African production.

14%

of our product portfolio

Fresh Produce Division

The Group's Fresh Produce division is involved in the growing, sourcing, transporting, importing, packaging, marketing and distribution of hundreds of lines of fresh fruits, vegetables and flowers. This division is split into four distinct reporting segments.

Revenue in this division decreased by 3.6% in 2011 to €2,427m with low single digit percentage decreases in both volumes and average prices. Adjusted EBITA in the division is down 9.5% from €51.5m to €46.6m. Net adjusted EBITA margins of 1.92% were down from prior year margins of 2.05%.

The results for the year were impacted by difficult trading conditions particularly in Continental and Eastern Europe. This was due primarily to the EHEC scare which had a negative impact on the European fresh produce industry from late May onwards. The German authorities incorrectly implicated certain salad lines as the source of EHEC causing a significant adverse effect on both consumption and prices of salads and fresh produce in general. The effects lasted longer than anticipated with the market slow to recover. This had a negative impact on the Group's fresh produce business and a lowering of general average prices.

The additional investment in the second half of the year in Capespan Group Limited ("Capespan South Africa") and the resulting treatment of this investment as an associate company from July 2011 onwards positively contributed to the result of the Fresh Produce division. In addition, the reported results in 2011 benefited from the strength of the average Swedish Krona and Czech Koruna exchange rates against the Euro, although this was partly offset by the weaker average Sterling rate.

The overall outturn of the Fresh Produce division was satisfactory having regard to the exceptional trading conditions in the year with the Group benefiting from its broad base of operations.

Eurozone Fresh Produce

Revenue in this division decreased by 6% to €1,205m mainly due to volume decreases. Strong average price increases in the first half of the year were offset by a sharp decrease in average prices in the second half of the year in Continental Europe. Adjusted EBITA decreased €8.1m to €19.8m reflected in the lowering of net margin from 2.18% to 1.64%. The performance of the division in 2011 was impacted by difficult trading conditions due to the aforementioned EHEC issue. By comparison, the results in 2010 benefited from the particularly strong market conditions for salad lines in the Netherlands.

Scandinavian Fresh Produce

Reported revenue in the Scandinavian division decreased by just over 1% to €595m. The reported revenue was assisted by the strengthening of the Swedish Krona against the Euro in 2011 but was offset by low single digit percentage decreases in both volume and average prices. Adjusted EBITA is flat year-on-year with reorganisational costs incurred in completing the move to the new state-of-the-art distribution facility in Sweden offset to a large extent by the benefit of currency translation. Net adjusted EBITA margins of 2.76% are slightly up on the margins of 2.72% in 2010.

UK Fresh Produce

Reported revenue in the UK Division decreased by 4.5% to €485m. The reported results have been adversely impacted by the weakening of the average Sterling rate in the year. Volumes were in line with prior year with a marginal decrease in average prices. Adjusted EBITA for the division is up €1.9m to €5.9m in 2011 due to improved trading conditions and lower rationalisation costs year-on-year. Trading in 2010 was challenging with unusual and heavy snowfalls affecting trading conditions. As a result the net EBITA margin of 1.2% is up from the margin of 0.8% in 2010.

	2011		2010	
	Revenue €'000	**Adjusted EBITA €'000**	Revenue €'000	Adjusted EBITA €'000
Eurozone Fresh Produce	**1,205,234**	**19,826**	1,282,367	27,947
Scandinavian Fresh Produce	**595,340**	**16,441**	602,360	16,384
UK Fresh Produce	**485,414**	**5,871**	508,261	3,960
Other Fresh Produce	**170,989**	**4,489**	158,979	3,256
Inter – segment revenue	**(29,729)**	**–**	(33,416)	–
Total Fresh Produce	**2,427,248**	**46,627**	2,518,551	51,547
Consumer Goods and Healthfoods Distribution	**99,329**	**1,213**	81,909	(598)*
Unallocated costs	**–**	**(2,881)**	–	(3,118)
Third party revenue and adjusted EBITA	**2,526,577**	**44,959**	2,600,460	47,831

* includes rationalisation costs of €0.5m.

Operating Review (Continued)

Other Fresh Produce

This division comprises a number of fresh produce businesses in Eastern Europe, India and South Africa. The Group increased its shareholding in Capespan South Africa from an effective 15.6% interest to 20.2% at 31 December 2011 and accordingly has accounted for its investment as an associate from July 2011 onwards recording its share of revenue and after tax profits. In addition, the result for the year includes the contribution of the South African farm activities up to the date of its disposal in May 2011.

Revenue in this division increased by 8% to €171m with adjusted EBITA increasing €1.2m to €4.5m mainly due to the first time contribution of Capespan South Africa, partly offset by a decrease in revenue in Eastern Europe due to decreased volumes and prices. The temporary closure of the Russian borders to imports from Europe as a consequence of EHEC exacerbated the oversupply and lowering of average prices of fresh produce in Eastern Europe.

Consumer Goods and Healthfoods Distribution Division

The Consumer Goods and Healthfoods division is a full service distribution and marketing partner to the grocery, pharmacy, optical, healthfoods (including vitamins, minerals and supplements) and other sectors. This segment distributes to retail and wholesale outlets in Ireland and the United Kingdom.

Revenue in this division was up 21% to €99m. The division recorded an EBITA of €1.2m compared to a loss of €0.6m in 2010. Included in the 2010 results were rationalisation costs of €0.5m. The results for the year were assisted by the effect year-on-year of rationalisation costs, some new business and by the positive contribution of acquisitions made in this division in the second half of 2011.

Acquisitions and Development

The Group invested €14.8m in capital expenditure including development expenditure which mainly comprised the expansion of the Group's state-of-the-art facilities in Sweden. Deferred consideration payments of €14.1m were made during the year in respect of previous acquisitions following the achievement on profit targets. Further, the Group invested €19.9m in new subsidiaries and joint venture and associate interests.

Primarily during the second half of the year the Group invested €7.3m in new and existing joint venture and associate interests in its Fresh Produce division. This included the increased investment from July onwards of the Group's shareholding in Capespan South Africa to an effective shareholding of 20.2% at 31 December 2011 (2010: 15.6%). In September and December 2011, the Group invested in two new joint ventures within its Fresh Produce divisions in the UK and Scandinavia. The Group also made further investments in existing joint venture interests.

The Group invested €12.6m (net of cash acquired) in a number of bolt-on acquisitions primarily in the second half of the year within both its Fresh Produce division and Consumer Goods and Healthfoods Distribution division. The investments include estimated deferred consideration of €4.7m payable on achievement of future profit targets. These acquisitions will complement existing business interests in these divisions.

In May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash proceeds of €4.2m. As noted in Note 5 of the accompanying financial information a profit of €1.6m was recognised on this sale and disclosed as an exceptional item in the income statement.

On 20 December 2011, the Group announced that it had entered into an agreement to acquire a 50% shareholding in Frankort & Koning for consideration of up to €15.0m. Headquartered in Venlo, the Netherlands, Frankort & Koning have operations principally in the Netherlands, Germany and Poland. An initial consideration of €6.0m will be paid on completion with additional consideration of up to €9.0m becoming payable in several tranches over the next number of years if certain profit targets are met. The transaction was subject to the normal regulatory clearances which were received on 5 March 2012.

Post year-end, on 9 January 2012, the Group announced the completion of an agreement to sell its 50% joint venture interest in the European fruit distribution business of Capespan International Holdings Limited ("Capespan Europe") to Capespan South Africa for a total consideration of €13.0m in exchange for an additional 20 million shares in Capespan South Africa and €8.5m in cash. This transaction results in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce both previously owned 50% each of Capespan Europe. On the Group balance sheet at 31 December 2011 the carrying value of Capespan Europe was classified as a non-current asset held for sale.

The Group continues to actively pursue further investment opportunities in both new and existing markets.

Neil McCann

I would particularly like to remember and pay tribute to Neil McCann who sadly passed away during 2011. Neil was one of the key driving forces behind the development of the modern fresh produce industry. Chairman of Fyffes plc until 2003, he spearheaded the Group's expansion over five decades to build it into one of the leading fresh produce companies in the world, from which Total Produce demerged in 2006. He commanded huge respect in the industry not only for his vision, drive and determination but also for his generosity, compassion and fairness. He is greatly missed and will always be fondly remembered.

Conclusion

In what was a challenging year for the European Fresh Produce industry, the solid performance in 2011 is due to the continued dedication and ability of our people. I would like to thank all of them for their contribution throughout the year. We are confident that our endeavours in 2011 will provide a solid platform upon which to further grow the business in 2012 and beyond.

R P Byrne
Chief Executive
5 March 2012

Step 7: The Netherlands

Packaging: Dedicated Total Produce packing facilities protect and promote our produce, preserving freshness to present the cream of the crop to the consumer in pristine condition.

Finance Review

Summary of Results

The Group delivered a solid result in a challenging year for the European fresh produce industry. Revenue was down 2.8% in the year with adjusted EBITA down 6.0%. Adjusted earnings per share rose by 5.8% to 7.24 cent per share assisted by the share buy-back completed in November 2010. The Group continues to generate strong cashflows with cash generated from operations of €23.5m and free cash flow of €12.9m.

	2011 €'000	2010 €'000
Revenue including share of joint ventures/associates	**2,526,577**	2,600,460
Adjusted EBITDA[1,3]	**59,738**	62,380
Depreciation within subsidiaries	**(13,153)**	(13,066)
Share of joint ventures' and associates' depreciation charge	**(1,626)**	(1,483)
Adjusted EBITA[1]	**44,959**	47,831
Amortisation of intangible assets within subsidiaries	**(5,501)**	(5,252)
Acquisition related costs	**(615)**	–
Share of joint ventures and associates amortisation charge	**(535)**	(489)
Share of joint ventures and associates interest charge	**(507)**	(1,181)
Share of joint ventures and associates tax charge	**(1,389)**	(1,522)
Operating profit before exceptional items	**36,412**	39,387
Exceptional items	**2,712**	(2,350)
Operating profit after exceptional items	**39,124**	37,037
Net financial expense	**(4,748)**	(3,441)
Profit before tax	**34,376**	33,596
Group income tax expense	**(6,635)**	(8,371)
Profit after tax	**27,741**	25,225
Attributable to:		
Equity holders of the parent	**23,466**	18,337
Non-controlling interests	**4,275**	6,888
	27,741	25,225

	2011 cent	2010 cent
Adjusted fully diluted earnings per share[2]	**7.24**	6.84
Basic earnings per share	**7.11**	5.25

1 Excludes exceptional items, acquisition related costs and intangible asset amortisation.
2 Excludes exceptional items, acquisition related costs, intangible asset amortisation and related tax.
3 2010 adjusted EBITDA re-presented to treat the group's share of joint ventures' and associates' depreciation within the adjusted EBITDA calculation.

Key Performance Indicators

	2011	2010
Revenue growth	**(2.8%)**	7.0%
Adjusted EPS growth	**5.8%**	5.7%
Adjusted EBITDA growth	**(4.2%)**	7.0%
Adjusted EBITA growth	**(6.0%)**	9.0%
Adjusted EBITA margin	**1.78%**	1.84%
Interest cover (adjusted EBITA: net interest charge)	**9.5 times**	13.9 times
Net debt/adjusted EBITDA	**1.3 times**	0.8 times
Free cashflow	**€12.9m**	€37.2m
Operating cashflow	**€23.5m**	€46.4m

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 16 to 18.

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 non-Euro denominated operations at the average rates, and on the restatement of the opening net assets at closing rates, are accounted for 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		
	2011	2010	% change	**2011**	2010	% change
Pound Sterling	**0.8757**	0.8434	(3.8%)	**0.8353**	0.8568	2.5%
Swedish Krona	**9.0086**	9.5425	5.6%	**8.8990**	9.0186	1.3%
Czech Koruna	**24.7335**	25.3886	2.6%	**25.5018**	25.0889	(1.6%)
Danish Kroner	**7.4507**	7.4471	0.0%	**7.4322**	7.4518	0.3%
South African Rand	**10.0826**	9.7165	(3.8%)	**10.4802**	8.8750	(18.1%)

Salads

Thanks to the European climate, salad lines afford the greatest opportunity to supply markets with locally produced product for sustained periods throughout the year. From Wexford to Warsaw, Total Produce works closely with local growers to deliver the freshest salad produce to domestic markets. Our specialist Dutch salad marketer, *Haluco* distributes tomatoes, cucumbers and peppers across the Continent. Combined salads including tomatoes account for nearly a quarter of the Group's turnover.

Scan here to view the Dutch Salad Supply Chain.

22%
of our product portfolio

Finance Review (Continued)

2011 saw a strengthening of some of the major currencies against the Euro. In particular the average Swedish Krona and Czech Koruna strengthened by 5.6% and 2.6% respectively against Euro but the Pound Sterling weakened by 3.8% against the Euro. This led to a net favourable impact on the retranslation of 2011 revenues and earnings of foreign currency operations into Euro, the Group's reporting currency. At 31 December 2011, the closing Swedish Koruna and Pound Sterling exchange rates had strengthened by 1.3% and 2.5% respectively against the Euro while the closing Czech Koruna and South African Rand rates had weakened by 1.6% and 18.1% respectively compared to the exchange rates prevailing at 31 December 2010. This led to a positive translation gain on retranslation of opening net assets at the closing rate with the gain on translation of Swedish Koruna and Pound Sterling denominated net assets partly offset by losses on retranslation of the Czech Koruna and the South African Rand denominated net assets. This positive translation adjustment was recorded within a separate translation reserve within equity as explained earlier.

Net Financial Expense

Net financial expense for the year was €4.7m compared to €3.4m in 2010. The Group's net interest charge increased due to higher average net debt in the year, higher margins on the Group's banking facilities and increases in central bank rates during the year, particularly the Swedish central bank rate. In addition, the strength of the Swedish Krona led to higher reported interest costs on translation to Euro. The Group's share of the net financial expense in its joint ventures and associates was €0.5m compared to €1.2m in 2010. Net interest cover for the year was 9.5 times based on adjusted EBITA.

Amortisation of Intangible Assets

The Group's intangible assets mainly represent the value of customer and suppliers relationships arising on acquisitions. These are amortised over their estimated useful economic lives ranging from three to fifteen years. The amortisation charge, including of the Group's share of joint ventures' and associates' amortisation charged increased marginally by €0.3m on the prior year to €6.0m in 2011.

Exceptional Items

Exceptional items in the year amounted to net gain before tax of €2.7m (2010: net charge of €2.3m). These include gains on the disposal of a joint venture, pension curtailments and revaluation gains reclassified to the income statement arising on the reclassification of a financial asset to an associate investment. Please refer to Note 5 of the accompanying financial statements for further information in respect of these items.

Taxation

	2011 €'000	2010 €'000
Income tax expense	**6,635**	8,371
Group share of tax charge of its joint ventures and associates netted in profit before tax	**1,389**	1,417
Total tax charge	**8,024**	9,788
Adjustments		
Deferred tax on amortisation of intangible assets – subsidiaries	**1,649**	1,264
Share of joint ventures and associates deferred tax credit on amortisation of intangible assets	**55**	48
Net deferred tax credit on fair value movement on properties – subsidiaries	**779**	620
Net deferred tax charge on pension curtailment – subsidiaries	**(116)**	–
Share of net deferred tax on fair value movements on properties within joint ventures and associates	**–**	105
Tax charge on underlying activities	**10,391**	11,825

The total tax charge for the year amounted to €8.0m (2010: €9.8m), including the Group's share of the tax charge of its joint ventures and associates amounting to €1.4m (2010: €1.4m), which was netted in profit before tax in accordance with IFRS.

Excluding deferred tax credits related to the amortisation of intangibles and the tax effect of exceptional items, the underlying tax charge for the year was €10.4m (2010: €11.8m), equivalent to a rate of 26.2% (2010: 27.4%) when applied to the Group's adjusted profit before tax.

Non-controlling Interest Share of Profits

The non-controlling interest's share of after tax profits was €4.3m (2010: €6.9m) a decrease of €2.6m on 2010. The decrease on prior year was due to the lower after tax profits in a number of the Group's non-wholly owned subsidiaries in Continental and Eastern Europe which were the areas most impacted by the EHEC issue.

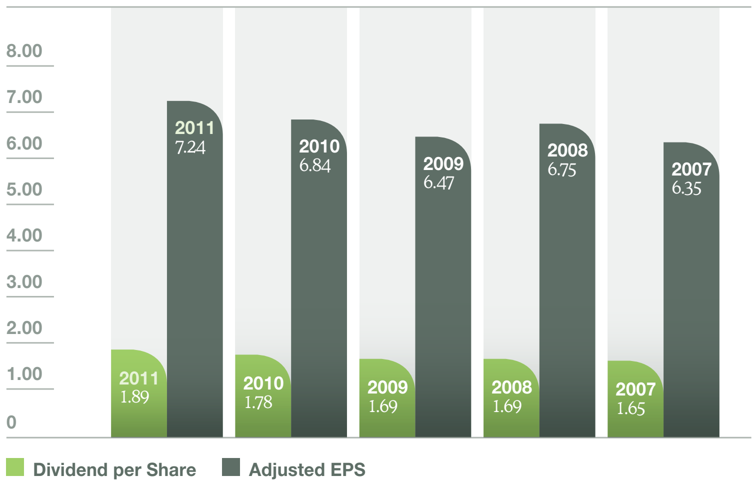
Earnings per Share

Adjusted earnings per share of 7.24 cent in 2011 represents an increase of 5.8% on 2010. Basic earnings per share amounted to 7.11 cent (2010: 5.25 cent). The growth in earnings per share was assisted by the buyback of 22 million shares in November 2010 which reduced the number of shares in issue to 330 million in 2011 compared to an average of 350 million in 2010.

Dividend

The Board is proposing a final dividend of 1.35 cent per share, subject to approval at the forthcoming AGM. This dividend will be paid on 24 May 2012 to shareholders on the register at 27 April 2012 and will be subject to dividend withholding tax. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 31 December 2011. The total dividend for 2011 will amount to 1.89 cent and represents a 6.0% increase on the prior year and a payout of 26% of adjusted EPS. The 2011 dividend is covered 3.8 times based on adjusted EPS.

Adjusted EPS and Dividend per Share (cent)



Summary Balance Sheet

	2011 €'m	2010 €'m
Property, plant & equipment and investment property	**146.5**	145.3
Goodwill and intangible assets	**152.5**	140.6
Investments in joint ventures and associates	**40.2**	34.1
Non-current assets held for sale	**11.1**	–
Other financial assets	**0.6**	9.7
Other (including working capital)	**11.4**	(2.1)
Provisions (mainly deferred consideration)	**(12.4)**	(19.5)
Employee benefit liabilities (net of deferred tax)	**(14.8)**	(8.8)
Taxation (excluding deferred tax on employee benefit liabilities)	**(22.8)**	(24.8)
Net debt	**(75.6)**	(47.9)
Net assets	**236.7**	226.6
Shareholders' equity	**176.7**	168.6
Non-controlling interests	**60.0**	58.0
Shareholders' equity and non-controlling interests	**236.7**	226.6

Finance Review (Continued)

The balance sheet has strengthened in 2011 with shareholders' equity increasing by €8.1m to €176.7m. The increase was primarily due to earnings in the year of €23.5m attributable to equity shareholders offset by losses of €9.5m attributable to equity shareholders recognised directly in the statement of other comprehensive income and dividends paid to equity shareholders of €5.9m.

As outlined in the table below, the losses recognised directly in reserves and recorded in the statement of other comprehensive income mainly include actuarial losses on employee benefit pension schemes, the net reclassification of gains to the income statement on available-for-sale assets becoming an associate offset in part by revaluations gains on own use property, plant and equipment and small currency gains on translation of the net assets of foreign currency denominated operations.

During the year, the Group experienced an actuarial loss of €9.2m (net of deferred tax) on the Group's defined benefit pension schemes as explained later. In July 2011, the fair value of the Group's investment in Capespan Group Limited ("Capespan South Africa") was reviewed resulting in a gain of €2.0m which was taken directly to equity. The total fair value gains of €4.1m (which included €2.1m of previously recognised fair value gains in the fair value reserve within equity) were reclassified to the Group income statement and disclosed in the financial statements as an exceptional item. Refer to Note 12 of the accompanying financial statements for more detail. As part of the Group's annual revaluation of its own use land and buildings, the share of property revaluations gains, net of tax attributable to equity shareholders for the year was €1.5m. Refer to Note 9 of the accompanying financial statements for more detail.

Sterling and Swedish Krona exchange rates at 31 December 2011 strengthened when compared to the rates prevailing at 31 December 2010 but these were offset by a weakening in the Czech Koruna and South African Rand rates leading to a small foreign currency gain of €0.2m on retranslation of these foreign currency net assets into Euro. This movement included translation movements on foreign currency loans designated as net investment hedges of foreign currency denominated operations. This annual translation adjustment can be positive or negative depending on the movement between the opening and the closing exchange rates.

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:

	2011 €'m	2010 €'m
Total shareholders' equity at beginning of year	**168.6**	165.2
Actuarial loss – defined benefit pension schemes (net of deferred tax)	**(9.2)**	(5.5)
Gains reclassified to the income statement upon available-for-sale financial asset becoming a investment in associate	**(4.1)**	–
Fair value gain/(loss) on available-for-sale financial assets	**2.0**	(0.6)
Revaluation gains on property, plant and equipment, (net of deferred tax)	**1.5**	0.3
Net gains on the translation of net assets of foreign operations	**0.2**	7.2
Share of joint ventures' actuarial gains/(losses) on defined benefit pension schemes (net of deferred tax)	**0.1**	(0.7)
Other movements recognised directly in equity	**(0.1)**	(0.2)
Total other comprehensive income directly attributable to equity shareholders	**(9.6)**	0.5
Profit for year attributed to equity shareholders	**23.5**	18.3
Total comprehensive income for the year, net of tax	**13.9**	18.8
Share based payment expense	**0.1**	–
Dividends paid to equity shareholders	**(5.9)**	(5.9)
Own shares acquired	**–**	(8.7)
Buy-out of non-controlling shareholders recognised directly in equity	**–**	(0.8)
Total shareholders' equity at end of year	**176.7**	168.6

Step 8: Europe

The Marketplace: Across the retail, wholesale and foodservice sectors we work with trading partners to deliver best practice in category management, ensuring produce is at its very best at point of sale.

