

# Total Produce

Let's Grow Together

Davy Irish Small and Mid Cap  
Conference

16/17 October 2007

Presentation by  
Rory Byrne  
Chief Executive



- **Our Company**
  - Overview
  - Product portfolio
  - Management & Infrastructure
- **Our Industry**
  - Consumption
  - Retail Environment
  - Opportunities & trends
- **Finance & Strategy**
  - Performance to date
  - Development & acquisitions
  - Company drivers
  - Strategy & targets



- **One of the leading companies in Europe with annualised sales of €2 billion+**
- **The leading fresh produce company in Ireland, Spain, Sweden, Denmark and Czech Republic. Large operations in the Netherlands, UK, Italy and Slovakia**
- **Approximately 225 million cases of produce distributed across Europe annually**

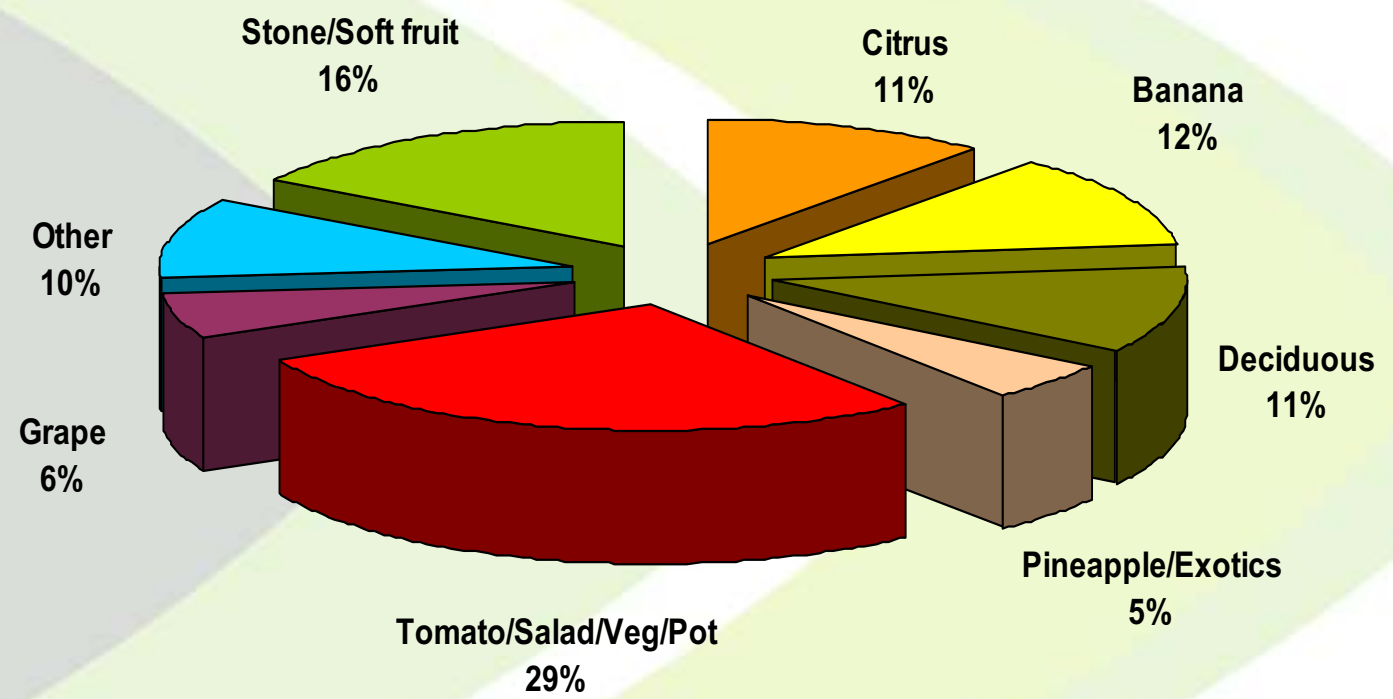


## Business Overview

- Provides all key fruit categories to European customers
- Business evenly balanced across geographies, products and customers
- Experienced management team ambitious to grow business



# Produce Portfolio





## Our Board

<b>Name</b>	<b>Position</b>	<b>Years in Company</b>
Carl McCann	Chairman	27 years
Rory Byrne	CEO	19 years
Frank Gernon	Finance Director	34 years
Frank Davis	CFO / Company Secretary	23 years
Rose Hynes	Non-executive director	
Jerome Kennedy	Non-executive director	

# Our Infrastructure





**Total Produce**  
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