Finance Review (Continued)

Employee Benefits

	2011 €'m	2010 €'m
Net liability at the beginning of year	**(11.0)**	(7.9)
Current/past service cost less net finance income recognised in income statement	**(1.7)**	(1.6)
Curtailment gains recognised in the income statement	**0.9**	–
Contributions to schemes	**4.8**	5.5
Actuarial losses recognised in other comprehensive income	**(10.8)**	(6.9)
Foreign exchange movement	**(0.2)**	(0.1)
Net liability at the end of year	**(18.0)**	(11.0)
Related deferred tax asset, net	**3.2**	2.2
Net liability at the end of year after tax	**(14.8)**	(8.8)

This table summarises the movements in the net liability of the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe.

The current and past service cost is charged in the income statement, net of finance income on scheme assets and liabilities. Actuarial losses are recognised in other comprehensive income.

The increase in the net liability during the year was due to the decrease in the discount rates in the Irish and UK pension schemes which led to an increase in the net present value of the scheme's obligations and lower than expected returns on the scheme assets in 2011. This was partly offset by a decrease in the UK inflation rate and curtailment gains which arose on the Irish pension scheme as a result of payments no longer being made by the Group for a number of employees who have reached the relevant pension cap.

Exotic Fruits

Traditionally perceived as a niche market segment, the exotic fruit category has seen sustained growth in recent times. *Total Exotics Europe* which commenced trading in Spring 2011 acts as the Total Produce Group's Centre of Excellence for the procurement and packaging of exotic fruits, distributing premium produce to operating companies across Europe. The activities of Total Exotics complement the regional promotion of the category by individual Group companies and partners. *Grupo Eurobanan* in Spain, for example, market a wide range of QR coded exotics under the Isla Bonita brand.

Scan here to view a Kiwano 'Fruit Byte'.

5%

of our product portfolio

Funds Flow

Net debt during the year increased from €47.9m to €75.6m. As highlighted earlier, post year-end, on 9 January 2012, the Group received €8.5m in cash as part of the consideration from the disposal of a 50% interest in Capespan Europe.

The Group generated operating cash flows of €31.2m in 2011 (2010: €39.4m) before working capital movements. The decrease on prior year was due to lower profits, higher interest costs and tax payments. There were €7.7m of working capital and other outflows in the year. By comparison in 2010, there were higher than normal inflows of €7.0m in working capital. Cash outflows on maintenance capital expenditure, net of disposals, were €7.5m (2010: €6.1m). Dividend payments to non-controlling interests were €4.9m (2010: €5.0m).

Primarily as a result of lower profits, working capital movements and higher capital expenditure, free cash flow generated by the Group decreased from €37.2m in 2010 to €12.9m in 2011. Free cash flow is the funds available after outflows relating to maintenance capital expenditure and dividends to non-controlling shareholders but before acquisition expenditure, development capital expenditure, share buy-backs and the payment of dividends to equity shareholders.

Cash outflows on acquisitions and deferred consideration payments amounted to €29.1m (2010: €7.4m). The Group made payments of €7.3m (2010: €4.6m) relating to development capital expenditure which primarily related to the construction of an enlarged distribution facility in Sweden. The Group received €4.2m in cash proceeds from the sale of its South African farm investment company. The Group distributed €5.9m (2010: €5.9m) in dividends to equity shareholders. There was an adverse net impact on net debt of €1.2m (2010: €4.0m) on translation of foreign currency denominated net debt to Euro.

	2011 €'million	2010 €'million
Adjusted EBITDA	**59.7**	62.4
Deduct adjusted EBITDA of joint ventures and associates	**(7.5)**	(6.5)
Net interest and tax paid	**(16.5)**	(13.2)
Other	**(4.5)**	(3.3)
Operating cash flows before working capital movements	**31.2**	39.4
Working capital and other movements	**(7.7)**	7.0
Operating cash flows	**23.5**	46.4
Maintenance capital expenditure net of disposal proceeds	**(7.5)**	(6.1)
Dividends received from joint ventures and associates	**1.8**	1.9
Dividends paid to non-controlling interests	**(4.9)**	(5.0)
Free cash flow	**12.9**	37.2
Acquisition (subsidiaries, JVs' & associates', non-controlling interests)	**(15.1)**	(2.9)
Other, mainly deferred consideration payments	**(14.0)**	(4.5)
Development capital expenditure	**(7.3)**	(4.6)
Disposal of a joint venture interest	**4.2**	–
Dividends paid to equity shareholders	**(5.9)**	(5.9)
Purchase of own shares	**–**	(8.7)
Total cash flow	**(25.2)**	10.6
Net debt at beginning of year	**(47.9)**	(50.6)
Increase in finance leases	**(1.3)**	(3.9)
Foreign currency translation	**(1.2)**	(4.0)
Net debt at end of year	**(75.6)**	(47.9)

Net Debt and Group Financing

As outlined above, net debt during the year increased from €47.9m to €75.6m. At 31 December 2011, the Group had available cash balances of €90.1m and interest bearing borrowings (including overdrafts) of €165.7m. Net debt to adjusted EBITDA is 1.3 times and interest is covered 9.5 times by adjusted EBITA both comfortably within existing bank covenants.

During the year, the Group has renewed a number of its term borrowing facilities extending the Group's net debt maturity profile which further increases the Group's capacity to finance future expansion.

F J Davis
Finance Director
5 March 2012

Step 9: Europe

The Consumer: The fruits of our labour – developed over a decade, devoured in a moment!

Corporate Social Responsibility
Quality, safe and traceable produce.

At Total Produce, the delivery of premium quality, safe, traceable produce to the consumer is our first priority.

We recognise 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.

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.

Case Study
Total Produce innovation yields environmental dividends in Rotterdam.

In a bid to reduce even further the environmental footprint associated with logistical operations, Total Produce in the Netherlands has integrated barge transportation into its intake process at Rotterdam Port. It is a seamless process. On arrival, containers of fruit are loaded directly from incoming vessels onto waiting barges. These containers are then ferried directly along the de Maas estuary to the Total Produce warehouse facility, located less than 10 metres from portside. Containers are then off-loaded and ready for immediate distribution and/or continued supply chain management.

The primary dividend is environmental. Over 85% of our incoming containers in Rotterdam are now being transported in this fashion, removing over 2,000 containers so far from the roads – each one of which would have previously required a 35-110km road trip, depending on the terminal. This delivers a significant dividend in terms of reduced carbon emissions. Handling is also reduced while the efficiency and directness of the supply chain is maintained.

Board of Directors and Company Secretary

1. Carl McCann (58)
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 and held with them a number of senior positions including that of Vice Chairman before he was appointed Chairman in 2003. He is also Chairman of Balmoral International Land plc and is a Director of a number of other companies.

2. Rory Byrne (51)
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.

3. Frank Gernon (58)
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.

4. Frank Davis (52)
Finance Director, LL.B, MA, FCCA, BL

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. An accountant by profession he is also a qualified barrister-at-law.

5. Rose Hynes (54)
Non-Executive, BCL, AITI

Rose Hynes was appointed to the Board on 28 November 2006. Since her appointment she has been a member of the Audit and Nomination Committees, Chairman of the Group 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 Director of a number of other companies. Rose previously held senior executive positions with GPA Group plc.

6. Jerome Kennedy (63)
Non-Executive, FCA

Jerome Kennedy was appointed to the Board on 28 November 2006 and since his appointment has been 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 Director of a number of other private companies. Jerome was managing partner of KPMG Ireland and a board member of KPMG Europe from 1995 to 2004.

7. Marie Reid (39)
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.

1


2


3


4


5


6


7


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

HSBC Ireland
1 Grand Canal Square
Grand Canal Harbour
Dublin 2

Rabobank Ireland plc
Charlemont Place
Dublin 2

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 2011.

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 16 to 18 and in the Finance Review on pages 20 to 27, including an analysis of the key performance indicators used to measure performance. These are defined as revenue, margin, volume, average price and adjusted EBITA. Page 34 of this report details the key business and financial risks faced by the Group.

Profit

Details of the profit for the year are set out in the income statement for the year ended 31 December 2011 on page 52.

Dividend

An interim dividend of 0.540 cent (2010: 0.540 cent) per share was paid on 20 October 2011. The Directors have proposed, subject to shareholder approval at the Annual General Meeting (AGM), the payment of a final dividend for 2011 of 1.350 cent (2010: 1.243 cent) per share. This total dividend of 1.890 cent per share is an increase of 6% on the total dividend of 1.783 cent per share for 2010.

Future Developments

A review of future developments of the business is included in the Chairman's Statement on page 12.

Directors and Company Secretary

There were no changes to Directors or Company Secretary during the year.

In accordance with the Articles of Association of the Company Jerome Kennedy and Rory Byrne 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 43 to 48.

Substantial Holdings

The issued share capital of Total Produce plc consists of 351,886,732 ordinary shares (including 22,000,000 treasury shares). Each share has a nominal value of 1 cent. All shares, other than treasury shares, have equal voting and dividend rights. The Directors have been notified of the following significant interests in the issued ordinary share capital of the Company at 5 March 2012:

	Number of ordinary shares	%
Balkan Investment Company and related parties (including Arnsberg Investment Company)	37,238,334	11.29%
Sparinvest Holdings	17,646,724	5.35%
Farringdon Capital Management (Switzerland) SA	16,155,696	4.90%
State Street Global Advisors Ireland Limited	11,954,816	3.62%
Bloxham Stockbrokers	10,858,000	3.29%
Pineapple Offshore Fund/Pineapple Partners LP	10,767,387	3.26%
FMR LLC	10,000,000	3.03%

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 issued share capital (excluding treasury shares) of the Company, nor is it aware of any person who directly or indirectly, jointly or severally, 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.

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

Directors' Report (Continued)

Treasury Shares

During November 2010, the Company purchased 22,000,000 Total Produce plc ordinary shares of 1 cent each in the market at a cost, including stamp duty and transaction fees, of €8,687,000. These shares are held as treasury shares. At 31 December 2011, the total number of treasury shares amounted to 22,000,000 ordinary 1 cent shares at a cost of €8,580,000 (2010: 22,000,000 1 cent shares at a cost of €8,580,000). These shares represent 6.25% (2010: 6.25%) of the ordinary shares in issue at 31 December 2011. In respect of these treasury shares all rights (including voting and dividend rights) are suspended until those shares are reissued and therefore they are not included in the earnings per share calculations.

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 any 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.
- Some 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 performance of Fyffes.

The management team has considerable 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 30 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 29 North Anne Street, Dublin 7, 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

On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in the European fruit distribution business Capespan International Holdings Limited ('Capespan Europe') to Capespan Group Limited ('Capespan South Africa'). This investment was classified as a non-current asset held for sale following the agreement to dispose of this investment in December 2011. Refer to Note 33 of the accompanying financial statements.

On 5 March 2012, the Group announced that it had received regulatory approval for the acquisition of a 50% shareholding in Frankort & Koning Beheer Venlo BV and subsidiaries. Refer to Note 33 of the accompanying 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 34 of the accompanying financial statements.

Special Business at the Annual General Meeting

Notice of the 2012 Annual General Meeting ('AGM') with details of the special business to be considered at the meeting is enclosed with this Annual Report on pages 123 to 125. In addition to the usual business to be transacted at the AGM (as set out in resolutions 1 to 4 in the notice of 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 2013 or 18 August 2013 (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 approximately 33.3% of the nominal value of the Company's issued share capital as at 16 April 2012).

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 €175,944 in nominal value of ordinary shares, representing 5% of the nominal value of the Company's issued ordinary share capital for the time being. If adopted, this authority will expire on the earlier of the close of business on 18 August 2013 or the date of the Annual General Meeting of the Company in 2013.

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 18 August 2013 or the date of the Annual General Meeting of the Company in 2013. The Directors are currently considering exercising this power, if an appropriate opportunity arises. Any such purchases would be made only at price levels which the Directors considered to be in the best interests of the shareholders generally, after taking into account the Company's overall financial position. 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 the greater of (i) 105% of the average market price of such shares for the previous 5 days and (ii) the higher of the price quoted for the last independent trade and the highest current independent bid or offer for 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 18 August 2013 or the date of the Annual General Meeting of the Company in 2013.

Directors' Report (Continued)

Special Business at the Annual General Meeting (Continued)

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	F J Davis
Chairman	**Finance Director**
5 March 2012	5 March 2012

Corporate Governance Report

Corporate Governance Statement

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

As an AIM/ESM listed company, Total Produce plc is not required to comply with the principles and provisions of the UK Corporate Governance Code ('the UK Code') as issued by the Financial Reporting Council in June 2010. However, the Board has undertaken to comply with the UK 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 41 to 49, describe how the principles and provisions of the UK 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 advisers, Directors or senior employees;
- holds cross-directorships or has significant links with other Directors through involvement in other companies or bodies; or
- represents a significant shareholder.

During 2011, the Non-Executive Directors were also members of the board of the Bank of Ireland. The Board of Total Produce does not believe that their independence is impacted. At the end of 2011, R B Hynes resigned from the board of the Bank of Ireland.

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.

Corporate Governance Report (Continued)

Independence of Non-Executive Directors (Continued)

The Board considers that two independent Non-Executive Directors are sufficient to maintain the balance between Executive Directors and Non-Executive Directors on the Board.

The terms and conditions relating to the appointment of the Non-Executive Directors are available for inspection at 29 North Anne Street, Dublin 7, 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 overleaf) because of their relevant experience, and appropriate training is available to them whenever necessary. Arrangements exist for new Directors to receive a full, formal and tailored induction into the Group's activities and into the operation and procedures of the Board on their appointment.

Operation of the Board

The Board met regularly throughout the financial year with six scheduled Board meetings, in addition to which meetings are called as and when warranted by issues arising. Attendance at scheduled Board and committee meetings during the year 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	6	3*	–	–
R B Hynes	6	4	4	2
J J Kennedy	6	4	4	2

* In attendance only.

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

The Chairman held meetings with the Non-Executive Directors without the Executives present. There is interaction, as necessary, between senior executive management and Board members.

The Board has identified and formally adopted a schedule of key matters that are reserved for its decision, including the annual budgets, 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 out below.

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

The Memorandum and Articles of Association of the Company require that one third of the Board must, by rotation, seek re-election at the 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. The Board considers that the objectivity brought to bear by the Non-Executive Directors combined with the experience of the Executive Directors is key to ensuring that the evaluation is robust.

In assessing the performance of the Board in 2011, 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 pages 41 and 42.

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 43 to 48.

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 (UK Code provision). However, considering the size of the Board, a 50:50 split is considered appropriate 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 and 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.

The Committee regularly assesses the Board composition, the Board members and the various Board roles and concluded that no additional appointments are required at this time. The Committee has further examined the Group succession plans and concluded that they are appropriate.

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.

The internal audit and risk management functions complement 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.

Corporate Governance Report (Continued)

Internal Controls and the Management of Risk (Continued)

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 that 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 Executive Directors and Non-Executive Directors are kept informed on investor issues and the outcome of meetings with shareholders and stockbrokers 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 at any EGM. The Company will arrange for the Notice of the 2012 AGM and related papers to be sent to shareholders at least 20 clear working days in advance of 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 49. The system of internal controls and risk management established to safeguard the Company's assets is set out above. The Audit Committee, whose composition and functions are described on pages 41 and 42, 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 actively promotes best business practices and standards that seek to enhance the health, education and conditions of workers and their families and to universally encourage the use of sustainable farming methods by its suppliers.

Going Concern

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

Audit Committee Report

Membership and Responsibilities

The members of the Audit Committee (the 'Committee'), both of whom are independent Non-Executive Directors, are J J Kennedy (Chairman) and R B Hynes.

The Board believes that both J J Kennedy and R B Hynes satisfy the recommendation in the UK 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 of 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 below:

1. to approve the terms of engagement and remuneration of the external auditor and to recommend to the Board, when appropriate, any change in the external auditor;
2. to agree, in advance, with the external auditor the nature and scope of their audit as set out in their audit plan;
3. to annually assess and monitor the independence, objectivity and effectiveness of the external auditor. As part of this process, the Committee reviews the implementation of its policy in relation to the provision of non-audit services by the external auditor, taking into account relevant ethical guidance;
4. to agree with the Board (and to subsequently monitor) a policy on the employment by the Group of former employees of the external auditor;
5. to review the Group's 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.

Audit Committee Report (Continued)

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 72.

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. Both members bring significant expertise to their roles on this Committee due to their broad commercial and professional experience over many years as members of other publicly listed companies. 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, which are available on request from the Company Secretary, of the Committee 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;
- 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 to 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 UK Code and the Listing Rules of the AIM/ESM 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 Executive 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. The Committee can recommend changes to the remuneration structure for senior management.

Remuneration Policy

Total Produce is an international group of companies with activities in 20 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 pensionable salary and benefits, annual bonuses, short term incentive plan and pensions. It is the policy of the Company that at least 70% of the awards to Executive Directors under the short term incentive plan are receivable 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 2012.

Annual Bonus Awards

The Group provides annual bonus awards, excluding the short term incentive plan to Executive Directors. The level of these bonus awards in any one year will depend on an assessment of individual performance and the overall performance of the Group. The bonus awards, save for in exceptional circumstances, are limited to 150% of the Directors' basic salary. The bonus awards are subject to the approval of the Committee.

Compensation Committee Report (Continued)

Short Term Incentive Plan

The Committee approved a short term incentive plan (the 'Total Produce plc short term incentive plan') for Executive Directors effective for the year ending 31 December 2011 based on achievement of separately agreed performance measures for the Group for the year ending 31 December 2011. A similar plan is in place for the year ending 31 December 2012.

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 year ended 31 December 2010	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 16 other companies	10% of basic salary for achievement of median TSR	34% of basic salary for achievement of 75th percentile TSR

Under this plan, a minimum of 70% and up to a maximum of 100% of the award in each year is payable in Total Produce shares. The Committee awarded €549,099 in payments for the year ended 31 December 2011 (2010: €317,250), payable in shares which are to be purchased and held by an employee benefit trust for the benefit of the individual participants and cannot normally be disposed of for a period of at least five years from date of purchase. In March 2011, 697,252 ordinary shares of 1 cent each were purchased by the Total Produce plc Employee Benefit Trust at market value on behalf of the Executive Directors in respect of the 2010 award of €317,250.

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

The Non-Executive Directors are not eligible to participate in this scheme.

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 have approved an arrangement under which the Executive Directors have agreed to cap their pension entitlements in line with the provisions of the Finance Acts 2006 and 2011 and receive a supplementary, taxable, non-pensionable cash allowance or a contribution to a defined contribution scheme in lieu of the prospective pension entitlements foregone for 2011.

In 2006, the Chairman, C P McCann, agreed to cap his pension in line with the provisions of the Finance Act, 2006 and receive a supplementary, taxable, non-pensionable cash allowance in lieu of the prospective pension entitlements foregone. The actual cash allowance paid in 2010 is detailed in Note 3 on page 46. No amount was paid in 2011.

New arrangements were entered into in the year with other Executive Directors whereby they have agreed to cap their pension entitlements on a similar basis. The actual cash allowances or contributions to a defined contribution scheme in lieu of the prospective pension entitlements foregone for 2011 are detailed in Note 4 on page 46.

In the case of all Directors whose pension entitlements have been capped, pension benefits in respect of dependants continue to accrue and the supplementary cash allowances have been reduced to allow for increases in dependants' benefits that accrued during the year.

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 2011, options had been granted but not yet exercised or vested over 7,260,000 (2010: 7,310,000) ordinary shares at prices ranging from €0.60 to €0.815 or 2.06% (2010: 2.08%) of the issued ordinary share capital. These included 1,840,000 options granted to 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 48. No new options were granted in 2011.

Employee Profit Sharing Scheme

The Company has an employee profit sharing scheme under which the trustees of this scheme purchase shares in the market on behalf of employees of the Group including the Executive Directors and Company Secretary. In December 2011, 125,559 and 31,828 ordinary 1 cent shares were purchased by the trust at market value on behalf of the Executive Directors and Company Secretary respectively under this scheme in respect of 2011.

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 47.

Service Contracts

No service contracts exist between the Company and 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

The Directors' remuneration for the year was as follows:

	Executive Directors		Non-Executive Directors		Total	
	2011 €'000	2010 €'000	**2011 €'000**	2010 €'000	**2011 €'000**	2010 €'000
Basic salaries	**1,501**	1,501	**–**	–	**1,501**	1,501
Fees	**–**	–	**144**	144	**144**	144
Annual bonus awards	**686**	766	**–**	–	**686**	766
Other benefits	**51**	51	**–**	–	**51**	51
Pension contributions/related payments	**436**	352	**–**	–	**436**	352
	2,674	2,670	**144**	144	**2,818**	2,814
Number of Directors (average)	**4**	4	**2**	2	**6**	6

In addition, under the short term incentive plan a €549,099 (2010: €317,250) award was made to Executive Directors. This award is to be applied in the purchase of shares in Total Produce plc which will be held by a Trustee for the benefit of the individual Directors and cannot normally be disposed of for a period of at least five years from date of purchase. See page 44 for further details.

In accordance with IFRS 2 Share-based Payment, a further expense of €30,000 (2010: €6,000) has been recognised in the income statement in respect of share options granted to Executive Directors.

Compensation Committee Report (Continued)

Directors' Remuneration (Continued)

	Salary or fees €'000	Annual bonus awards €'000	Other benefits[1] €'000	Pension contributions or related payment €'000	Total 2011 €'000	Total 2010 €'000
Executives						
C P McCann[2, 3]	433	173	17	–	623	724
R P Byrne[4, 5]	431	215	–	251	897	823
J F Gernon[4]	351	130	15	95	591	588
F J Davis[4]	286	168	19	90	563	535
	1,501	686	51	436	2,674	2,670
Non-Executives						
R B Hynes	72	–	–	–	72	72
J J Kennedy	72	–	–	–	72	72
	144	–	–	–	144	144
	1,645	686	51	436	2,818	2,814

1. Other benefits above for Executive Directors relate entirely to motor expenses.
2. C P McCann is also the Chairman of Balmoral International Land plc ('Balmoral'). In accordance with the terms of the Business Transfer Agreement between Total Produce plc and Balmoral, Total Produce plc recharged an agreed portion of his employment costs (excluding bonus) to Balmoral 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 recharges to Balmoral.
3. No benefits accrued under the Group's defined benefit pension scheme during 2010 or 2011 and no pension contributions were made on behalf of C P McCann to the scheme as his benefits under this scheme are now limited for reasons explained on page 44. As a result, the Compensation Committee approved a cash payment of €101,000 in 2010, net of the portion attributable to Balmoral, to compensate him for the value of his pension entitlements foregone, net of employer's social insurance contributions. No payments were made in 2011.
4. No benefits accrued under the Group defined benefit pension scheme during 2011 and no pension contributions were made on behalf of R P Byrne, J F Gernon or F J Davis as their benefits under this scheme are now limited for reasons explained on page 44. As a result, the Compensation Committee approved cash payments or contributions to a defined contribution pension scheme of €150,850, €95,079 and €90,383 respectively to compensate each of the Directors for the value of their pension entitlements foregone, net of employer's social insurance contributions.
5. The Group made a payment of €100,000 (2010: €Nil) into a defined contribution pension scheme in respect of R P Byrne which was related to his performance in the year.

Short Term Incentive Plan

As explained on page 44, the Committee awarded €549,099 in payments to Executive Directors for the year ended 31 December 2011, payable in shares which are to be purchased and held by the trustees of the Total Produce plc short term incentive plan for the benefit of the individual participants and cannot normally be disposed of for a period of at least five years from the date of purchase. The awards to individual Executive Directors were as follows: C P McCann (€176,118), R P Byrne (€175,305), J F Gernon (€81,348) and F J Davis (€116,328).

The Committee awarded €317,250 in payments to Executive Directors for the year ended 31 December 2010, which were paid in shares on 4 March 2011. On this date the trustees of the Total Produce plc short term incentive plan purchased a total number of 697,252 ordinary shares of Total Produce plc. The ordinary shares are held by the Trust on behalf of the Directors, and cannot normally be disposed of for a period of at least five years from the date of purchase. The details of shares allotted to individual Directors are as follows: C P McCann (223,637 shares), R P Byrne (222,604 shares), J F Gernon (103,297 shares) and F J Davis (147,714 shares).

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 2011[(a)] €'000	**Transfer value of increase during 2011[(b)] €'000**	**Total accrued pension at 31 Dec 2011[(c)] €'000**	Increase in accrued pension during 2010[(a)] €'000	Transfer value of increase during 2010[(b)] €'000	Total accrued pension at 31 Dec 2010[(c)] €'000
Executive Directors						
C P McCann	–	–	**227**	–	–	227
R P Byrne	–	–	**143**	17	210	143
J F Gernon	–	–	**221**	10	199	221
F J Davis	–	–	**116**	15	194	116
	–	–	**707**	42	603	707

(a) The increase in accrued pension during the year excludes inflation. No net increase accrued in the year to any Director as the inflationary increase each Director would have received reduced the value of the pension benefits by more than the increase in value of dependants' pension benefits accrued.
(b) The transfer value of the increase in accrued pension has been calculated based on actuarial advice. These transfer values do not represent sums paid or due, but are the amounts that the pension scheme would transfer to another pension scheme in relation to the benefits accrued in the year, in the event of a member of the scheme leaving service.
(c) This represents the pension which would be paid annually, on normal retirement date, based on service to the end of this accounting period.

Directors' and Company Secretary's Share Interests

The interests of the Directors and the Company Secretary in the issued share capital of Total Produce plc at 31 December 2011 together with their interests at 31 December 2010 are shown below:

	Number of ordinary shares at 31 Dec 2011	Number of ordinary shares at 31 Dec 2010
Directors		
C P McCann	**2,038,821**	1,783,356
R P Byrne	**701,376**	448,697
J F Gernon	**711,444**	576,319
F J Davis	**499,435**	319,893
R B Hynes	**50,000**	50,000
J J Kennedy	**50,000**	50,000
Company Secretary		
M T Reid	**130,252**	98,424

All of the above interests were beneficially owned.

Compensation Committee Report (Continued)

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 31/12/10	Granted	Exercised	Options held at 31/12/11	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	100,000	–	–	**100,000**	0.815	09/05/2010	08/05/2017
	75,000	–	–	**75,000**	0.60	05/03/2011	04/03/2018

The market price of the Company's shares at 31 December 2011 was €0.38 and the range during 2011 was €0.35 to €0.455. 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 5 March 2012. Options granted are only exercisable when the earnings per share figure, in respect of the third or any subsequent accounting period after the end of the base year (i.e. accounting period preceding the date of the grant), is greater than the earnings per share figure for the base year by a percentage which is not less than (on a year-on-year basis) the annual percentage increase in the consumer price index plus 5% compounded during that period.

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law and in accordance with AIM/ESM Rules, the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (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/ESM 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	F J Davis
Chairman	**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 2011 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 49.

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/ESM 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 37 and 40 reflects the Company's compliance with the nine provisions of the 2010 FRC UK Corporate Governance 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 Reviews. 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 2011 and of its profit for the financial year then ended;
- the parent 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 2011; 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 117 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 2011 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.

Tom McEvoy
For and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephens Green
Dublin 2
Ireland

5 March 2012

Group Income Statement
for the year ended 31 December 2011

	Notes	Before exceptional items 2011 €'000	Exceptional items (Note 5) 2011 €'000	Total 2011 €'000	Before exceptional items 2010 €'000	Exceptional items (Note 5) 2010 €'000	Total 2010 €'000
Revenue, including Group share of joint ventures and associates	1	**2,526,577**	**–**	**2,526,577**	2,600,460	–	2,600,460
Group revenue		**2,284,478**	**–**	**2,284,478**	2,343,124	–	2,343,124
Cost of sales		**(1,964,162)**	**–**	**(1,964,162)**	(2,019,550)	–	(2,019,550)
Gross profit		**320,316**	**–**	**320,316**	323,574	–	323,574
Operating expenses (net)	2	**(287,346)**	**2,712**	**(284,634)**	(285,930)	(2,119)	(288,049)
Share of profit/(loss) of joint ventures	12	**2,402**	**–**	**2,402**	1,743	(231)	1,512
Share of profit of associates	12	**1,040**	**–**	**1,040**	–	–	–
Operating profit		**36,412**	**2,712**	**39,124**	39,387	(2,350)	37,037
Financial income	3	**2,097**	**–**	**2,097**	1,823	–	1,823
Financial expense	3	**(6,845)**	**–**	**(6,845)**	(5,264)	–	(5,264)
Profit before tax		**31,664**	**2,712**	**34,376**	35,946	(2,350)	33,596
Income tax expense	6	**(7,298)**	**663**	**(6,635)**	(8,991)	620	(8,371)
Profit for the year		**24,366**	**3,375**	**27,741**	26,955	(1,730)	25,225
Attributable to:							
Equity holders of the parent				**23,466**			18,337
Non-controlling interests				**4,275**			6,888
				27,741			25,225
Earnings per ordinary share:							
Basic	8			**7.11 cent**			5.25 cent
Fully diluted	8			**7.11 cent**			5.25 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 2011

	Notes	2011 €'000	2010 €'000
Profit for the year		**27,741**	25,225
Other comprehensive income:			
Foreign currency translation effects:			
– foreign currency net investments – subsidiaries		**2,196**	13,382
– foreign currency net investments – joint ventures and associates	12	**14**	1,263
– foreign currency gains reclassified to the income statement on disposal of joint venture investment		**(528)**	–
– foreign currency borrowings designated as net investment hedges		**(1,380)**	(7,168)
Revaluation gains on property, plant and equipment, net	9	**1,350**	436
Gains/(losses) on re-measuring available-for-sale financial assets	13	**2,028**	(592)
Reclassification of revaluation gains to the income statement upon available-for-sale financial asset becoming an associate	13	**(4,055)**	–
Actuarial losses on defined benefit pension schemes	27	**(10,883)**	(6,857)
Effective portion of cash flow hedges, net	3	**25**	(16)
Deferred tax on items taken directly to other comprehensive income	6	**1,654**	1,133
Share of joint ventures' and associates' other comprehensive income:			
– actuarial gains/(losses) on defined benefit pension scheme	12	**80**	(1,009)
– loss on re-measuring available-for-sale financial assets	12	**–**	(8)
– effective portion of cash flow hedges, net	12	**9**	30
– deferred tax on items taken directly to other comprehensive income	12	**23**	266
Other comprehensive income for the year, net of tax		**(9,467)**	860
Total comprehensive income for the year, net of tax		**18,274**	26,085
Attributable to:			
Equity holders of the parent		**13,926**	18,804
Non-controlling interests		**4,348**	7,281
		18,274	26,085

Group Balance Sheet
as at 31 December 2011

	Notes	2011 €'000	2010 €'000
Assets			
Non-current			
Property, plant and equipment	9	**135,644**	131,965
Investment property	10	**10,881**	13,331
Goodwill and intangible assets	11	**152,493**	140,641
Investments in joint ventures and associates	12	**40,212**	34,054
Other financial assets	13	**647**	9,704
Other receivables	15	**4,290**	3,590
Deferred tax assets	25	**6,903**	5,877
Employee benefits	27	**–**	1,231
Total non-current assets		**351,070**	340,393
Current			
Inventories	14	**39,098**	41,601
Trade and other receivables	15	**268,126**	264,163
Corporation tax receivables		**2,075**	697
Derivative financial instruments	30	**57**	61
Cash and cash equivalents	16	**90,087**	104,486
Total current assets (excluding non-current assets classified as held for sale)		**399,443**	411,008
Non-current assets classified as held for sale	17	**11,064**	–
Total current assets		**410,507**	411,008
Total assets		**761,577**	751,401
Equity			
Share capital	18	**3,519**	3,519
Share premium	18	**252,574**	252,574
Other reserves	18	**(116,460)**	(116,114)
Retained earnings		**37,066**	28,621
Total equity attributable to equity holders of the parent		**176,699**	168,600
Non-controlling interests	19	**60,041**	57,999
Total equity		**236,740**	226,599
Liabilities			
Non-current			
Interest-bearing loans and borrowings	20	**140,586**	129,326
Deferred government grants	22	**1,569**	1,460
Other payables	21	**2,582**	3,386
Provisions	23	**10,809**	4,469
Corporation tax payable		**7,754**	8,110
Deferred tax liabilities	25	**17,100**	17,577
Employee benefits	27	**18,058**	12,264
Total non-current liabilities		**198,458**	176,592
Current			
Interest-bearing loans and borrowings	20	**25,054**	23,095
Trade and other payables	21	**295,728**	306,341
Provisions	23	**1,634**	15,059
Derivative financial instruments	30	**309**	300
Corporation tax payable		**3,654**	3,415
Total current liabilities		**326,379**	348,210
Total liabilities		**524,837**	524,802
Total liabilities and equity		**761,577**	751,401

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 2011

	Attributable to equity holders of the parent										
	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Revaluation reserve €'000	De-merger reserve €'000	Own shares reserve €'000	Other equity reserves €'000	Retained earnings €'000	**Total €'000**	Non-controlling interests €'000	**Total equity €'000**
As at 1 January 2011	**3,519**	**252,574**	**(6,005)**	**17,938**	**(122,521)**	**(8,580)**	**3,054**	**28,621**	**168,600**	**57,999**	**226,599**
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	23,466	23,466	4,275	27,741
Other comprehensive income:											
Foreign currency translation effects, net	–	–	197	–	–	–	–	–	197	105	302
Revaluation gains on property, plant and equipment, net	–	–	–	1,398	–	–	–	–	1,398	(48)	1,350
Gains on measuring available -for-sale financial assets	–	–	–	–	–	–	2,028	–	2,028	–	2,028
Reclassification of revaluation gains to the income statement upon available-for-sale financial asset becoming an associate	–	–	–	–	–	–	(4,055)	–	(4,055)	–	(4,055)
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	–	–	(10,745)	(10,745)	(138)	(10,883)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	14	–	14	11	25
Deferred tax on items taken directly to other comprehensive income	–	–	–	(40)	–	–	(6)	1,557	1,511	143	1,654
Share of joint ventures' and associates' other comprehensive income:											
– actuarial gain on defined benefit pension scheme	–	–	–	–	–	–	–	80	80	–	80
– effective portion of cash flow hedges, net	–	–	–	–	–	–	–	9	9	–	9
– deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	23	23	–	23
Total other comprehensive income	–	–	197	1,358	–	–	(2,019)	(9,076)	(9,540)	73	(9,467)
Total comprehensive income	–	–	197	1,358	–	–	(2,019)	14,390	13,926	4,348	18,274
Transactions with equity holders of the parent											
Non-controlling interests arising on acquisition (Note 26)	–	–	–	–	–	–	–	–	–	2,715	2,715
Buyout of non-controlling interests arising on acquisition (Note 26)	–	–	–	–	–	–	–	(63)	(63)	(141)	(204)
Dividends (Note 7)	–	–	–	–	–	–	–	(5,882)	(5,882)	(4,880)	(10,762)
Share-based payment transactions (Note 27)	–	–	–	–	–	–	118	–	118	–	118
Total transactions with equity holders of the parent	–	–	–	–	–	–	118	(5,945)	(5,827)	(2,306)	(8,133)
As at 31 December 2011	**3,519**	**252,574**	**(5,808)**	**19,296**	**(122,521)**	**(8,580)**	**1,153**	**37,066**	**176,699**	**60,041**	**236,740**

Group Statement of Changes in Equity
for the year ended 31 December 2011

	Attributable to equity holders of the parent										
	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Revaluation reserve €'000	De-merger reserve €'000	Own shares reserve €'000	Other equity reserves €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total equity €'000
As at 1 January 2010	3,519	252,574	(13,171)	17,797	(122,521)	–	3,637	23,353	165,188	55,771	220,959
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	18,337	18,337	6,888	25,225
Other comprehensive income:											
Foreign currency translation effects, net	–	–	7,166	–	–	–	–	–	7,166	311	7,477
Revaluation gains on property, plant and equipment, net	–	–	–	283	–	–	–	–	283	153	436
Losses on measuring available -for-sale financial assets	–	–	–	–	–	–	(592)	–	(592)	–	(592)
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	–	–	(6,770)	(6,770)	(87)	(6,857)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	(19)	–	(19)	3	(16)
Deferred tax on items taken directly to other comprehensive income	–	–	–	(142)	–	–	6	1,256	1,120	13	1,133
Share of joint ventures' and associates' other comprehensive income:											
– actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	–	(1,009)	(1,009)	–	(1,009)
– loss on re-measuring available -for-sale financial assets	–	–	–	–	–	–	–	(8)	(8)	–	(8)
– effective portion of cash flow hedges, net	–	–	–	–	–	–	–	30	30	–	30
– deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	266	266	–	266
Total other comprehensive income	–	–	7,166	141	–	–	(605)	(6,235)	467	393	860
Total comprehensive income	–	–	7,166	141	–	–	(605)	12,102	18,804	7,281	26,085
Transactions with equity holders of the parent											
Non-controlling interests arising on acquisition (Note 26)	–	–	–	–	–	–	–	–	–	260	260
Buyout of non-controlling interests arising on acquisition (Note 26)	–	–	–	–	–	–	–	(780)	(780)	(326)	(1,106)
Contribution by non-controlling interests (Note 19)	–	–	–	–	–	–	–	–	–	51	51
Dividends (Note 7)	–	–	–	–	–	–	–	(5,947)	(5,947)	(5,038)	(10,985)
Own shares acquired (Note 18)	–	–	–	–	–	(8,580)	–	(107)	(8,687)	–	(8,687)
Share-based payment transactions (Note 27)	–	–	–	–	–	–	22	–	22	–	22
Total transactions with equity holders of the parent	–	–	–	–	–	(8,580)	22	(6,834)	(15,392)	(5,053)	(20,445)
As at 31 December 2010	3,519	252,574	(6,005)	17,938	(122,521)	(8,580)	3,054	28,621	168,600	57,999	226,599

Group Statement of Cash Flows

for the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Net cash flows from operating activities before working capital movements	31	**31,228**	39,367
Movements in working capital		**(7,747)**	6,976
Net cash flows from operating activities		**23,481**	46,343
Investing activities			
Acquisition of subsidiaries, net of cash acquired	26	**(7,973)**	(1,409)
Acquisition of, and investment in, joint ventures and associates	12	**(5,898)**	(433)
Loans advanced to joint ventures and associates	12	**(294)**	(618)
Loans repaid from joint ventures and associates	12	**–**	62
Dividends received from joint ventures and associates	12	**1,760**	1,948
Payments of deferred consideration	23	**(14,086)**	(4,807)
Acquisition of property, plant and equipment		**(15,531)**	(12,788)
Proceeds from disposal of property, plant and equipment		**725**	2,116
Proceeds from disposal of joint ventures and associates	12	**4,172**	–
Proceeds from disposal of other financial assets		**–**	823
Acquisition of other financial assets	13	**(30)**	–
Research and development expenditure capitalised	11	**(156)**	(782)
Government grants received	22	**296**	118
Net cash flows from investing activities		**(37,015)**	(15,770)
Financing activities			
Proceeds from borrowings		**27,553**	36,928
Repayment of borrowings		**(14,769)**	(37,288)
Capital element of lease repayments		**(274)**	(300)
Acquisition of non-controlling interests	26	**(841)**	(470)
Capital contribution by non-controlling interests	19	**–**	51
Dividends paid to non-controlling interests	19	**(4,880)**	(5,038)
Dividends paid to equity holders of the parent	7	**(5,882)**	(5,947)
Purchase of own shares	18	**–**	(8,687)
Net cash flows from financing activities		**907**	(20,751)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(12,627)**	9,822
Net foreign exchange difference		**524**	3,470
Cash, cash equivalents and bank overdrafts at 1 January		**97,916**	84,624
Cash, cash equivalents and bank overdrafts at 31 December	16	**85,813**	97,916

Group Reconciliation of Net Debt

for the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(12,627)**	9,822
Proceeds from borrowings		**(27,553)**	(36,928)
Repayment of borrowings		**14,769**	37,288
Capital element of lease repayments		**274**	300
Other movements on finance leases		**(1,327)**	(3,774)
Finance lease arising on acquisition	26	**–**	(105)
Foreign exchange movement		**(1,154)**	(3,978)
Movement in net debt		**(27,618)**	2,625
Net debt at 1 January		**(47,935)**	(50,560)
Net debt at 31 December	16	**(75,553)**	(47,935)

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 2011 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 5 March 2012.

The accounting policies for the year ended 31 December 2011 are set out below.

Statement of Compliance

As permitted by European Union (EU) law and in accordance with AIM/ESM 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 2011.

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;
- biological assets are measured at fair value less costs to sell; and
- land and buildings and investment property are measured at fair value.

The methods used to measure fair values are discussed further within the relevant notes.

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 32.

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 2011:

- Amendment to IFRS 7 – Financial Instruments: Disclosures;
- Amendment to IAS 24 – Related Party Disclosures;
- Amendment to IFRIC 14, IAS 19 – Limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction;
- IFRIC 19 Extinguishing Financial Liabilities and Equity Instruments; and
- Amendments resulting from 2010 Annual Improvements to IFRSs.

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. All significant subsidiaries have coterminous financial year ends. Where required, 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 equity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they are not evidence of impairment.

Company Financial Statements

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

Property, Plant and Equipment

Property is 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 between knowledgeable, willing parties in an arm's length transaction. Such valuations are determined taking into consideration values of comparable transactions for similar properties in the same locations as those of the Group where they are available, 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.

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 expenditure, including repairs and maintenance costs, is recognised in the income statement as an expense as incurred.

Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

Where appropriate, registered independent appraisers having appropriate recognised professional qualifications and recent experience in the locations and categories prepare the valuations every three to five years, with valuations updated annually in the interim by Directors, having due regard to advice of professionally qualified consultants, where necessary. Where there is an absence of or reduced level of transactions of a similar nature, the valuation of such properties are determined by Directors with reference to local knowledge, valuation techniques and judgment in consultation with property advisors.

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; and
- 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.

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 arm's length transaction between a willing buyer and a willing seller. Such valuations are determined by benchmarking against comparable transactions for similar properties in the same locations as those of the Group or by 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 are recognised in equity if it is a gain. Upon disposal of the property, the gain is transferred to retained earnings. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, is recognised immediately in the income statement.

Biological Assets

Certain of the Group's joint ventures and associates, 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.

Foreign Currency Including Net Investment Hedges

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 it is determined to be effective. The ineffective portion is recognised immediately in the income statement.

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

Business Combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. In assessing control, the Group takes into account potential voting rights that are currently exercisable.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the fair value of the identifiable assets and acquired liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts relating to the settlement of pre-existing relationships, which are generally recognised in profit or loss. Costs associated with the acquisition, except those relating to the issue of debt or equity securities, are expensed as incurred.

Contingent consideration is measured at fair value at the date of acquisition. Where the contingent consideration is classified as equity it is not subsequently remeasured and the settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of contingent consideration are recognised in profit or loss.

When share-based payment awards are required to be exchanged for awards held by the acquiree's employees and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

Acquisitions before 1 January 2010

For acquisitions prior to 1 January 2010, goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with the business combinations were capitalised as part of the cost of acquisition.

Acquisitions of Non-Controlling Interests

Under IAS 27 *Consolidated and Separate Financial Statements* (2008), acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of these transactions. The adjustment to non-controlling interests is based on a proportionate amount of the net assets of the subsidiary.

For transactions completed prior to 1 January 2010, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

Available-for-sale Financial Asset Becoming an Associate

In accordance with IFRS 3 Revised *Business Combinations* the cost of an associate acquired in stages is measured using the 'fair value as deemed cost' method. The cost of the associate acquired in stages is measured as the sum of the fair value of previously held interests plus the fair value of any additional consideration transferred at the date the investment became an associate. Any resulting gain or loss on fair valuing the original investment is taken to the income statement and any comprehensive income recognised in prior periods in relation to the previously held shareholding is reclassified to the income statement.

Significant Accounting Policies (Continued)

Goodwill

Goodwill represents amounts arising on acquisition of subsidiaries, joint ventures and associates. In respect of business acquisitions initiated since 1 January 2004, goodwill is measured as set out in the business combinations note above. 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 values 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. Research and development expenditure is amortised to the income statement on a straight line basis over its expected useful lives of between five and seven years.

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: 3-8 years; and
- Brands: 10-15 years.

Impairment of Non-Financial Assets

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

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

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

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

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.

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.

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.

Significant Accounting Policies (Continued)

Employee Benefits (Continued)

Employee Share-Based Payment Transactions (Continued)

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 finance 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.

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.

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.

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 sold, reissued or cancelled.

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 available-for-sale financial assets 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. To the extent such investments represent strategic investments, the Group classifies income and expense arising as other operating income and expense.

Derivative Financial Instruments

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

Interest-bearing Borrowings

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

Revenue

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

Finance Income and Finance Expense

Finance income comprises interest income on funds invested and dividends received from available-for-sale financial assets. Interest income is recognised as it accrues using the effective interest method. Dividends are recognised when received.

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 ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive.

Significant Accounting Policies (Continued)

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 or losses 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 2012 or later periods, but have not been early adopted:

Standard/Interpretation	Effective date – for accounting periods beginning on or after
• IFRS 9 – Financial Instruments	1 January 2013
• IFRS 10 – Consolidated Financial Statements	1 January 2013
• IFRS 11 – Joint Arrangements	1 January 2013
• IFRS 12 – Disclosure of Interests in Other Entities	1 January 2013
• IFRS 13 – Fair Value Measurement	1 January 2013
• IAS 27 (2011) – Consolidated Financial Statements	1 January 2013
• IAS 28 (2011) – Investments in Joint Ventures and Associates	1 January 2013
• Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets	1 January 2012
• Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income	1 July 2012
• IAS 19 – Employee Benefits	1 January 2013

The Directors anticipate that the adoption of the above standards and interpretations issued by the IASB or the IFRIC will not have a material impact on the Group's earnings per share.

Notes to the Group Financial Statements
for the year ended 31 December 2011

1. Segmental Analysis

IFRS 8 Operating Segments ('IFRS 8') 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 is a full service distribution and marketing partner to the grocery, pharmacy, optical, healthfood (including vitamins and mineral supplements) and other sectors.

A further three 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, acquisition related costs, fair value movement on investment properties and the Group's share of joint ventures' and associates' 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.

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

	2011			2010		
	€'000 Segmental revenue	€'000 Third party revenue	€'000 Adjusted EBITA	€'000 Segmental revenue	€'000 Third party revenue	€'000 Adjusted EBITA
Eurozone Fresh Produce	**1,205,234**	**1,189,058**	**19,826**	1,282,367	1,263,580	27,947
Scandinavian Fresh Produce	**595,340**	**584,318**	**16,441**	602,360	593,716	16,384
UK Fresh Produce	**485,414**	**483,411**	**5,871**	508,261	505,782	3,960
Other Fresh Produce	**170,989**	**170,461**	**4,489**	158,979	155,473	3,256
Inter-segment revenue	**(29,729)**	**–**	**–**	(33,416)	–	–
Total Fresh Produce	**2,427,248**	**2,427,248**	**46,627**	2,518,551	2,518,551	51,547
Consumer Goods and Healthfoods Distribution	**99,329**	**99,329**	**1,213**	81,909	81,909	(598)*
Unallocated costs	**–**	**–**	**(2,881)**	–	–	(3,118)
Third party revenue and adjusted EBITA	**2,526,577**	**2,526,577**	**44,959**	2,600,460	2,600,460	47,831

* Includes rationalisation costs of €0.5m.

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

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

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	2011 €'000	2010 €'000
Adjusted EBITA per management reporting		**44,959**	47,831
Amortisation of intangible assets	(i)	**(5,501)**	(5,252)
Share of joint ventures' and associates' amortisation	(ii)	**(535)**	(489)
Share of joint ventures' and associates' net financial expense	(ii)	**(507)**	(1,181)
Share of joint ventures' and associates' income tax	(ii)	**(1,389)**	(1,522)
Acquisition related costs	(iii)	**(615)**	–
Operating profit before exceptional items		**36,412**	39,387
Exceptional items	(iv)	**2,712**	(2,350)
Operating profit per the Group income statement		**39,124**	37,037
Net financial expense	(v)	**(4,748)**	(3,441)
Profit before tax		**34,376**	33,596

(i) Intangible asset amortisation is not allocated to operating segments in the management reporting.
(ii) Under IFRS, included within profit before tax is the share of joint ventures' and associates' profit after intangible asset amortisation charges, tax and interest. In the Group's management reporting these items are excluded from the adjusted EBITA calculations.
(iii) Acquisition related costs are transaction costs directly related to acquisitions of subsidiaries completed in 2011. These costs include legal fees and other professional service fees. From 1 January 2010, upon adoption of IFRS 3 *Business Combinations* (2008) these costs no longer form part of the acquisition cost and are expensed though the income statement.
(iv) Exceptional items (Note 5) are not allocated to operating segments in the management reporting.
(v) Financial income and expense 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 2011 €'000	Joint ventures and associates 2011 €'000	Total assets 2011 €'000	Total liabilities 2011 €'000
Eurozone Fresh Produce	**239,409**	**14,069**	**253,478**	**121,256**
Scandinavian Fresh Produce	**160,762**	**4,418**	**165,180**	**78,955**
UK Fresh Produce	**99,896**	**5,031**	**104,927**	**51,316**
Other Fresh Produce	**54,127**	**16,694**	**70,821**	**24,357**
Total Fresh Produce	**554,194**	**40,212**	**594,406**	**275,884**
Consumer Goods and Healthfoods Distribution	**56,578**	**–**	**56,578**	**24,304**
Total	**610,772**	**40,212**	**650,984**	**300,188**
Unallocated assets and liabilities*			**110,593**	**224,649**
Total assets			**761,577**	**524,837**

	Segment assets 2010 €'000	Joint ventures and associates 2010 €'000	Total assets 2010 €'000	Total liabilities 2010 €'000
Eurozone Fresh Produce	243,411	18,768	262,179	129,868
Scandinavian Fresh Produce	156,256	2,519	158,775	82,100
UK Fresh Produce	93,144	8,158	101,302	49,519
Other Fresh Produce	56,834	4,609	61,443	25,726
Total Fresh Produce	549,645	34,054	583,699	287,213
Consumer Goods and Healthfoods Distribution	32,376	–	32,376	24,274
Total	582,021	34,054	616,075	311,487
Unallocated assets and liabilities*			135,326	213,315
Total assets			751,401	524,802

* 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 2011 €'000	**Acquisition of property, plant and equipment 2011 €'000**	**Depreciation of property, plant and equipment(i) 2011 €'000**	**Amortisation of intangible assets(ii) 2011 €'000**
Eurozone Fresh Produce	**2,453**	**5,426**	**6,557**	**1,673**
Scandinavian Fresh Produce	**1,043**	**7,841**	**2,752**	**1,743**
UK Fresh Produce	**547**	**1,380**	**2,173**	**1,443**
Other Fresh Produce	**1,830**	**1,402**	**2,841**	**307**
Consumer Goods and Healthfoods Distribution	**–**	**258**	**456**	**870**
Total	**5,873**	**16,307**	**14,779**	**6,036**

	Share of joint ventures and associates adjusted EBITA 2010 €'000	Acquisition of property, plant and equipment 2010 €'000	Depreciation of property, plant and equipment(i) 2010 €'000	Amortisation of intangible assets(ii) 2010 €'000
Eurozone Fresh Produce	4,295	6,886	6,570	1,472
Scandinavian Fresh Produce	1,042	8,709	2,258	1,764
UK Fresh Produce	(105)	1,355	2,217	1,908
Other Fresh Produce	(297)	1,209	2,927	284
Consumer Goods and Healthfoods Distribution	–	174	497	313
Total	4,935	18,333	14,469	5,741

(i) Includes joint ventures' and associates' share of depreciation of property plant and equipment.
(ii) Includes joint ventures' and associates' share of amortisation of intangible assets.

Irish Revenue and Non-current Assets

The Group headquarters are domiciled in Ireland and revenues generated by the Group's businesses in Ireland are €333,159,000 (2010: €331,429,000). Non-current assets excluding employee benefit assets and deferred tax assets of €18,574,000 (2010: €20,464,000) are held by the Group's businesses in Ireland.

No one individual customer accounts for more than 10% of Group revenue.

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

2. Operating Expenses, Net

	Before exceptional items 2011 €'000	Exceptional items (Note 5) 2011 €'000	Total 2011 €'000	Before exceptional items 2010 €'000	Exceptional items (Note 5) 2010 €'000	Total 2010 €'000
Distribution expenses	**(247,929)**	**–**	**(247,929)**	(245,739)	–	(245,739)
Administrative expenses	**(42,341)**	**–**	**(42,341)**	(43,207)	–	(43,207)
Other operating expenses	**(1,071)**	**(3,881)**	**(4,952)**	(1,173)	(2,119)	(3,292)
Other operating income	**3,995**	**6,593**	**10,588**	4,189	–	4,189
Total	**(287,346)**	**2,712**	**(284,634)**	(285,930)	(2,119)	(288,049)

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

Other operating expenses

	2011 €'000	2010 €'000
Foreign exchange losses	**(130)**	(304)
Loss on disposal of property, plant and equipment	**(44)**	(162)
Loss on derivative financial instruments at fair value through income statement	**(168)**	(521)
Impairment of available-for-sale financial assets	**–**	(65)
Acquisition related costs*	**(615)**	(121)
Impairment of goodwill (Note 11)	**(114)**	–
	(1,071)	(1,173)
Exceptional items in other operating expenses (Note 5)		
Change in fair value of investment property	**(2,550)**	(2,119)
Impairment of property, plant and equipment	**(1,331)**	–
	(3,881)	(2,119)
Total	**(4,952)**	(3,292)

* Acquisition related costs include transaction costs directly related to the acquisitions of subsidiaries completed. These costs include legal fees and other professional service fees. From 1 January 2010, upon adoption of IFRS 3 *Business Combinations* (2008) these costs no longer form part of the acquisition consideration and are expensed through the income statement.

Other operating income

	2011 €'000	2010 €'000
Rental income from investment property	**1,948**	2,036
Amortisation of government grants (Note 22)	**187**	441
Gain on disposal of property, plant and equipment	**358**	843
Foreign exchange gains	**478**	477
Revisions to deferred consideration estimates (Note 23)	**273**	–
Gain on derivative financial instruments at fair value through the income statement	**751**	392
	3,995	4,189
Exceptional items in other operating income (Note 5)		
Gain reclassified from other comprehensive income on an available-for-sale financial asset becoming an associate	**4,055**	–
Gain on disposal of investment in joint venture	**1,612**	–
Pension curtailment gains	**926**	–
	6,593	–
Total	**10,588**	4,189

3. Financial Income and Financial Expense

	2011 €'000	2010 €'000
Recognised in the income statement:		
Dividend income from available-for-sale financial assets	**406**	412
Interest income	**1,691**	1,411
Financial income	**2,097**	1,823
Interest expense on financial liabilities measured at amortised cost	**(5,401)**	(4,273)
Cash inflow from interest rate swap	**26**	25
Interest expense on finance leases	**(34)**	(22)
Unwinding of interest on provisions (Note 23)	**(414)**	(291)
Other interest expense	**(1,022)**	(703)
Financial expense	**(6,845)**	(5,264)
Net financial expense recognised in the income statement	**(4,748)**	(3,441)
Analysed as follows:		
Amounts relating to items not at fair value through income statement	**(4,748)**	(3,441)
Net financial expense recognised in the income statement	**(4,748)**	(3,441)
Recognised in other comprehensive income:		
Foreign currency translation effects:		
– foreign currency on net investments – subsidiaries	**2,196**	13,382
– foreign currency on net investments – joint ventures and associates	**14**	1,263
– foreign currency reclassified to income statement on disposal of joint venture	**(528)**	–
– foreign currency borrowings	**(1,380)**	(7,168)
Effective portion of changes in fair value of cash flow hedges	**45**	(1,975)
Fair value of cash flow hedges transferred to the income statement	**(20)**	1,959
Gains/(losses) on re-measuring available-for-sale financial assets	**2,028**	(592)
Gains on available-for-sale financial assets reclassified from other comprehensive income to income statement	**(4,055)**	–
Net financial (expense)/income recognised in other comprehensive income	**(1,700)**	6,869

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

4. Group Operating Profit

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

	2011 €'000	2010 €'000
Depreciation of property, plant and equipment:		
– owned assets	**12,865**	12,784
– held under finance lease	**288**	282
Amortisation of intangible assets (including share of joint ventures and associates)	**6,036**	5,741
Impairment losses:		
– property	**1,331**	–
– available-for-sale financial assets	**–**	65
– goodwill	**114**	–
Operating lease rentals:		
– plant and equipment	**1,575**	2,834
– other	**8,586**	8,282

Auditors' remuneration

	2011 €'000	2010 €'000
Audit services[1]	**447**	453
Other assurance services[2]	**77**	77
Tax advisory services	**81**	152
Other non-audit services	**150**	161
	755	843

1. Includes €66,000 (2010: €66,000) relating to Group share of joint venture and associate fees.
2. Includes €11,000 (2010: €11,000) relating to Group share of joint venture and associate fees.

Fees paid to other KPMG firms outside of Ireland are as follows:

	2011 €'000	2010 €'000
Audit services[3]	**779**	781
Other assurance services[4]	**99**	102
Tax advisory services	**103**	149
Other non-audit services	**214**	81
	1,195	1,113

3. Includes €59,000 (2010: €59,000) relating to Group share of joint venture and associate fees.
4. Includes €9,000 (2010: €9,000) relating to Group share of joint venture and associate fees.

5. Exceptional Items

	2011 €'000	2010 €'000
Gains on available-for-sale financial assets reclassified from other comprehensive income to income statement (a)	**4,055**	–
Gain on disposal of joint venture (b)	**1,612**	–
Pension curtailment gain (c)	**926**	–
Impairment of property, plant and equipment (d)	**(1,331)**	–
Change in fair value of investment property (e)	**(2,550)**	(2,119)
Share of joint ventures' and associates' changes in fair value of investment property (f)	**–**	(231)
	2,712	(2,350)
Net tax credit on exceptional items	**663**	620
Total	**3,375**	(1,730)

(a) Gains on available-for-sale financial assets reclassified from other comprehensive income to the income statement

In July 2011, as a result of increasing its shareholding, the Group commenced equity accounting for its investment in Capespan Group Limited ('Capespan South Africa'). As part of this exercise, the previously held shareholding was fair valued at this date resulting in an uplift of €2,028,000. This uplift, together with previously recognised fair value gains in the available-for-sale reserve of €2,027,000 relating to Capespan South Africa, were reclassified to the income statement resulting in an exceptional gain of €4,055,000. Refer to Note 13 for further details.

(b) Gain on disposal of joint venture

In May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash proceeds of €4,172,000. A profit of €1,612,000 was recognised on this sale comprising the €1,084,000 difference between the sales proceeds and the joint venture's carrying value of €3,088,000 together with the reclassification of €528,000 of currency translation differences from equity to the income statement.

(c) Pension curtailment gain

An exceptional gain of €926,000 arose during the year as a result of payments no longer being made by the Group for a number of employees who have reached the pension cap. The deferred tax charge on this exceptional gain amounted to €116,000. Refer to Note 27 for further details.

(d) Impairment of property, plant and equipment

On revaluation of the Group's properties in 2011, in addition to the net 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 €1,331,000 (2010: € Nil). Refer to Note 9 for further details.

(e) Change in fair value of investment property

Fair value losses, amounting to €2,550,000 (2010: €2,119,000) have been recognised in the income statement in relation to investment property. A deferred tax credit of €779,000 (2010: credit of €620,000) was recognised in the income statement as a result of these revaluations. Refer to Note 10 for further details.

(f) Share of joint ventures' and associates' changes in fair value of investment property

The Group's share of changes in fair value of joint ventures' and associates' investment property of €Nil (2010: €336,000) has been recognised in the income statement. A deferred tax credit of €Nil (2010: credit of €105,000) was recognised in the income statement as a result. Refer to Note 10 for further details.

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

6. Income Tax Expense

Recognised in the income statement:

	2011 €'000	2010 €'000
Current tax expense		
Ireland		
Tax on profit for the year	**269**	391
Adjustments in respect of prior years	**(145)**	(359)
	124	32
Overseas		
Tax on profit for the year	**8,838**	9,013
Adjustments in respect of prior years	**(138)**	310
	8,700	9,323
Total current tax	**8,824**	9,355
Deferred tax expense		
Origination and reversal of temporary differences	**(2,087)**	(998)
Adjustments in respect of prior years	**(102)**	14
Total deferred tax	**(2,189)**	(984)
Income tax expense	**6,635**	8,371

Reconciliation of effective tax rate

	%	2011 €'000	%	2010 €'000
Profit before tax		**34,376**		33,596
Taxation based on Irish corporation tax rate	**12.50**	**4,297**	12.50	4,200
Effects of:				
Expenses not deductible for tax purposes	**1.25**	**431**	2.33	783
Tax effect of fair value adjustments	**(2.22)**	**(764)**	(1.06)	(355)
Tax effect on profits of joint ventures and associates	**(1.25)**	**(430)**	(0.57)	(191)
Differences in tax rates	**10.06**	**3,457**	12.62	4,239
Previously unrecognised deferred tax asset	**–**	**–**	(1.07)	(362)
Other items	**0.08**	**29**	0.27	92
Adjustments in respect of prior years	**(1.12)**	**(385)**	(0.10)	(35)
Total income tax expense in the income statement	**19.30**	**6,635**	24.92	8,371

Deferred tax recognised directly in other comprehensive income

	2011 €'000	2010 €'000
Deferred tax on revaluation of property, plant and equipment, net	**(88)**	141
Deferred tax on actuarial losses on defined benefit pension schemes, net	**(1,574)**	(1,267)
Deferred tax on effective portion of cash flow hedges, net	**8**	(7)
Total deferred tax credit recognised in other comprehensive income	**(1,654)**	(1,133)

7. Dividends Paid and Proposed

	2011 €'000	2010 €'000
Declared and paid during the year		
Equity dividends on ordinary shares:		
Final dividend for the year ended 31 December 2010: 1.243 cent (2009: 1.150 cent)	**4,101**	4,047
Interim dividend for the year ended 31 December 2011: 0.540 cent (2010: 0.540 cent)	**1,781**	1,900
Total: 1.783 cent per share (2010: 1.690 cent)	**5,882**	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 2011: 1.350 cent (2010: 1.243 cent)	**4,453**	4,101

It is proposed that a final dividend of 1.350 cent 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 €23,466,000 (2010: €18,337,000) by the weighted average number of ordinary shares outstanding during the year of 329,886,732 (2010: 349,536,407). In November 2010 the Group purchased 22,000,000 of its own shares which are held as treasury shares. In respect of the shares that are held by the Group (treasury shares), all rights (including voting and dividend rights) are suspended until those shares are reissued and therefore they are not included in earnings per share calculations. Details relating to the purchase of the Group's own shares are outlined in Note 18.

Share options outstanding, as set out in Note 27, have no dilutive impact on earnings per share at 31 December 2011 or at 31 December 2010.

	2011 €'000	2010 €'000
Profit for the financial year attributable to equity holders of the parent	**23,466**	18,337
	'000	'000
Issued ordinary shares at the start of the year	**329,887**	351,887
Effect of own shares held	**–**	(2,351)
Weighted average number of ordinary shares for the year for basic and adjusted earnings per share calculation	**329,887**	349,536
Basic earnings per share – cent	**7.11**	5.25
Fully diluted earnings per share – cent	**7.11**	5.25

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

8. Earnings per Share (Continued)

Basic and diluted earnings per share (Continued)

Management believe that adjusted fully diluted earnings per share as set out below provides a fair reflection of the underlying trading performance of the Group after eliminating the impact of intangible asset amortisation, acquisition related costs, exceptional items, property revaluations and the related tax on these items.

Adjusted fully diluted earnings per share

	Earnings 2011 €'000	**Per share 2011 €'cent**	Earnings 2010 €'000	Per share 2010 €'cent
Profit attributable to equity holders of the parent	**23,466**	**7.11**	18,337	5.25
Adjustments				
Amortisation of intangible assets (including share of joint ventures and associates)	**6,036**	**1.83**	5,741	1.64
Impairment of property, plant and equipment (Note 5)	**1,331**	**0.40**	–	–
Change in fair value of investment properties (including share of joint ventures and associates) (Note 5)	**2,550**	**0.77**	2,350	0.67
Acquisition related costs	**615**	**0.19**	–	–
Pension curtailment gain (Note 5)	**(926)**	**(0.28)**	–	–
Gain on disposal of joint venture (Note 5)	**(1,612)**	**(0.48)**	–	–
Gain on available-for-sale financial assets reclassified from other comprehensive income to income statement (Note 5)	**(4,055)**	**(1.23)**	–	–
Tax effect of exceptional items and amortisation charge	**(2,367)**	**(0.72)**	(1,932)	(0.55)
Non-controlling interests' impact of exceptional items, amortisation and related tax	**(1,148)**	**(0.35)**	(594)	(0.17)
Adjusted fully diluted earnings	**23,890**	**7.24**	23,902	6.84

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 2010	101,654	76,775	16,463	194,892
Additions	6,003	9,819	2,511	18,333
Arising from business combinations (Note 26)	–	1,061	168	1,229
Transferred to investment property (Note 10)	(2,097)	–	–	(2,097)
Disposals	(129)	(4,538)	(3,812)	(8,479)
Revaluation gains	820	–	–	820
Revaluation losses	(384)	–	–	(384)
Foreign exchange movement	3,864	2,561	810	7,235
Balance at 31 December 2010	**109,731**	**85,678**	**16,140**	**211,549**
Additions	**4,684**	**8,921**	**2,702**	**16,307**
Arising from business combinations (Note 26)	**111**	**225**	**13**	**349**
Disposals	**(34)**	**(2,405)**	**(3,495)**	**(5,934)**
Revaluation gains	**2,591**	**–**	**–**	**2,591**
Revaluation losses	**(1,241)**	**–**	**–**	**(1,241)**
Reclassifications	**(719)**	**732**	**(13)**	**–**
Foreign exchange movement	**423**	**449**	**(34)**	**838**
Balance at 31 December 2011	**115,546**	**93,600**	**15,313**	**224,459**
Depreciation and impairment losses				
Balance at 1 January 2010	9,303	53,503	7,960	70,766
Depreciation charge	2,590	6,918	3,558	13,066
Disposals	(37)	(4,512)	(3,013)	(7,562)
Foreign exchange movement	929	1,866	519	3,314
Balance at 31 December 2010	**12,785**	**57,775**	**9,024**	**79,584**
Depreciation charge	**2,973**	**6,949**	**3,231**	**13,153**
Impairment charge	**1,331**	**–**	**–**	**1,331**
Disposals	**(5)**	**(2,285)**	**(3,145)**	**(5,435)**
Foreign exchange movement	**(35)**	**262**	**(45)**	**182**
Balance at 31 December 2011	**17,049**	**62,701**	**9,065**	**88,815**
Carrying amount				
At 31 December 2010	96,946	27,903	7,116	131,965
At 31 December 2011	**98,497**	**30,899**	**6,248**	**135,644**

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

There are no items included in the carrying amount of property, plant and equipment at 31 December 2011 that relate to assets under construction (2010: €9,081,000).

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 reviewed each year by the Directors in order to ensure that the fair value of a revalued asset is not materially at variance from its carrying amount. Where appropriate, registered independent appraisers having relevant recognised professional qualifications and recent experience in the locations and category of properties being valued prepare the valuations every three to five years, with valuations updated annually in the interim by Directors, having due regard to advice of professionally qualified consultants, where it is deemed appropriate.

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

9. Property, Plant and Equipment (Continued)

At 31 December 2011, the Group undertook an exercise to revalue its properties. Properties occupied by the Group included in land and buildings 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. In excess of seventy five per cent of the value of land and buildings were determined by registered independent appraisers within the past three years. Such valuations took account of recent market transactions for comparable properties in an active market where these were available. Where comparable market transactions were not available, valuation techniques were applied, with valuations based, to the extent possible, on observable market yields in the range of 7.7% to 8.9%. Due to the absence of or reduced level of transactions for properties of a similar nature, particularly in Ireland and the UK, the valuation of a number of properties were determined by the Directors with reference to local knowledge, valuation techniques and judgment after consultation with property advisors. 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 2011 amounting to €2,591,000 (2010: €820,000) and revaluation losses in the same period of €1,241,000 (2010: €384,000) were recognised in the statement of other comprehensive income. Net deferred tax credits of €88,000 (2010: net charge of €141,000) on revaluation of land and buildings were also recognised in the statement of other comprehensive income for the year as a result of both revaluation movements and changes in tax rates. The non-controlling interests' share of net revaluation gains, net of deferred taxes, was €80,000 (2010: €153,000). In 2011, the Group identified three properties in the UK and Ireland in which the estimated fair value had fallen below cost, resulting in an impairment charge of €1,331,000 being recognised in the income statement in 2011 (2010: €Nil) and were classified as exceptional items in accordance with the Group's accounting policy (Note 5). The non-controlling interests' share of such impairment losses was €525,000 (2010: €Nil).

The historic cost of land and buildings which were revalued amounted to €74,663,000 (2010: €73,083,000). At 31 December 2011, property, plant and equipment with a carrying value of €2,282,000 (2010: €6,856,000) are subject to a registered debenture to bank loans.

In 2010, property with a fair value of €2,097,000, which was previously used in the business, 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 2011, the carrying amount of leased assets included in property, plant and equipment was €7,169,000 (2010: €4,694,000).

	Land and buildings €'000	Plant and equipment €'000	Motor vehicles €'000	Total €'000
At 31 December 2010	–	3,681	1,013	4,694
At 31 December 2011	**–**	**6,014**	**1,155**	**7,169**

10. Investment Property

	2011 €'000	2010 €'000
Balance at beginning of year	**13,331**	12,949
Transfer from property, plant and equipment (Note 9)	**–**	2,097
Fair value adjustments	**(2,550)**	(2,119)
Foreign exchange movement	**100**	404
Balance at end of year	**10,881**	13,331

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 with recent experience in the location and category being valued. In general, valuations have been undertaken having regard to comparable market transactions between a willing buyer and a willing seller. 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 arm's length transaction which is consistent with the 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 continuing difficulties being experienced in the world's financial markets. This has resulted in a reduced number of properties being sold and little market activity in some locations. 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 €2,550,000 (2010: €2,119,000), along with deferred tax credits of €779,000 (2010: €620,000) have been reflected in the income statement as exceptional items in accordance with Group accounting policy (Note 5).

No revaluation gains or losses were recognised in investment property within the Group's joint ventures and associates. In 2010 the Group's share of revaluation losses within its joint ventures and associates amounted to €231,000, net of deferred tax. These losses were recognised in the income statement within the Group's share of the after tax profits of its joint ventures and associates and were classified as exceptional items in accordance with Group accounting policy (Note 5).

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

11. Goodwill and Intangible Assets

	Customer relationships €'000	Other intangible assets €'000	Research & development €'000	Goodwill €'000	Total €'000
Cost					
Balance at 1 January 2010	44,197	5,264	2,113	104,232	155,806
Arising from business combinations (Note 26)	1,763	–	–	806	2,569
Revisions of deferred consideration (Note 23)	(10)	–	–	6,861	6,851
Capitalisation of research and development expenditure	–	–	782	–	782
Foreign exchange movement	3,510	71	66	7,628	11,275
Balance at 31 December 2010	**49,460**	**5,335**	**2,961**	**119,527**	**177,283**
Arising from business combinations (Note 26)	**2,824**	**6,096**	**–**	**5,671**	**14,591**
Revisions of deferred consideration (Note 23)	**–**	**–**	**–**	**1,093**	**1,093**
Capitalisation of research and development expenditure	**–**	**–**	**156**	**–**	**156**
Foreign exchange movement	**806**	**418**	**84**	**1,243**	**2,551**
Balance at 31 December 2011	**53,090**	**11,849**	**3,201**	**127,534**	**195,674**
Accumulated amortisation and impairments					
Balance at 1 January 2010	24,833	1,688	1,028	1,025	28,574
Amortisation	4,568	684	–	–	5,252
Research and development amortisation	–	–	227	–	227
Foreign exchange movement	2,525	30	34	–	2,589
Balance at 31 December 2010	**31,926**	**2,402**	**1,289**	**1,025**	**36,642**
Amortisation	**4,620**	**881**	**–**	**–**	**5,501**
Impairment loss	**–**	**–**	**–**	**114**	**114**
Research and development amortisation	**–**	**–**	**281**	**–**	**281**
Foreign exchange movement	**536**	**55**	**47**	**5**	**643**
Balance at 31 December 2011	**37,082**	**3,338**	**1,617**	**1,144**	**43,181**
Carrying amount					
Balance at 31 December 2010	17,534	2,933	1,672	118,502	140,641
Balance at 31 December 2011	**16,008**	**8,511**	**1,584**	**126,390**	**152,493**

Other intangible assets include brands of €2,901,000 (2010: €1,707,000) and supplier relationships of €5,610,000 (2010: €1,226,000).

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: 3 to 8 years; and
- 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 26.

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

Impairment testing on 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:

	2011 €'000	2010 €'000
Eurozone Fresh Produce	**25,169**	24,204
Scandinavian Fresh Produce	**61,382**	60,647
UK Fresh Produce	**15,738**	15,342
Other Fresh Produce	**14,598**	14,838
Consumer Goods and Healthfoods Distribution	**9,503**	3,471
	126,390	118,502

The recoverable amount of each cash-generating unit (CGU) has been determined based on a value-in-use 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 10.1% to 12.9% (2010: 10.2% to 12.7%).

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 rates were 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.

During 2011, an impairment charge of €114,000 arose within a CGU within the Group's UK Fresh Produce division, resulting in the carrying value of that CGU being written down to its recoverable amount. The impairment resulted from a revision downwards of the estimated deferred consideration payable for a subsidiary within this CGU as a result of a decline in expected future cash flows from this subsidiary.

Sensitivity analysis

The value-in-use calculations are sensitive to changes in assumptions, particularly relating to assumptions on cash flows generated by the individual CGUs and discount rates applied to these cash flows. Sensitivity analysis was performed based on changes to each of these factors.

Other than the impairment in a CGU within the Group's UK Fresh Produce division described above, a 10% reduction in the cash flow projections would not have given rise to an impairment loss. Similarly if the pre-tax discount rates applied to the cash flows had been 10% higher, no impairment loss would have arisen.

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

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 2010	32,959	–	32,959
Share of profit/(loss) after tax			
– before exceptional items	1,743	–	1,743
– exceptional item arising on fair value losses on investment property	(231)	–	(231)
Share of other comprehensive income, net	(721)	–	(721)
Increased investment in year – cash	433	–	433
Loans advanced during the year	618	–	618
Loans repaid during the year	(62)	–	(62)
Dividends received	(1,948)	–	(1,948)
Foreign exchange movement	1,263	–	1,263
Balance at 31 December 2010	**34,054**	**–**	**34,054**
Share of profit after tax	**2,402**	**1,040**	**3,442**
Share of other comprehensive income, net	**112**	**–**	**112**
Increased investment in year – cash	**2,562**	**3,336**	**5,898**
Increased investment in year – deferred consideration (Note 23)	**1,124**	**–**	**1,124**
Loans advanced during the year	**294**	**–**	**294**
Dividends received	**(1,760)**	**–**	**(1,760)**
Available-for-sale financial asset becoming an associate (Note 13)	**–**	**11,186**	**11,186**
Joint venture becoming an associate	**(1,242)**	**1,242**	**–**
Disposal of joint venture (Note 5)	**(3,088)**	**–**	**(3,088)**
Joint venture reclassified as non-current asset held for sale (Note 17)	**(11,064)**	**–**	**(11,064)**
Foreign exchange movement	**(117)**	**131**	**14**
Balance at 31 December 2011	**23,277**	**16,935**	**40,212**

Details of the Group's principal joint ventures and associates are set out in Note 34.

Investments in the year

Investment in associates

At 31 December 2010, the Group held an effective interest of 15.6% in Capespan Group Limited ('Capespan South Africa') which was classified as an available-for-sale financial asset. From July onwards the Group invested €3,336,000 which increased the Group's shareholding in Capespan South Africa to an effective interest of 20.2% at 31 December 2011. From July 2011 onwards, the investment in Capespan South Africa has been treated as an associate undertaking of the Group in accordance with IAS 28 *Investment in Associates*. At this date the Group's existing 15.6% effective interest in Capespan South Africa was fair valued to €11,186,000 and reclassified from an available-for-sale financial asset to an investment in an associate. The total fair value gain of €4,055,000 (which included the reclassification of €2,027,000 of previously recognised fair value gains in the fair value reserve within equity) was reclassified to the income statement resulting in an exceptional gain of €4,055,000 which has been disclosed in the financial statements as an exceptional item. Refer to Note 5 and Note 13.

Investment in joint ventures

Mainly during the second half of the year the Group invested €3,980,000, including €1,124,000 deferred consideration payable on achievement of future profit targets, in new and existing joint venture and associate interests within its Fresh Produce division. In September and December 2011, the Group invested in two new joint ventures within its Fresh Produce divisions in the UK and Scandinavia. During the year the Group also made further investments in existing joint venture interests.

For all acquisitions disclosed above, the purchase method of accounting has been applied. The initial assignment of fair values to net assets has been performed on a provisional basis in respect of these acquisitions given the timing of the completion of these transactions and will be finalised within twelve months from the acquisition date as permitted by IFRS 3 *Business Combinations*.

Disposal of joint venture

As disclosed in Note 5, in May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash consideration of €4,172,000. A profit of €1,612,000 was recognised on this sale comprising the €1,084,000 difference between the sales proceeds and the joint venture's carrying value of €3,088,000 together with the reclassification of €528,000 of currency translation differences from equity to the income statement. This profit on disposal has been classified as an exceptional item in the Group income statement for the year ended 31 December 2011. Refer to Note 5.

Joint venture reclassified as a non-current assets for sale

On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in the European fruit distribution business Capespan International Holdings Limited ('Capespan Europe') to Capespan South Africa for a total consideration of €13,030,000 satisfied by the exchange of an additional 20 million shares in Capespan South Africa and €8,456,000 in cash. This transaction results in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce both previously owned 50% each of Capespan Europe. This investment was classified as a non-current asset held for sale following the agreement to dispose of this investment in December 2011. Refer to Note 17.

Cessation of joint venture activities

In December 2011, the Group ceased its joint venture activities in India with its partner company Tata Chemicals. At this date, the investment was carried in the consolidated accounts of the Group at a zero carrying value, hence no gain or loss arose on the cessation of these activities.

Joint venture investment reclassified as associate investment

In January 2011, it was determined that the Group had significant influence rather than joint control over an investment previously accounted for as a joint venture and as a result this investment with a carrying value of €1,242,000 was reclassified as an associate.

Other

In 2010 following an exercise to revalue the Group's investment property (Note 10), the Group's share of its joint ventures' and associates' revaluation losses amounted to €231,000, net of deferred tax. These losses were recognised in the income statement within the Group's share of the after tax profits of its joint ventures and associates and, given their materiality, were classified as exceptional items in accordance with Group accounting policy (Note 5). No such impairments were identified in 2011.

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

	Joint ventures 2011 €'000	**Associates 2011 €'000**	**Total 2011 €'000**	Joint ventures 2010 €'000	Associates 2010 €'000	Total 2010 €'000
Non-current assets	**17,748**	**13,908**	**31,656**	31,068	–	31,068
Employee benefit assets	**–**	**–**	**–**	955	–	955
Cash and cash equivalents	**7,254**	**7,545**	**14,799**	11,514	–	11,514
Other current assets	**19,669**	**12,629**	**32,298**	32,894	–	32,894
Non-current liabilities	**(2,290)**	**(2,066)**	**(4,356)**	(5,681)	–	(5,681)
Employee benefit liabilities	**(14)**	**(584)**	**(598)**	(2,238)	–	(2,238)
Current liabilities	**(15,321)**	**(6,210)**	**(21,531)**	(31,664)	–	(31,664)
Interest-bearing loans and borrowings	**(7,514)**	**(8,287)**	**(15,801)**	(11,282)	–	(11,282)
Share of net assets	**19,532**	**16,935**	**36,467**	25,566	–	25,566
Goodwill	**3,745**	**–**	**3,745**	8,488	–	8,488
Balance at 31 December	**23,277**	**16,935**	**40,212**	34,054	–	34,054
Group share of revenue	**213,484**	**28,615**	**242,099**	257,336	–	257,336

The carrying values of investments in joint ventures and associates are assessed for impairment when an event or transaction indicates that impairment may have occurred. No impairment has arisen in 2010 or 2011.

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

13. Other Financial Assets

	2011 €'000	2010 €'000
Balance at beginning of year	**9,704**	10,343
Fair value movement through income statement	**–**	(65)
Fair value movement through available-for-sale reserve (i)	**2,028**	(592)
Additions	**30**	–
Other receivables capitalised as other financial assets	**69**	–
Available-for-sale financial asset becoming an associate (i)	**(11,186)**	–
Foreign exchange movement	**2**	18
Balance at end of year	**647**	9,704
Available-for-sale financial assets measured at fair value (i)	**–**	9,158
Available-for-sale financial assets measured at cost less provision for impairment (ii)	**647**	546
Balance at end of year	**647**	9,704

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) At 31 December 2010, the Group held an effective interest of 15.6% in Capespan Group Limited ('Capespan South Africa') which was classified as an available-for-sale financial asset. From July onwards the Group invested €3,336,000 which increased the Group's shareholding in Capespan South Africa to an effective interest of 20.2% at 31 December 2011. From July 2011 onwards, the investment in Capespan South Africa has been treated as an associate undertaking of the Group in accordance with IAS 28 *Investment in Associates*. At this date the Group's existing 15.6% effective interest in Capespan South Africa was fair valued to €11,186,000 and reclassified from an available-for-sale financial asset to an investment in an associate. The total fair value gain of €4,055,000 (which included the reclassification of €2,027,000 of previously recognised fair value gains, in the fair value reserve within equity) was reclassified to the income statement resulting in a gain of €4,055,000 which has been disclosed in the financial statements as an exceptional item. Refer to Note 5 and Note 12.

The fair value in July 2011 was measured using an analysis of recent shares traded in that period as the share price in an active market was deemed to approximate fair value. The foreign currency denominated fair value was then translated to Euro at the closing exchange rate at the date the investment was reclassified as an investment in associate.

For the year ended 31 December 2010, a fair value loss of €592,000 arose on the remeasurement of the investment in Capespan South Africa and was recognised through the available-for-sale reserve. At this date, in the absence of an active market for the shares in Capespan South Africa, the fair value of €9,158,000 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 in Capespan South Africa and a discount factor applied to reflect the non-controlling interest nature of the investment. The foreign currency denominated fair value was then translated to Euro at the closing exchange rate at 31 December 2010.

(ii) Certain of the Group's available-for-sale financial assets are comprised of 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 €647,000 (2010: €546,000).

14. Inventories

	2011 €'000	2010 €'000
Goods for resale	**35,865**	38,233
Consumables	**3,233**	3,368
Total of lower of cost or net realisable value	**39,098**	41,601

15. Trade and Other Receivables

	2011 €'000	2010 €'000
Non-current		
Receivables due from joint ventures and associates	**589**	–
Other receivables	**3,701**	3,590
	4,290	3,590
Current		
Trade receivables	**233,072**	232,912
Trade receivables due from joint ventures and associates	**2,650**	2,612
Other receivables	**23,658**	20,372
Prepayments	**7,258**	6,844
Non-trade receivables due from joint ventures and associates	**1,488**	1,423
	268,126	264,163
Total	**272,416**	267,753

Details of impairment provisions netted against the carrying value of trade and other receivables above are set out in Note 30.

See Note 30 for an analysis of credit risk on trade and other receivables to understand how the Group manages and measures credit quality of trade and other receivables.

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

	2011 €'000	2010 €'000
Bank balances	**77,471**	93,623
Call deposits (demand balances)	**12,616**	10,863
Cash and cash equivalents	**90,087**	104,486
Bank overdrafts	**(4,274)**	(6,570)
Cash, cash equivalents and bank overdrafts	**85,813**	97,916
Non-current bank borrowings	**(136,358)**	(125,155)
Current bank borrowings	**(19,455)**	(16,266)
Finance leases	**(5,553)**	(4,430)
Net debt at end of year	**(75,553)**	(47,935)

17. Non-current Assets Held for Sale

	2011 €'000	2010 €'000
Non-current assets held for sale	**11,064**	–

The Group's investment in Capespan International Holdings Limited has been classified as held for sale at 31 December 2011 following the completion of the agreed disposal on 9 January 2012. Refer to Note 12 for further details.

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

18. Capital and Reserves
Share capital and share premium

	Ordinary shares 2011 '000	Ordinary shares 2011 €'000	Ordinary shares 2010 '000	Ordinary shares 2010 €'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 2011, the authorised share capital was €10,000,000 (2010: €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 (2010: 351,886,732).

At 31 December 2011, the Company held 22,000,000 treasury shares in the Company (31 December 2010: 22,000,000). In respect of the Company's shares that are held by the Company (treasury shares), all rights (including voting and dividend rights) are suspended until those shares are reissued.

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 recorded within the financial statements of the Company for the year ended 31 December 2011 was €15,508,000 (2010: €13,865,000). 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

	2011 €'000	2010 €'000
Currency translation reserve [a]	**(5,808)**	(6,005)
Revaluation reserve [b]	**19,296**	17,938
De-merger reserve [c]	**(122,521)**	(122,521)
Own shares reserve [d]	**(8,580)**	(8,580)
Other equity reserves [e]	**1,153**	3,054
Total	**(116,460)**	(116,114)

(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 and losses 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) Own shares reserve

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Company. On 23 November 2010, having regard to the share price at that time and the positive effect of purchasing shares on earnings per share, the Board believed that it would be in the best interests of the Company to exercise its buy-back authority. The Company acquired 22,000,000 (6.25%) of its own shares in the market at an aggregate cost of €8,580,000 plus costs of €107,000. At 31 December 2011, the Company held 22,000,000 (31 December 2010: 22,000,000) of the Company's shares.

(e) Other equity reserves

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

	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 2010	1,050	2,619	(32)	3,637
Comprehensive income				
Profit for the year	–	–	–	–
Other comprehensive income:				
Losses on re-measuring available-for-sale financial assets	–	(592)	–	(592)
Effective portion of cash flow hedges, net	–	–	(19)	(19)
Deferred tax on items taken directly to other comprehensive income	–	–	6	6
Total included in other comprehensive income	–	(592)	(13)	(605)
Total included in comprehensive income	–	(592)	(13)	(605)
Transactions with equity holders of the parent				
Share-based payment transactions	22	–	–	22
Total transactions with equity holders of the parent	22	–	–	22
At 31 December 2010	**1,072**	**2,027**	**(45)**	**3,054**
Comprehensive income				
Profit for the year	**–**	**–**	**–**	**–**
Other comprehensive income:				
Gains on re-measuring available-for-sale financial assets	**–**	**2,028**	**–**	**2,028**
Gains reclassified to the income statement on available-for-sale financial asset becoming an associate	**–**	**(4,055)**	**–**	**(4,055)**
Effective portion of cash flow hedges, net	**–**	**–**	**14**	**14**
Deferred tax on items taken directly to other comprehensive income	**–**	**–**	**(6)**	**(6)**
Total included in other comprehensive income	**–**	**(2,027)**	**8**	**(2,019)**
Total included in comprehensive income	**–**	**(2,027)**	**8**	**(2,019)**
Transactions with equity holders of the parent				
Share-based payment transactions	**118**	**–**	**–**	**118**
Total transactions with equity holders of the parent	**118**	**–**	**–**	**118**
At 31 December 2011	**1,190**	**–**	**(37)**	**1,153**

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

18. Capital and Reserves (Continued)

Other reserves (Continued)

(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 55). 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. In November 2010, the Group exercised this authority and completed a share buy-back of 22,000,000 shares at a cost of €8,687,000 including costs. This represented 6.25% of the shares in issue and the shares are held as treasury shares unless reissued or cancelled. This share buy-back is earnings accretive. The Group continues to consider exercising its authority should the opportunity arise and will seek to renew this authority at the forthcoming AGM in May 2012.

19. Non-Controlling Interests

	2011 €'000	2010 €'000
Balance at beginning of year	**57,999**	55,771
Share of profit after tax	**4,275**	6,888
Share of foreign exchange movement	**105**	311
Share of other items recognised in other comprehensive income	**(32)**	82
Share of comprehensive income	**4,348**	7,281
Non-controlling interests arising on acquisition (Note 26)	**2,715**	260
Buyout of non-controlling interests (Note 26)	**(141)**	(326)
Contribution by non-controlling interests	**–**	51
Dividends paid	**(4,880)**	(5,038)
Balance at end of year	**60,041**	57,999

20. Borrowings

	2011 €'000	2010 €'000
Non-current		
Borrowings	**136,358**	125,155
Finance lease liabilities	**4,228**	4,171
	140,586	129,326
Current		
Overdrafts	**4,274**	6,570
Borrowings	**19,455**	16,266
Finance lease liabilities	**1,325**	259
	25,054	23,095
Total	**165,640**	152,421

Borrowings are repayable as follows:

	2011 €'000	2010 €'000
Bank borrowings and overdrafts		
Within one year	**23,729**	22,836
After one year but within two years	**21,277**	75,321
After two years but within five years	**114,997**	18,966
After five years	**84**	30,868
	160,087	147,991
Finance lease liabilities		
Within one year	**1,325**	259
After one but within five years	**4,228**	4,171
	5,553	4,430
Total	**165,640**	152,421

Further details in relation to the Group's borrowings are set out in Note 30.

Total future minimum lease payments on finance leases amount to €6,446,000 (2010: €5,270,000). Total interest-bearing loans and borrowings include borrowings of €413,000 (2010: €2,260,000) secured on property, plant and equipment.

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

21. Trade and Other Payables

	2011 €'000	2010 €'000
Non-current		
Other payables	**2,582**	3,386
	2,582	3,386
Current		
Trade payables	**229,330**	239,013
Trade payables due to joint ventures and associates	**1,423**	900
Non-trade payables due to joint ventures and associates	**36**	69
Accruals	**34,740**	38,019
Other payables	**17,867**	16,843
Irish payroll tax and social welfare	**2,332**	1,880
Irish value added tax	**1,744**	916
Other tax	**8,256**	8,701
	295,728	306,341
Total	**298,310**	309,727

For information on the Group's contractual maturity analysis of all liabilities, including trade and other payables please refer to Note 30.

22. Deferred Government Grants

	2011 €'000	2010 €'000
Balance at beginning of year	**1,460**	1,783
Amortised to income statement (Note 2)	**(187)**	(441)
Grants received	**296**	118
Balance at end of year	**1,569**	1,460

Government grants have primarily been received for the purchase of certain items of property, plant and equipment.

23. Provisions

	Deferred consideration 2011 €'000	Other provisions 2011 €'000	Total 2011 €'000
Balance at 1 January 2011	**18,730**	**798**	**19,528**
Discounting charge (Note 3)	**390**	**24**	**414**
Utilised during year	**–**	**(294)**	**(294)**
Paid during year	**(14,086)**	**–**	**(14,086)**
Revisions to previous estimates resulting in an adjustment to Goodwill (Note 11)	**1,093**	**–**	**1,093**
Revisions to previous estimates recorded in income statement (Note 2)	**(273)**	**–**	**(273)**
Arising on acquisitions of subsidiaries (Note 26)	**4,656**	**–**	**4,656**
Arising on acquisitions of joint ventures (Note 12)	**1,124**	**–**	**1,124**
Foreign exchange movements	**297**	**(16)**	**281**
Balance at 31 December 2011	**11,931**	**512**	**12,443**
Non-current	**10,809**	**–**	**10,809**
Current	**1,122**	**512**	**1,634**
Balance at 31 December 2011	**11,931**	**512**	**12,443**

	Deferred consideration 2010 €'000	Other provisions 2010 €'000	Total 2010 €'000
Balance at 1 January 2010	15,654	–	15,654
Discounting charge (Note 3)	291	–	291
Arising during year	–	798	798
Paid in year	(4,807)	–	(4,807)
Revisions to previous estimates (Note 11)	6,851	–	6,851
Arising on acquisitions of subsidiaries (Note 26)	547	–	547
Foreign exchange movements	194	–	194
Balance at 31 December 2010	18,730	798	19,528
Non-current	4,277	192	4,469
Current	14,453	606	15,059
Balance at 31 December 2010	18,730	798	19,528

Deferred consideration

Total deferred consideration amounts to €11,931,000 (2010: €18,730,000) 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. Total payments of deferred consideration during the year amounted to €14,086,000 (2010: €4,807,000).

Deferred consideration arising on acquisitions of subsidiaries, joint ventures and non-controlling interests during the year amounted to €5,780,000 (2010: €547,000).

The impact of revisions to previous estimates in respect of previous acquisitions of subsidiaries, joint ventures and associates made before 1 January 2010 amounted to an increase in the estimate of €1,093,000 (2010: €6,851,000). Under IFRS 3 *Business Combinations* the impact of these revisions are adjusted against goodwill. The impact of revisions to estimates in respect of previous acquisitions of subsidiaries, joint ventures and associates made post 1 January 2010 amounts to a reduction in the amount payable of €273,000 (2010: €Nil). Under IFRS 3 *Business Combinations* the impact of these revisions are recognised as income and disclosed as other operating income in the income statement (Note 2).

Other provisions

This provision arising in 2010 relates to the estimated costs associated with the relocation of one of the Group's operations. It is anticipated that this provision will be fully utilised by June 2012.

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

24. Operating Leases

Leases as lessee

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

	2011 €'000	2010 €'000
Less than one year	**7,014**	7,233
Between one and five years	**6,988**	12,732
More than five years	**7,353**	10,821
Total	**21,355**	30,786

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 €10,161,000 (2010: €11,116,000) 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 rental receivables are set out below. These amounts represent the minimum future lease receipts, in aggregate, that the Group will receive under existing lease agreements.

	2011 €'000	2010 €'000
Less than one year	**756**	715
Between one and five years	**1,521**	1,364
More than five years	**–**	–
Total	**2,277**	2,079

In 2011 €1,948,000 (2010: €2,036,000) was recognised as rental income in the income statement.

25. Deferred Tax Assets and Liabilities

Recognised deferred tax assets and liabilities are attributable as follows:

	Assets 2011 €'000	Liabilities 2011 €'000	Net 2011 €'000	Assets 2010 €'000	Liabilities 2010 €'000	Net 2010 €'000
Property, plant and equipment	**613**	**(9,092)**	**(8,479)**	440	(9,186)	(8,746)
Intangible assets	**–**	**(6,192)**	**(6,192)**	–	(5,491)	(5,491)
Investment property	**–**	**(1,326)**	**(1,326)**	–	(2,059)	(2,059)
Derivative financial instruments	**74**	**–**	**74**	66	–	66
Employee benefits	**3,246**	**–**	**3,246**	2,627	(359)	2,268
Trade and other payables	**1,620**	**–**	**1,620**	1,911	–	1,911
Other items	**399**	**(587)**	**(188)**	396	(619)	(223)
Tax value of losses carried forward	**1,048**	**–**	**1,048**	574	–	574
Deferred tax assets/(liabilities)	**7,000**	**(17,197)**	**(10,197)**	6,014	(17,714)	(11,700)
Set-off of deferred tax	**(97)**	**97**	**–**	(137)	137	–
Net deferred tax assets/(liabilities)	**6,903**	**(17,100)**	**(10,197)**	5,877	(17,577)	(11,700)

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

	2011 €'000	2010 €'000
Tax losses	**4,985**	4,136

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 €413,000 (2010: €313,000).

No deferred tax asset is recognised in relation to certain capital losses incurred by the Group on the grounds that there is insufficient evidence that the assets will be recoverable. The estimated unrecognised deferred tax asset is €4,572,000 (2010: €3,823,000).

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 2011 €'000	**Recognised in income statement 2011 €'000**	**Recognised in other comprehensive income 2011 €'000**	**Foreign exchange adjustment 2011 €'000**	**Arising on acquisition 2011 €'000**	**Balance at 31 December 2011 €'000**
Property, plant and equipment	**(8,746)**	**176**	**88**	**3**	**–**	**(8,479)**
Intangible assets	**(5,491)**	**1,653**	**–**	**(156)**	**(2,198)**	**(6,192)**
Investment property	**(2,059)**	**779**	**–**	**(46)**	**–**	**(1,326)**
Derivative financial instruments	**66**	**16**	**(8)**	**–**	**–**	**74**
Employee benefits	**2,268**	**(650)**	**1,574**	**54**	**–**	**3,246**
Trade and other payables	**1,911**	**(289)**	**–**	**(2)**	**–**	**1,620**
Other items	**(223)**	**29**	**–**	**6**	**–**	**(188)**
Tax value of losses carried forward	**574**	**475**	**–**	**(1)**	**–**	**1,048**
Deferred tax assets/(liabilities)	**(11,700)**	**2,189**	**1,654**	**(142)**	**(2,198)**	**(10,197)**

	Balance at 1 January 2010 €'000	Recognised in income statement 2010 €'000	Recognised in other comprehensive income 2010 €'000	Foreign exchange adjustment 2010 €'000	Arising on acquisition 2010 €'000	Balance at 31 December 2010 €'000
Property, plant and equipment	(9,198)	723	(141)	(130)	–	(8,746)
Intangible assets	(6,096)	1,266	–	(296)	(365)	(5,491)
Investment property	(2,596)	620	–	(83)	–	(2,059)
Derivative financial instruments	88	(29)	7	–	–	66
Employee benefits	1,676	(712)	1,267	37	–	2,268
Trade and other payables	2,044	(152)	–	19	–	1,911
Other items	62	(368)	–	(30)	113	(223)
Tax value of losses carried forward	937	(364)	–	1	–	574
Deferred tax assets/(liabilities)	(13,083)	984	1,133	(482)	(252)	(11,700)

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

26. Acquisitions of Subsidiaries and Non-Controlling Interests

Acquisitions of subsidiaries

During the year, the Group invested €12,629,000 (2010: €1,956,000) net of cash acquired and including estimated deferred consideration which is payable dependent on the achievement of future profits targets.

In July and September 2011, the Group acquired a 100% and an effective 70% interest in two UK companies within its Consumer Goods and Healthfoods division. Also, during the year the Group made a number of bolt-on acquisitions in its Fresh Produce division. These acquisitions will complement existing business interests in these divisions.

The cash spend in the year on these acquisitions amounted to €7,973,000 (2010: €1,409,000) net of cash acquired. The estimated deferred consideration payable on these transactions dependent on the achievement of future profit targets was €4,656,000 (2010: €547,000). The purchase method of accounting has been applied for these acquisitions. The provisional fair value of the identifiable assets and liabilities acquired amounts to €6,958,000 (2010: €1,140,000) inclusive of €8,920,000 (2010: €1,753,000) in intangible assets. Goodwill of €5,671,000 (2010: €806,000) arose on these transactions.

Revisions of €1,093,000 (2010: €6,851,000) were also made during the year to deferred consideration amounts payable relating to previous acquisitions as actual performance in 2011 has exceeded previous expectations.

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.

	2011 Total €'000	2010 Total €'000
Identifiable assets and liabilities		
Property, plant and equipment (Note 9)	**349**	1,229
Intangible assets:		
– customer relationships (Note 11)	**2,824**	1,753
– supplier relationships (Note 11)	**4,742**	–
– brands (Note 11)	**1,354**	–
Inventories	**2,198**	257
Trade and other receivables	**1,566**	1,398
Deferred tax assets (Note 25)	**–**	113
Corporation tax	**(906)**	16
Trade and other payables	**(256)**	(2,896)
Finance leases	**–**	(105)
Deferred tax liabilities (Note 25)	**(2,198)**	(365)
Non-controlling interests (Note 19)	**(2,715)**	(260)
Net identifiable assets and liabilities acquired	**6,958**	1,140
Goodwill arising (Note 11)	**5,671**	806
Goodwill arising from adjustments to prior year acquisitions (Note 11)	**1,093**	6,861
	13,722	8,807
Satisfied by		
Cash consideration	**9,218**	1,823
Cash, cash equivalents and bank overdrafts	**(1,245)**	(414)
Deferred consideration arising on current year acquisitions (Note 23)	**4,656**	547
Revisions to prior year deferred consideration estimates (Note 23)	**1,093**	6,851
Total consideration	**13,722**	8,807

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.

Cash flows relating to acquisition of subsidiaries:

	2011 €'000	2010 €'000
Cash consideration for acquisition of subsidiary undertakings	**(9,218)**	(1,823)
Cash, cash equivalents and bank overdrafts acquired	**1,245**	414
Cash outflow per statement of cash flows	**(7,973)**	(1,409)

The post-acquisition revenues and operating profits of all business combinations made in 2011 were €7,288,000 and €356,000 respectively.

If the acquisition date for these business combinations was 1 January 2011, Group revenue for the year ended 31 December 2011 would have been €2,540,717,000 and operating profit after exceptional items would have been €41,077,000.

Acquisitions of non-controlling interests

During the year, the Group acquired additional shares in subsidiaries for cash consideration of €204,000 (2010: €470,000). A payment of €637,000 was also made relating to an acquisition of an non-controlling interest which had been provided for at 31 December 2010, giving a total cash outflow of €841,000 in the year. These changes in the Group's ownership interest in existing subsidiaries were accounted for as equity transactions. The difference of €63,000 (2010: €780,000) between the fair value of consideration, €204,000 (2010: €1,106,000), and the book value of the non-controlling interest acquired, €141,000 (2010: €326,000), was accounted for directly in retained earnings.

27. Employee Benefits

Remuneration

	2011 €'000	2010 €'000
Wages and salaries	**134,905**	131,245
Social security contributions	**19,357**	18,941
Pension costs – defined contribution schemes	**3,127**	3,115
Pension costs – defined benefit schemes	**1,689**	1,642
Curtailment gain – defined benefit schemes (Note 5)	**(926)**	–
Termination benefits	**1,610**	1,715
Equity settled share-based compensation expense	**118**	22
Short term incentive payment plan	**549**	317
Recognised in the income statement	**160,429**	156,997
Actuarial losses on defined benefit schemes recognised in other comprehensive income	**10,883**	6,857
Recognised in the statement of other comprehensive income	**10,883**	6,857

Employee numbers – subsidiaries

	2011 Number	2010 Number
Production	**445**	429
Sales and distribution	**2,690**	2,563
Administration	**520**	562
	3,655	3,554

A further 1,173 (2010: 770) personnel are employed in the Group's joint ventures and associates.

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

27. Employee Benefits (Continued)

Pension disclosures

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 pension charge in the income statement, net of curtailment gain, for the financial year in respect of the Group's defined benefit schemes was €763,000 (2010: €1,642,000) and €3,127,000 (2010: €3,115,000) in respect of the Group's defined contribution schemes.

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 retirement in the UK and Ireland are determined based on years of service and the levels of 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 2011. Full actuarial valuations were carried out on both of the Irish schemes at 1 January 2010 and on the two UK schemes at 31 December 2009 and 6 April 2009. The last full actuarial valuation of the scheme in the Netherlands was at 31 December 2010.

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.

Curtailment gain

A gain of €926,000 arose during the year as a result of payments no longer being made by the Group for a number of employees who have reached the pension cap. This gain has been recorded as an exceptional gain in the Group's income statement (Note 5). This resulted in a reduction in the Group's net obligations.

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 current values. The 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 the pension schemes at 31 December 2011 and 31 December 2010 are as follows:

	Ireland		UK		Europe	
	2011	2010	**2011**	2010	**2011**	2010
Rate of increase in salaries	**3.00%**	3.00%	**3.00%**	3.00%	**3.00%**	3.00%
Rate of increase in pensions	**2.00%**	2.00%	**3.00%**	3.40%	**0.00%**	0.00%
Inflation rate	**2.00%**	2.00%	**3.00%**	3.40%	**2.00%**	2.00%
Discount rate	**5.30%**	5.50%	**4.80%**	5.30%	**5.10%**	5.50%

Scheme assets

The long term rates of return expected at 31 December 2011 and 31 December 2010, 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	
	2011	2010	**2011**	2010	**2011**	2010
Equities	**7.50%**	7.50%	**7.50%**	7.50%	**0.00%**	0.00%
Bonds	**3.50%**	4.00%	**4.00%**	4.50%	**0.00%**	0.00%
Property	**6.00%**	6.00%	**6.50%**	6.50%	**0.00%**	0.00%
Other	**1.00%**	2.50%	**1.00%**	2.50%	**4.60%**	5.50%

An increase of 25 basis points in the key discount rate assumption would decrease the net pension obligation in all schemes by €5,860,000. A decrease of 25 basis points would increase the net pension obligation by €6,187,000.

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 expectations were as follows:

Life expectancy of current pensioner aged 65:

	Ireland	UK
Male	23.2	20.8
Female	24.6	24.2

Life expectancy of 45 year old active employee at expected retirement age of 65:

	Ireland	UK
Male	25.8	22.7
Female	26.8	26.2

Analysis of net liability

	Ireland 2011 €'000	**UK 2011 €'000**	**Europe 2011 €'000**	**Total 2011 €'000**
Equities	**41,995**	**24,219**	**–**	**66,214**
Bonds	**15,828**	**18,700**	**–**	**34,528**
Property	**2,772**	**3,481**	**–**	**6,253**
Other	**1,253**	**2,615**	**3,711**	**7,579**
Fair value of scheme assets	**61,848**	**49,015**	**3,711**	**114,574**
Present value of scheme obligations	**(71,998)**	**(56,237)**	**(4,397)**	**(132,632)**
Net employee benefits liabilities	**(10,150)**	**(7,222)**	**(686)**	**(18,058)**
Analysed as follows:				
Employee benefit assets	**–**	**–**	**–**	**–**
Employee benefit liability	**(10,150)**	**(7,222)**	**(686)**	**(18,058)**
Net employee benefits liabilities	**(10,150)**	**(7,222)**	**(686)**	**(18,058)**

	Ireland 2010 €'000	UK 2010 €'000	Europe 2010 €'000	Total 2010 €'000
Equities	47,237	25,922	–	73,159
Bonds	11,861	15,923	–	27,784
Property	3,074	3,155	–	6,229
Other	1,370	1,841	3,027	6,238
Fair value of scheme assets	63,542	46,841	3,027	113,410
Present value of scheme obligations	(68,654)	(52,032)	(3,757)	(124,443)
Net employee benefits liabilities	(5,112)	(5,191)	(730)	(11,033)
Analysed as follows:				
Employee benefit assets	–	1,231	–	1,231
Employee benefit liability	(5,112)	(6,422)	(730)	(12,264)
Net employee benefits liabilities	(5,112)	(5,191)	(730)	(11,033)

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

27. Employee Benefits (Continued)

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

	Ireland €'000	UK €'000	Europe €'000	Total €'000
Fair value of assets at 1 January 2010	55,610	39,891	2,279	97,780
Expected return on scheme assets	3,988	2,798	134	6,920
Employer contributions	3,185	1,797	545	5,527
Employee contributions	219	438	41	698
Benefit payments	(2,026)	(1,080)	(43)	(3,149)
Experience adjustments on scheme assets	2,566	1,608	71	4,245
Foreign exchange movements	–	1,389	–	1,389
Fair value of assets at 31 December 2010	**63,542**	**46,841**	**3,027**	**113,410**
Expected return on scheme assets	**4,285**	**2,871**	**165**	**7,321**
Employer contributions	**2,793**	**1,510**	**539**	**4,842**
Employee contributions	**292**	**403**	**42**	**737**
Benefit payments	**(2,024)**	**(1,249)**	**(57)**	**(3,330)**
Experience adjustments on scheme assets	**(7,040)**	**(2,610)**	**(5)**	**(9,655)**
Foreign exchange movements	**–**	**1,249**	**–**	**1,249**
Fair value of assets at 31 December 2011	**61,848**	**49,015**	**3,711**	**114,574**

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 2010	(59,037)	(43,867)	(2,807)	(105,711)
Current service cost	(1,239)	(716)	(160)	(2,115)
Past service cost	(140)	–	–	(140)
Interest on scheme obligations	(3,503)	(2,636)	(168)	(6,307)
Employee contributions	(219)	(438)	(41)	(698)
Benefit payments	2,026	1,080	43	3,149
Experience adjustments on scheme liabilities	786	(1,969)	(86)	(1,269)
Effect of changes in actuarial assumptions	(7,328)	(1,967)	(538)	(9,833)
Foreign exchange movements	–	(1,519)	–	(1,519)
Value of obligations at 31 December 2010	**(68,654)**	**(52,032)**	**(3,757)**	**(124,443)**
Current service cost	**(1,319)**	**(768)**	**(276)**	**(2,363)**
Interest on scheme obligations	**(3,746)**	**(2,696)**	**(205)**	**(6,647)**
Employee contributions	**(292)**	**(403)**	**(42)**	**(737)**
Benefit payments	**2,024**	**1,249**	**57**	**3,330**
Plan curtailments	**926**	**–**	**–**	**926**
Experience adjustments on scheme liabilities	**592**	**352**	**(86)**	**858**
Effect of changes in actuarial assumptions	**(1,529)**	**(469)**	**(88)**	**(2,086)**
Foreign exchange movements	**–**	**(1,470)**	**–**	**(1,470)**
Fair value of obligations at 31 December 2011	**(71,998)**	**(56,237)**	**(4,397)**	**(132,632)**

Movements in the net liability recognised in the balance sheet

	Ireland €'000	UK €'000	Europe €'000	Total €'000
Net liabilities in schemes at 1 January 2010	(3,427)	(3,976)	(528)	(7,931)
Employer contributions	3,185	1,797	545	5,527
Expense recognised in income statement	(894)	(554)	(194)	(1,642)
Actuarial losses recognised in equity	(3,976)	(2,328)	(553)	(6,857)
Foreign exchange movement	–	(130)	–	(130)
Net liabilities in schemes at 31 December 2010	**(5,112)**	**(5,191)**	**(730)**	**(11,033)**
Employer contributions	**2,793**	**1,510**	**539**	**4,842**
Credit/(expense) recognised in the income statement	**146**	**(593)**	**(316)**	**(763)**
Actuarial losses recognised in equity	**(7,977)**	**(2,727)**	**(179)**	**(10,883)**
Foreign exchange movement	**–**	**(221)**	**–**	**(221)**
Net liabilities in schemes at 31 December 2011	**(10,150)**	**(7,222)**	**(686)**	**(18,058)**

Defined benefit pension credit/(expense) recognised in the income statement

	Ireland 2011 €'000	**UK 2011 €'000**	**Europe 2011 €'000**	**Total 2011 €'000**
Current service cost	**(1,319)**	**(768)**	**(276)**	**(2,363)**
Interest on scheme obligations	**(3,746)**	**(2,696)**	**(205)**	**(6,647)**
Expected return on scheme assets	**4,285**	**2,871**	**165**	**7,321**
	(780)	**(593)**	**(316)**	**(1,689)**
Curtailment gain	**926**	**–**	**–**	**926**
Defined benefit pension credit/(expense) recognised in the income statement	**146**	**(593)**	**(316)**	**(763)**
Actual return on scheme assets	**(2,755)**	**261**	**160**	**(2,334)**

	Ireland 2010 €'000	UK 2010 €'000	Europe 2010 €'000	Total 2010 €'000
Current service cost	(1,239)	(716)	(160)	(2,115)
Past service cost	(140)	–	–	(140)
Interest on scheme obligations	(3,503)	(2,636)	(168)	(6,307)
Expected return on scheme assets	3,988	2,798	134	6,920
Defined benefit pension expense recognised in the income statement	(894)	(554)	(194)	(1,642)
Actual return on scheme assets	6,554	4,406	205	11,165

Defined benefit pension scheme expense recognised in the income statement

	2011 €'000	2010 €'000
Distribution expenses	**(788)**	(811)
Administrative expenses	**(901)**	(831)
Other operating income – curtailment gain	**926**	–
	(763)	(1,642)

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

27. Employee Benefits (Continued)

Defined benefit pension expense recognised in other comprehensive income

	Ireland 2011 €'000	UK 2011 €'000	Europe 2011 €'000	Total 2011 €'000
Experience adjustments on scheme assets	**(7,040)**	**(2,610)**	**(5)**	**(9,655)**
Experience adjustments on scheme liabilities	**592**	**352**	**(86)**	**858**
Effect of changes in actuarial assumptions	**(1,529)**	**(469)**	**(88)**	**(2,086)**
	(7,977)	**(2,727)**	**(179)**	**(10,883)**

	Ireland 2010 €'000	UK 2010 €'000	Europe 2010 €'000	Total 2010 €'000
Experience adjustments on scheme assets	2,566	1,608	71	4,245
Experience adjustments on scheme liabilities	786	(1,969)	(86)	(1,269)
Effect of changes in actuarial assumptions	(7,328)	(1,967)	(538)	(9,833)
	(3,976)	(2,328)	(553)	(6,857)

The cumulative actuarial loss before deferred tax recognised in the statement of recognised income and expense is €34,288,000 (2010: €23,405,000).

The expected level of employer contributions for the year ended 31 December 2012 is €4,918,000.

History of scheme assets, liabilities and actuarial gains and losses

	2011 €'000	2010 €'000	2009 €'000	2008 €'000	2007 €'000
Fair value of scheme assets	**114,574**	113,410	97,780	80,133	114,989
Present value of scheme obligations	**(132,632)**	(124,443)	(105,711)	(96,811)	(116,429)
Net liabilities in pension schemes	**(18,058)**	(11,033)	(7,931)	(16,678)	(1,440)

	2011	2010	2009	2008	2007
Difference between expected return and actual return on assets (€'000)	**(9,655)**	4,245	7,390	(33,430)	(6,681)
As a percentage of assets	**(8.4%)**	3.7%	7.6%	(41.7%)	(5.8%)

	2011	2010	2009	2008	2007
Experience gain/(loss) on scheme liabilities (€'000)	**858**	(1,269)	1,571	(2,199)	633
As a percentage of present value of scheme liabilities	**0.6%**	(1.0%)	1.5%	(2.3%)	0.5%

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 2010 or 2011. 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 increase 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 ten 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 2011 €'000**	Income statement expense 2010 €'000
9 May 2007	3 years	3,975,000	0.815	0.3236	**64**	(32)
20 September 2007	3 years	1,110,000	0.65	0.2604	**19**	(2)
5 March 2008	3 years	2,400,000	0.60	0.2039	**35**	56
					118	22

As explained above, the date at which employees may exercise their options is based on a non-market related performance condition. During the year, the assumption as to the date on which the performance condition will be met was revised to 31 December 2014 for options issued in 2007 and also to 31 December 2014 for options issued in 2008 (2010: 31 December 2013 and 31 December 2013 respectively).

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:

	2011 Number of options	**2011 Weighted average exercise price**	2010 Number of options	2010 Weighted average exercise price
Outstanding options at beginning of year	**7,310,000**	**0.7216**	7,310,000	0.7216
Options granted during year	**–**	**–**	–	–
Lapsed during year	**(50,000)**	**0.6000**	–	–
Options outstanding at end of year	**7,260,000**	**0.7224**	7,310,000	0.7216

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

Date of grant	Date of expiry	**2011 Exercise price**	**2011 Number of options**	2010 Exercise price	2010 Number of options
9 May 2007	9 May 2017	**0.815**	**3,875,000**	0.815	3,875,000
20 September 2007	20 September 2017	**0.65**	**1,110,000**	0.65	1,110,000
5 March 2008	5 March 2018	**0.60**	**2,275,000**	0.60	2,325,000
			7,260,000		7,310,000

The options outstanding at 31 December 2011 have a weighted average contractual life of 5.7 years (2010: 6.7 years). The market price of the Company's shares at 31 December 2011 was €0.38 and the range during 2011 was €0.35 to €0.455.

The fair value of services received in return for share options granted is measured by reference to fair value of the share options granted. The estimate of options granted during the year was measured based on a binomial lattice model. The contractual life of the options, which is ten 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%

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

27. Employee Benefits (Continued)

Share based payment (Continued)

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.

28. Capital Commitments and Contingencies

Capital commitments

The Directors have authorised capital expenditure of €11,534,000 (2010: €12,456,000) at the balance sheet date. Capital expenditure contracted for at 31 December 2011 amounted to €1,451,000(2010: €6,311,000).

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
Everfresh Limited
Fiacla Limited
Goldcity Holdings Limited
Groomes The Fresh Food Company Limited
Hugh McNulty (Wholesale) Limited
Iverk Produce Limited
Negev Limited
Quantum Personal Care Limited
Total Produce Corporate Finance Limited
Total Produce Group Procurement Limited
Total Produce Holdings (RSA) Limited
Total Produce International Limited
Total Produce International Holdings 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
Zorita Limited

Guarantees

Company

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies or joint ventures and associates 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 2011 to guarantee the indebtedness of other companies or joint ventures and associates within the Group:

(i) The Company has guaranteed the current bank borrowings of subsidiaries in the amount of €150,978,000 (2010: €133,819,000).
(ii) The Company, together with Balmoral International Land plc, has guaranteed its share of the interest shortfall on bank borrowings of the joint venture company in which both companies are partners subject to a maximum of €845,000 each (2010: €900,000).
(iii)The Company has guaranteed bank borrowings of €1,837,000 (2010: €910,000) within a joint venture company.

Group

In addition to the Company guarantees above, certain Group subsidiaries have given guarantees totalling €4,922,000 (2010: €6,243,000) in respect of other trading obligations arising in the ordinary course of business. A subsidiary company has also guaranteed bank borrowings of €331,000 (€561,000) 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.

29. Related Parties

Identity of related parties

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

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

Remuneration of key management personnel

	2011 €'000	2010 €'000
Short term benefits (salary, bonus, incentives)	**4,816**	4,831
Post-employment benefits	**736**	676
Share-based payment expense	**58**	9
	5,610	5,516

In addition, as described in the Compensation Committee Report on pages 43 to 48, under the short term incentive plan a €549,099 (2010: €317,250) award was made to the Executive Directors. This award is to be applied in the purchase of shares in Total Produce plc which will be held by a Trustee for the benefit of the individual Directors and cannot normally be disposed of for a period of up to five years from date of purchase. See page 44.

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:

	2011 Revenue €'000	**2011 Purchases €'000**	2010 Revenue €'000	2010 Purchases €'000
Joint ventures	**34,638**	**22,969**	40,965	25,121
Associates	**867**	**–**	–	–
	35,505	**22,969**	40,965	25,121

The amounts due from and to joint ventures and associates at the year end are disclosed, in aggregate, in Notes 15 and 21 respectively. The Group's significant joint ventures and associates are set out on page 116.

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 2011, the net amount due to Coplaca by EurobananCanarias SA was €4,764,000 (2010: €5,520,000).

Related party transactions with Balmoral International Land plc

Balmoral International Land plc ('Balmoral')and the Group have one Director (Mr C P McCann) in common and therefore they are considered a related party for the purposes of IAS 24 *Related Party Disclosures*. During the year, the Group recognised the following rental income and expenses from transactions with Total Produce plc:

	2011 €'000	2010 €'000
Rental expense	**(1,586)**	(1,923)
Income	**354**	402

Income relates to expenses recharged by the Group to Balmoral and relates to costs incurred by the Group on behalf of Balmoral, including recharges in respect of administration expenses and a portion of the employment costs of the Chairman.

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

29. Related Parties (Continued)

Related party transactions with Balmoral International Land plc (Continued)

The amount owed from Balmoral at the year end was €135,000 (2010: €201,000) and the amount owed to Balmoral was €9,000 (2010: €Nil).

The Group has an investment in a 50:50 joint venture company with Balmoral which owns 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 €8,449,000 (2010: €8,155,000). The Group's share of the operating losses of this joint venture in 2011 was €294,000 (2010: €619,000). The carrying value of the investment in this joint venture at 31 December 2011 was €Nil (2010: €Nil).

The Group has guaranteed its share of any interest shortfall on the joint venture's bank borrowings, subject to a maximum of €845,000.

30. Financial Instruments and Financial Risk

	Cash flow hedges 2011 €'000	**Fair value through profit or loss 2011 €'000**	**Loans and receivables 2011 €'000**	**Available-for-sale 2011 €'000**	**Liabilities at amortised cost 2011 €'000**	**Total carrying amount 2011 €'000**	**Fair value 2011 €'000**
Other financial assets (Note 13)	**–**	**–**	**–**	**647**	**–**	**647**	**647**
Trade and other receivables (Note 15)	**–**	**–**	**265,158**	**–**	**–**	**265,158**	**265,158**
Derivative financial assets (Note 30)	**–**	**57**	**–**	**–**	**–**	**57**	**57**
Cash and cash equivalents (Note 16)	**–**	**–**	**90,087**	**–**	**–**	**90,087**	**90,087**
	–	**57**	**355,245**	**647**	**–**	**355,949**	**355,949**
Trade and other payables (Note 21)	**–**	**–**	**–**	**–**	**(298,310)**	**(298,310)**	**(298,310)**
Bank overdrafts (Note 20)	**–**	**–**	**–**	**–**	**(4,274)**	**(4,274)**	**(4,274)**
Bank borrowings (Note 20)	**–**	**–**	**–**	**–**	**(155,813)**	**(155,813)**	**(155,257)**
Finance lease liabilities (Note 20)	**–**	**–**	**–**	**–**	**(5,553)**	**(5,553)**	**(5,894)**
Derivative financial liabilities (Note 30)	**(72)**	**(237)**	**–**	**–**	**–**	**(309)**	**(309)**
Deferred consideration (Note 23)	**–**	**–**	**–**	**–**	**(11,931)**	**(11,931)**	**(11,931)**
Other provisions (Note 23)	**–**	**–**	**–**	**–**	**(512)**	**(512)**	**(512)**
	(72)	**(237)**	**–**	**–**	**(476,393)**	**(476,702)**	**(476,487)**

	Cash flow hedges 2010 €'000	Fair value through profit or loss 2010 €'000	Loans and receivables 2010 €'000	Available-for-sale 2010 €'000	Liabilities at amortised cost 2010 €'000	Total carrying amount 2010 €'000	Fair value 2010 €'000
Other financial assets (Note 13)	–	–	–	9,704	–	9,704	9,704
Trade and other receivables (Note 15)	–	–	260,909	–	–	260,909	260,909
Derivative financial assets (Note 30)	–	61	–	–	–	61	61
Cash and cash equivalents (Note 16)	–	–	104,486	–	–	104,486	104,486
	–	61	365,395	9,704	–	375,160	375,160
Trade and other payables (Note 21)	–	–	–	–	(309,727)	(309,727)	(309,727)
Bank overdrafts (Note 20)	–	–	–	–	(6,570)	(6,570)	(6,570)
Bank borrowings (Note 20)	–	–	–	–	(141,421)	(141,421)	(141,139)
Finance lease liabilities (Note 20)	–	–	–	–	(4,430)	(4,430)	(4,947)
Derivative financial liabilities (Note 30)	(96)	(204)	–	–	–	(300)	(300)
Deferred consideration (Note 23)	–	–	–	–	(18,730)	(18,730)	(18,730)
Other provisions (Note 23)	–	–	–	–	(798)	(798)	(798)
	(96)	(204)	–	–	(481,676)	(481,976)	(482,211)

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

Certain of the Group's available-for-sale financial assets are comprised of 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.

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 measurement.

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.

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

30. Financial Instruments and Financial Risk (Continued)

Fair value hierarchy (Continued)

At 31 December 2011 and 31 December 2010, the Group recognised and measured the following financial instruments at fair value:

	2011 Total €'000	**2011 Level 1 €'000**	**2011 Level 2 €'000**	**2011 Level 3 €'000**
Assets measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	**57**	**–**	**57**	**–**
Liabilities measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	**(237)**	**–**	**(237)**	**–**
Designated as hedging instruments				
Interest rate swaps	**(72)**	**–**	**(72)**	**–**

	2010 Total €'000	2010 Level 1 €'000	2010 Level 2 €'000	2010 Level 3 €'000
Assets measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	61	–	61	–
Available-for-sale financial assets				
Unquoted equity investments	9,158	–	–	9,158
Liabilities measured at fair value				
At fair value through profit or loss				
Foreign exchange contracts	(204)	–	(204)	–
Designated as hedging instruments				
Foreign exchange contracts	(21)	–	(21)	–
Interest rate swaps	(75)	–	(75)	–

Additional disclosures for Level 3 fair value measurements

	2011 €'000	2010 €'000
At beginning of year	**9,158**	9,750
Gain/(loss) recognised in other comprehensive income	**2,028**	(592)
Investment becoming an associate (Notes 12 and 13)	**(11,186)**	–
At end of year	**–**	9,158

The level 3 fair value instruments in 2010 relate to the Group's investment in Capespan Group Limited ('Capespan South Africa') which as disclosed in Note 12 and 13 was reclassified as an associate investment of the Group in July 2011.

The fair value in July 2011 was measured using an analysis of recent share trades in that period as the share price in an active market was deemed to approximate fair value. The foreign currency denominated fair value was then translated to Euro at the closing exchange rate at the date the investment was reclassified as an investment in associate. At this date, the investment was fair valued to €11,186,000 with a fair value gain of €2,028,000 in the period recognised through the available-for-sale reserve. The fair value of €11,186,000 was reclassified in July 2011 from an available-for-sale financial asset to an associate investment of the Group.

For the year ended 31 December 2010, a fair value loss of €592,000 arose on the remeasurement of the investment in Capespan South Africa and was recognised through the available-for-sale reserve. At this date in the absence of an active market for the shares in Capespan South Africa, 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 in the investment and a discount factor applied to reflect the non-controlling interest nature of the investment. The foreign currency denominated fair value was then translated to Euro at the closing exchange rate at 31 December 2010, resulting in a fair value of €9,158,000.

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 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 and associates 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 accepted above such limits only in defined circumstances. The utilisation of credit limits is regularly monitored and a significant element of the credit risk is covered by credit insurance. 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.

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
The Group's exposure to credit risk relating to cash and short term deposits is managed by investing funds with a number of different individual banks or institutions at any one time. At 31 December 2011 and throughout the year the majority of cash balances were invested with banks and institutions with a minimum credit rating of 'A'. Limits applied to individual counterparty banks are reviewed regularly along with their individual credit ratings.

Notes to the Group Financial Statements (Continued)
for the year ended 31 December 2011

30. Financial Instruments and Financial Risk (Continued)
Credit Risk (Continued)
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 and associates
The Group has advanced loans to certain joint ventures and associates. The Group limits its exposure through active participation in the execution of joint control and significant influence, through regular reviews of the business plans and results of its joint ventures and associates and by ensuring funds are used in a non-speculative manner by its joint ventures and associates. Funding to joint ventures and associates is generally undertaken only where it is matched by comparable contributions from the joint venture partner or other investors.

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 2011 €'000	Carrying amount 2010 €'000
Other financial assets (Note 13)	**647**	9,704
Cash and cash equivalents (Note 16)	**90,087**	104,486
Trade and other receivables (Note 15)	**265,158**	260,909
Derivative financial instruments (Note 30)	**57**	61
	355,949	375,160

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 2011 €'000	Carrying amount 2010 €'000
Eurozone Fresh Produce	**105,935**	112,311
Scandinavia Fresh Produce	**50,638**	49,982
UK Fresh Produce	**39,736**	38,115
Other Fresh Produce	**20,829**	21,752
Consumer Goods and Healthfoods Distribution	**18,584**	13,364
	235,722	235,524

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

	Gross 2011 €'000	**Impairment 2011 €'000**	Gross 2010 €'000	Impairment 2010 €'000
Not past due	**184,924**	**(2,128)**	189,275	(1,546)
Past due 0 – 30 days	**40,156**	**(683)**	36,528	(1,038)
Past due 31 – 90 days	**10,551**	**(343)**	10,020	(523)
Past due 91 – 180 days	**2,471**	**(320)**	3,357	(1,212)
Past due more than 180 days	**3,793**	**(2,699)**	3,174	(2,511)
	241,895	**(6,173)**	242,354	(6,830)

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 2011 €'000	**Impairment 2011 €'000**	Gross 2010 €'000	Impairment 2010 €'000
Not past due	**28,660**	**(1,913)**	24,925	(1,347)
Past due 0 – 30 days	**75**	**–**	63	–
Past due 31 – 90 days	**–**	**–**	33	(31)
Past due 91 – 180 days	**273**	**–**	153	(1)
Past due more than 180 days	**299**	**(35)**	294	(127)
	29,307	**(1,948)**	25,468	(1,506)

Non-trade receivables due from joint ventures

At year end, the Group has non-trade receivable balances due from its joint ventures and associates of €2,077,000 (2010: €1,423,000). 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

	2011 €'000	2010 €'000
Balance at beginning of year	**(6,830)**	(5,423)
Utilised on write-off	**2,081**	2,242
Charge to income statement	**(1,406)**	(3,509)
Foreign exchange movement	**(18)**	(140)
	(6,173)	(6,830)

Other receivables – impairment provision

	2011 €'000	2010 €'000
Balance at beginning of year	**(1,506)**	(998)
Utilised on write-off	**64**	109
Charge to income statement	**(509)**	(603)
Foreign exchange movement	**3**	(14)
	(1,948)	(1,506)

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, 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.

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 €326 million (2010: €334 million) in addition to approved overdrafts of €109 million (2010: €109 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.

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

30. Financial Instruments and Financial Risk (Continued)

Liquidity risk (Continued)

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

	Carrying amount 2011 €'000	Contractual cash flows 2011 €'000	6 months or less 2011 €'000	6-12 months 2011 €'000	1-2 years 2011 €'000	2-5 years 2011 €'000	More than 5 years 2011 €'000
Non-derivative financial liabilities							
Bank borrowings	**(155,813)**	**(176,760)**	**(14,355)**	**(10,495)**	**(26,308)**	**(125,512)**	**(90)**
Bank overdraft	**(4,274)**	**(4,274)**	**(4,274)**	**–**	**–**	**–**	**–**
Finance lease liabilities	**(5,553)**	**(6,446)**	**(686)**	**(686)**	**(1,453)**	**(3,621)**	**–**
Trade and other payables	**(298,310)**	**(298,382)**	**(295,005)**	**(746)**	**(763)**	**(961)**	**(907)**
Deferred consideration	**(11,931)**	**(13,096)**	**(444)**	**(689)**	**(1,484)**	**(6,851)**	**(3,628)**
Other provisions	**(512)**	**(512)**	**(512)**	**–**	**–**	**–**	**–**
Derivative financial instruments							
Forward exchange contracts:							
– inflows	**–**	**18,443**	**18,443**	**–**	**–**	**–**	**–**
– outflows	**(237)**	**(18,680)**	**(18,680)**	**–**	**–**	**–**	**–**
Interest rate swaps	**(72)**	**(72)**	**–**	**(72)**	**–**	**–**	**–**
	(476,702)	**(499,779)**	**(315,513)**	**(12,688)**	**(30,008)**	**(136,945)**	**(4,625)**

	Carrying amount 2010 €'000	Contractual cash flows 2010 €'000	6 months or less 2010 €'000	6-12 months 2010 €'000	1-2 years 2010 €'000	2-5 years 2010 €'000	More than 5 years 2010 €'000
Non-derivative financial liabilities							
Bank borrowings	(141,421)	(155,198)	(2,642)	(17,512)	(78,767)	(23,670)	(32,607)
Bank overdraft	(6,570)	(6,570)	(6,570)	–	–	–	–
Finance lease liabilities	(4,430)	(5,373)	(138)	(137)	(1,067)	(4,031)	–
Trade and other payables	(309,727)	(309,830)	(305,263)	(676)	(796)	(2,135)	(960)
Deferred consideration	(18,730)	(19,640)	(13,989)	(576)	(731)	(2,240)	(2,104)
Other provisions	(798)	(798)	(303)	(303)	(192)	–	–
Derivative financial instruments							
Forward exchange contracts:							
– inflows	–	29,368	29,368	–	–	–	–
– outflows	(164)	(29,532)	(29,532)	–	–	–	–
Interest rate swaps	(75)	(75)	–	(75)	–	–	–
	(481,915)	(497,648)	(329,069)	(19,279)	(81,553)	(32,076)	(35,671)

Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's risk management strategy is to manage and control market risk exposures within acceptable parameters, while optimising the return earned by the Group. The Group has three types of market risk being currency risk, interest rate risk and other market price risk, 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 naturally 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 2011 €'000	Sterling 2011 €'000	SEK 2011 €'000	CZK 2011 €'000	DKK 2011 €'000	US Dollar 2011 €'000	Other 2011 €'000
Trade and other receivables	**13,610**	**2,988**	**1,197**	**–**	**423**	**1,098**	**790**
Derivative financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Cash and cash equivalents	**15,345**	**240**	**2,422**	**–**	**844**	**1,149**	**485**
Bank overdrafts	**–**	**(73)**	**–**	**–**	**–**	**–**	**–**
Bank borrowings[(i)]	**–**	**(26,063)**	**(54,600)**	**(11,182)**	**–**	**–**	**–**
Trade and other payables	**(62,964)**	**(2,161)**	**(215)**	**(32)**	**(1,512)**	**(2,663)**	**(685)**
Derivative financial liabilities	**(222)**	**–**	**–**	**–**	**(3)**	**–**	**–**
Deferred consideration obligations	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	(34,231)	**(25,069)**	**(51,196)**	**(11,214)**	**(248)**	**(416)**	**590**

	Euro 2010 €'000	Sterling 2010 €'000	SEK 2010 €'000	CZK 2010 €'000	DKK 2010 €'000	US Dollar 2010 €'000	Other 2010 €'000
Trade and other receivables	14,035	3,065	1,470	–	4,720	3,435	701
Derivative financial assets	31	–	–	–	–	30	–
Cash and cash equivalents	11,477	193	–	–	124	1,569	364
Bank overdrafts	3	–	–	–	–	2	–
Bank borrowings[(i)]	–	(18,406)	(51,513)	(11,366)	–	–	–
Trade and other payables	(69,705)	(3,041)	(505)	–	(1,762)	(2,102)	(436)
Derivative financial liabilities	–	–	–	–	–	(21)	–
Deferred consideration obligations	–	–	–	–	–	–	–
	(44,159)	(18,189)	(50,548)	(11,366)	3,082	2,913	629

(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 2011 and 31 December 2010, 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 2011				
Sterling	(30)	1,241	42	(1,372)
Swedish Krona	57	2,600	18	(2,874)
Czech Koruna	(163)	532	190	(589)
US Dollar	8	–	(9)	–
31 December 2010				
Sterling	34	876	(73)	(969)
Swedish Krona	48	2,453	45	(2,711)
Czech Koruna	(45)	541	65	(598)
US Dollar	(86)	(70)	102	79

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

30. 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 making it possible to benefit from opportunities due to movement in longer term rates. At 31 December 2011,19.3% (2010: 22.3%) of the Group's term bank borrowings were on long term fixed 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 2011 €'000	Carrying amount 2010 €'000
Fixed rate instruments		
Bank borrowings	**(30,000)**	(31,485)
Finance lease liabilities	**(60)**	(137)
	(30,060)	(31,622)
Variable rate instruments		
Cash and cash equivalents	**90,087**	104,486
Bank overdrafts	**(4,274)**	(6,570)
Bank borrowings	**(125,813)**	(109,936)
Finance lease liabilities	**(5,493)**	(4,293)
	(45,493)	(16,313)
Net debt	**(75,553)**	(47,935)

Cash flow sensitivity analysis for variable rate instruments

At 31 December 2011, the average interest rate being earned on the Group's cash and cash equivalents was 0.65% (2010: 0.61%). At 31 December 2011, the average interest rate being paid on the Group's borrowings was 2.89% (2010: 2.58%). 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 2011				
Variable rate instruments	**(227)**	**–**	**227**	**–**
31 December 2010				
Variable rate instruments	(82)	–	82	–

Equity price risk

Equity price risk arises from the available-for-sale equity securities which are held for strategic reasons by 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 2011 €'000	**Liabilities 2011 €'000**	Assets 2010 €'000	Liabilities 2010 €'000
Forward currency contracts	**57**	**(237)**	61	(225)
Interest rate swaps	**–**	**(72)**	–	(75)
	57	**(309)**	61	(300)

Derivatives at the end of year are classified as follows:

	2011 €'000	2010 €'000
Cash flow hedges – liabilities	**(72)**	(96)
Fair value through income statement – assets	**57**	61
Fair value through income statement – liabilities	**(237)**	(204)
	(252)	(239)

The movement in cash flow hedges during the year was as follows:

	2011 €'000	2010 €'000
Effective portion of changes in fair value of cash flow hedges	**45**	(1,975)
Fair value of cash flow hedges transferred to income statement	**(20)**	1,959
	25	(16)

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 €91,845,000 (2010: €81,285,000). 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.

Notes to the Group Financial Statements (Continued)

for the year ended 31 December 2011

31. Cash Generated from Operations

	Notes	2011 €'000	2010 €'000
Operating activities			
Profit for the year		**27,741**	25,225
Adjustments to reconcile profit to net cash flows:			
Income tax expense	6	**6,635**	8,371
Income tax paid		**(11,286)**	(9,847)
Depreciation of property, plant and equipment	9	**13,153**	13,066
Fair value movement on investment property	10	**2,550**	2,119
Impairment of property, plant and equipment	9	**1,331**	
Impairment of available-for-sale financial assets	13	**–**	65
Revision to deferred consideration	23	**(273)**	–
Amortisation of intangible assets	11	**5,501**	5,252
Goodwill impaired	11	**114**	–
Amortisation of research and development	11	**281**	227
Amortisation of government grants	22	**(187)**	(441)
Movement on other provisions	23	**(294)**	798
Defined benefit pension scheme expense	27	**1,689**	1,642
Pension curtailment gain	27	**(926)**	–
Contributions to defined benefit pension schemes	27	**(4,842)**	(5,527)
Share-based payment expense	27	**118**	22
Net gain on disposal of property, plant and equipment		**(314)**	(680)
Financial income	3	**(1,691)**	(1,411)
Financial expense	3	**6,845**	5,264
Loss on non-hedging derivative financial instruments	2	**168**	521
Gain on non-hedging derivative financial instruments	2	**(751)**	(392)
Gain reclassified to the income statement on available-for-sale financial asset becoming an associate	13	**(4,055)**	–
Gain on disposal of joint ventures	2	**(1,612)**	–
Share of profit of joint ventures	12	**(2,402)**	(1,512)
Share of profit of associates	12	**(1,040)**	–
Interest received		**1,757**	1,278
Interest paid		**(6,982)**	(4,673)
Net cash flows from operating activities before working capital movements		**31,228**	39,367

32. 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 27.

33. Post Balance Sheet Events

On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in the European fruit distribution business Capespan International Holdings Limited ('Capespan Europe') to Capespan Group Limited ('Capespan South Africa') for a total consideration of €13.0m satisfied by the exchange of an additional 20 million shares in Capespan South Africa and €8.5m in cash. This transaction results in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce both previously owned 50% each of Capespan Europe. This investment was classified as a non-current asset held for sale following the agreement to dispose of this investment in December 2011.

On 20 December 2011, the Group announced that it had entered into an agreement to acquire a 50% shareholding in Frankort & Koning Beheer Venlo BV and subsidiaries ('Frankort & Koning') for consideration of up to €15.0m. Headquartered in Venlo, the Netherlands, Frankort & Koning have operations principally in the Netherlands, Germany and Poland. An initial consideration of €6.0m will be paid on completion with additional consideration of up to €9.0m becoming payable in several tranches over the next number of years if certain profit targets are met. The transaction was subject to the normal regulatory clearances which were received on 5 March 2012.

34. 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	100	Ireland	Charles McCann Building, Rampart Road, Dundalk, Co. Louth
Allegro Limited*	Consumer goods company	90	Ireland	1 Beresford Street, Dublin 7
Total Produce International Holdings Limited*	Investment holding company	100	Ireland	Charles McCann Building, Rampart Road, Dundalk, Co. Louth
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	Enterprise Way, Pinchbeck Spalding PE11 3YR
Redbridge Holdings Limited	Fresh produce company	100	United Kingdom	Enterprise Way, Pinchbeck Spalding PE11 3YR
TPH (UK) Limited	Investment holding company	100	United Kingdom	Enterprise Way, Pinchbeck Spalding PE11 3YR
Total Produce Holdings (UK) Limited	Investment holding company	100	United Kingdom	Enterprise Way, Pinchbeck Spalding PE11 3YR
Total Produce Limited	Fresh produce company	100	United Kingdom	Enterprise Way, Pinchbeck Spalding PE11 3YR
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
EurobananCanarias S.A.	Fresh produce company	50	Spain	Avda. de Anaga N°11, 38001 Santa Cruz de Tenerife, Spain
Peviani SpA	Fresh produce company	50	Italy	Via Maspero, 20, 1 – 20137, Milan

Notes to the Group Financial Statements (Continued)

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34. Significant Subsidiaries, Joint Ventures and Associates (Continued)

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
Nordic Fruit Holding AB[1]	Investment holding company	100	Sweden	Långebergavägen 190, 256 69 Helsingborg, Sweden
Total Produce Nordic A/S[2]	Investment holding 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

Joint ventures and Associates	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
Capespan Group Limited	Fresh produce company	20	South Africa	Parc du Cap, Mispel Road, Belville, 7530, South Africa
Anaco & Greeve International B.V.	Fresh produce company	50	The Netherlands	Postbus 31, 2685 ZG Poeldijk.
Suri Agro Fresh Pvt. Limited	Fresh produce company	50	India	C-129, New Subzi Mandi, Azadpur, Delhi – 110033, India
Frutas IRU S.A.	Fresh produce company	50	Spain	Puestos 326-330, Mercabilbao, 48970 Basauri – Bilbao
ASF Holland B.V.	Fresh produce company	50	Netherlands	Venrayseweg 126, 5828 RH, Venlo, The Netherlands

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

* Denotes subsidiaries owned directly by Total Produce plc.
** As noted in Note 33, post year end on 9 January 2012 the Group announced the completion of a transaction to dispose of its 50% interest in Capespan International Holdings Limited.

1. Nordic Fruit Holding AB is the holding company of the Group's principal Swedish trading subsidiaries Everfresh AB and Interbanan AB.
2. Total Produce Nordic A/S is the holding company of the Group's principal Danish trading subsidiaries Brdr. Lembcke and Interbanan A/S.

Company Balance Sheet
as at 31 December 2011

	Notes	2011 €'000	2010 €'000
Assets			
Non-current			
Investments	35	**258,522**	256,187
Current			
Trade and other receivables	36	**25,437**	17,211
Cash and cash equivalents	37	**107**	–
Total current assets		**25,544**	17,211
Total assets		**284,066**	273,398
Equity			
Share capital		**3,519**	3,519
Share premium		**252,574**	252,574
Other reserves		**(7,390)**	(5,481)
Retained earnings		**26,221**	16,595
Total equity		**274,924**	267,207
Liabilities			
Current			
Interest-bearing loans and borrowings	37	**–**	30
Trade and other payables	38	**9,142**	6,161
Total current liabilities		**9,142**	6,191
Total liabilities		**9,142**	6,191
Total liabilities and equity		**284,066**	273,398

On behalf of the Board

C P McCann
Chairman

F J Davis
Finance Director

Company Statement of Changes in Equity

for the year ended 31 December 2011

	Share capital €'000	Share premium €'000	Available-for-sale reserve €'000	Own shares reserve €'000	Share option reserve €'000	Retained earnings €'000	Total €'000
As at 1 January 2010	3,519	252,574	2,619	–	1,050	8,784	268,546
Comprehensive income							
Profit for the year	–	–	–	–	–	13,865	13,865
Other comprehensive income:							
Losses on re-measuring available-for-sale financial assets	–	–	(592)	–	–	–	(592)
Total other comprehensive income	–	–	(592)	–	–	–	(592)
Total comprehensive income	–	–	(592)	–	–	13,865	13,273
Transactions with equity holders							
Dividends	–	–	–	–	–	(5,947)	(5,947)
Share-based payment transactions	–	–	–	–	22	–	22
Purchase of own shares	–	–	–	(8,580)	–	(107)	(8,687)
Total transactions with equity holders	–	–	–	(8,580)	22	(6,054)	(14,612)
As at 31 December 2010	**3,519**	**252,574**	**2,027**	**(8,580)**	**1,072**	**16,595**	**267,207**
Comprehensive income							
Profit for the year	**–**	**–**	**–**	**–**	**–**	**15,508**	**15,508**
Other comprehensive income:							
Gains on re-measuring available-for-sale financial assets (Note 35)	**–**	**–**	**2,028**	**–**	**–**	**–**	**2,028**
Recycling of revaluation gains to income statement upon available-for-sale investment becoming an associate (Note 35)	**–**	**–**	**(4,055)**	**–**	**–**	**–**	**(4,055)**
Total other comprehensive income	**–**	**–**	**(2,027)**	**–**	**–**	**–**	**(2,027)**
Total comprehensive income	**–**	**–**	**(2,027)**	**–**	**–**	**15,508**	**13,481**
Transactions with equity holders							
Dividends	**–**	**–**	**–**	**–**	**–**	**(5,882)**	**(5,882)**
Share-based payment transactions	**–**	**–**	**–**	**–**	**118**	**–**	**118**
Total transactions with equity holders	**–**	**–**	**–**	**–**	**118**	**(5,882)**	**(5,764)**
As at 31 December 2011	**3,519**	**252,574**	**–**	**(8,580)**	**1,190**	**26,221**	**274,924**

Company Statement of Cash Flows
for the year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Operating activities			
Profit for the year		**15,508**	13,865
Adjustments to reconcile profit before tax to net cash flows:			
Share-based payment expense		**15**	9
Revaluation gains reclassified to income statement upon available-for-sale investment becoming an associate	35	**(4,055)**	–
Movement in trade and other receivables		**(8,226)**	(1,989)
Movement in trade and other payables		**2,981**	2,742
Net cash flows from operating activities		**6,223**	14,627
Financing activities			
Purchase of own shares		**–**	(8,687)
Investments in subsidiaries		**(204)**	–
Dividends paid to equity holders		**(5,882)**	(5,947)
Net cash flows from financing activities		**(6,086)**	(14,634)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**137**	(7)
Cash, cash equivalents and bank overdrafts at 1 January		**(30)**	(23)
Cash, cash equivalents and bank overdrafts at 31 December		**107**	(30)

Notes to the Company Financial Statements
for the year ended 31 December 2011

35. Investments

	Investments in subsidiaries €'000	Investments in joint ventures and associates €'000	Available-for-sale financial assets €'000	Total €'000
Balance at 1 January 2010	246,166	850	9,750	256,766
Investment in subsidiaries	13	–	–	13
Losses on re-measuring available-for-sale financial assets	–	–	(592)	(592)
Balance at 31 December 2010	**246,179**	**850**	**9,158**	**256,187**
Investment in subsidiaries	**307**	**–**	**–**	**307**
Gains on re-measuring available-for-sale financial assets	**–**	**–**	**2,028**	**2,028**
Available-for-sale financial asset reclassified as an investment in associate	**–**	**11,186**	**(11,186)**	**–**
Balance at 31 December 2011	**246,486**	**12,036**	**–**	**258,522**

The principal subsidiaries and joint ventures and associates are set out on pages 115 and 116.

At 31 December 2010, the Group held an effective interest of 15.6% in Capespan Group Limited ('Capespan South Africa') which was classified as an available-for-sale financial asset. From July onwards the Group, through a subsidiary of the Company, invested €3,336,000 which increased the Group's shareholding in Capespan South Africa to an effective interest of 20.2% at 31 December 2011. From July 2011 onwards, the investment in Capespan South Africa has been treated as an associate undertaking of the Group and the Company in accordance with IAS 28 *Investment in Associates*. At this date the Company's existing 15.6% effective interest in Capespan South Africa was fair valued to €11,186,000 and reclassified from an available-for-sale financial asset to an investment in an associate. The total fair value gain of €4,055,000 (which included the reclassification of €2,027,000 of previously recognised fair value gains in the fair value reserve within equity) were reclassified to the income statement resulting in an exceptional gain of €4,055,000 which has been disclosed in the Group financial statements as an exceptional item.(Refer to Note 5 and Note 12).

The fair value in July 2011 was measured using an analysis of recent shares trades in that period as the share price in an active market was deemed to approximate fair value. The foreign currency denominated fair value was then translated to Euro at the closing exchange rate at the date the investment was reclassified as an investment in associate.

For the year ended 31 December 2010, a fair value loss of €592,000 arose on the remeasurement of the investment in Capespan South Africa and was recognised through the available-for-sale reserve. At this date, in the absence of an active market for the shares in Capespan South Africa, 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 in Capespan South Africa and a discount factor applied to reflect the non-controlling interest nature of the investment. The foreign currency denominated fair value was then translated to Euro at the closing exchange rate at 31 December 2010.

36. Trade and Other Receivables

	2011 €'000	2010 €'000
Current		
Amounts due from subsidiaries	**25,437**	17,211

The €25,437,000 (2010: €17,211,000) 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.

37. Cash and Cash Equivalents

	2011 €'000	2010 €'000
Cash	**107**	–
Bank overdrafts	**–**	(30)

38. Trade and Other Payables

	2011 €'000	2010 €'000
Amounts due to group undertakings	**8,651**	5,513
Accruals and deferred income	**491**	648
	9,142	6,161

39. Related Party Transactions

The Company has a related party relationship with its subsidiaries, joint ventures and 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 43 to 48.

	2011 €'000	2010 €'000
Dividends received from group undertakings	**13,928**	16,273

40. Employee Benefits

The aggregate employee costs for the Company were as follows:

	2011 €'000	2010 €'000
Wages and salaries	**2,039**	1,929
Social security contributions	**155**	157
Pension costs – defined contribution schemes	**–**	6
Pension costs – defined benefit schemes	**147**	168
Share-based payment transactions	**15**	9
	2,356	2,269

The average number of employees of the Company in 2011 was 8 (2010: 8).

41. Capital Commitments and Contingencies

The company has no capital commitments at 31 December 2011 (2010: €Nil).

Details in relation to contingencies and guarantees, including section 17 guarantees, are outlined in Note 28 of the Group Financial Statements on page 102.

42. Statutory and Other Information

Auditor's remuneration

	2011 €'000	2010 €'000
Audit services	**179**	179
Other assurance services	**–**	–
Tax advisory services	**–**	–
Other non-audit services	**18**	19

Notes to the Company Financial Statements (Continued)
for the year ended 31 December 2011

43. Financial Instruments and Financial Risk

	Loans and receivables 2011 €'000	Available-for-sale financial assets 2011 €'000	Liabilities at amortised cost 2011 €'000	Total 2011 €'000	Fair value 2011 €'000
Trade and other receivables	**25,437**	–	–	**25,437**	**25,437**
Cash and cash equivalents	**107**	–	–	**107**	**107**
	25,544	–	–	**25,544**	**25,544**
Trade and other payables	–	–	**9,142**	**9,142**	**9,142**
	–	–	**9,142**	**9,142**	**9,142**

	Loans and receivables 2010 €'000	Available-for-sale financial assets 2010 €'000	Liabilities at amortised cost 2010 €'000	Total 2010 €'000	Fair value 2010 €'000
Investments	–	9,158	–	9,158	9,158
Trade and other receivables	17,211	–	–	17,211	17,211
	17,211	9,158	–	26,369	26,369
Trade and other payables	–	–	(6,161)	(6,161)	(6,161)
Bank overdrafts	–	–	(30)	(30)	(30)
	–	–	(6,191)	(6,191)	(6,191)

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

Credit risk

The €25,437,000 (2010: €17,211,000) 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. The €107,000 (2010: €Nil) of cash and cash equivalents is managed in accordance with the overall Group credit risk policy.

Liquidity risk

The €9,142,000 (2010: €6,161,000) within trade and other payables and the bank overdraft of €Nil (2010: €30,000) 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 were held for strategic reasons of the Group in 2010. There are no such investments held at 31 December 2011.

Notice of the Annual General Meeting
for the year ended 31 December 2011

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 Friday, 18 May 2012 at 10.30 a.m. for the following purposes:

1. To receive and consider the Statements of Account for the year ended 31 December 2011 and the reports of the Directors and auditor thereon.

2. To confirm the interim dividend and declare a final dividend of 1.35 cent per share on the ordinary shares for the year ended 31 December 2011.

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

   (A) Jerome Kennedy (Resolution 3(A)); and

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

   The biographical details of both Directors are set out in page 30 of the accompanying financial statements.

4. To authorise the Directors to fix the remuneration of the auditor for the year ending 31 December 2012.

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 (117,295,577 shares), representing approximately 33.3% 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 18 August 2013 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 €175,944 (17,594,336 shares) representing 5% 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 (excluding expenses) which may be paid for any share shall be an amount equal to the nominal value thereof;

   (c) the maximum price (excluding expenses) which may be paid for any share (a '**relevant share**') shall be an amount equal to the greater of

      (i) 105% of the average of the five amounts resulting from determining whichever of the following (A), (B) or (C) 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:

Notice of the Annual General Meeting (Continued)
for the year ended 31 December 2011

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

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

(C) 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; and

(ii) the higher of the price quoted for:

(A) the last independent trade of; and

(B) the highest current independent bid or offer for,

any number of relevant shares on the trading venue where the purchase pursuant to the authority conferred by this resolution will be carried out;

(d) the authority hereby granted shall expire at the close of business on the date of the next AGM of the Company or 18 August 2013, 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 18 August 2013, whichever is the earlier, unless previously varied or renewed in accordance with the provisions of Section 209 of the Companies Act, 1990."

M. Reid
Secretary
16 April 2012
Charles McCann Building,
Rampart Road, Dundalk, Co. Louth, Ireland

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 Wednesday, 16 May 2012. Alternatively, a proxy may be appointed electronically, by visiting the website of Computershare Services (Ireland) Limited at www.computershare.ie. Shareholders will be asked to enter the control number, their shareholder identification number and PIN number and agree to certain conditions. The shareholder identification number and PIN number 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 Wednesday, 16 May 2012 (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 Wednesday, 16 May 2012. 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 their 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 2012 (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 7,260,000 new ordinary shares if such share options were to be exercised. Further the issue of all of these shares would represent approximately 2.16% of the enlarged equity or 2.24%, 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 UK Corporate Governance Code. On this basis, the Chairman and Board are pleased to recommend the election/re-election of those Directors.

Notes

Notes

Notes

Shareholder Information

Share price (Euro cent)

Year	High	Low	31 December
2011	**45.5**	**35.0**	**38.0**

Market capitalisation

The market capitalisation of Total Produce plc on 31 December 2011 was €125 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 Friday 18 May 2012 at 10.30 a.m. Notice of the meeting is set out on pages 123 to 125 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.

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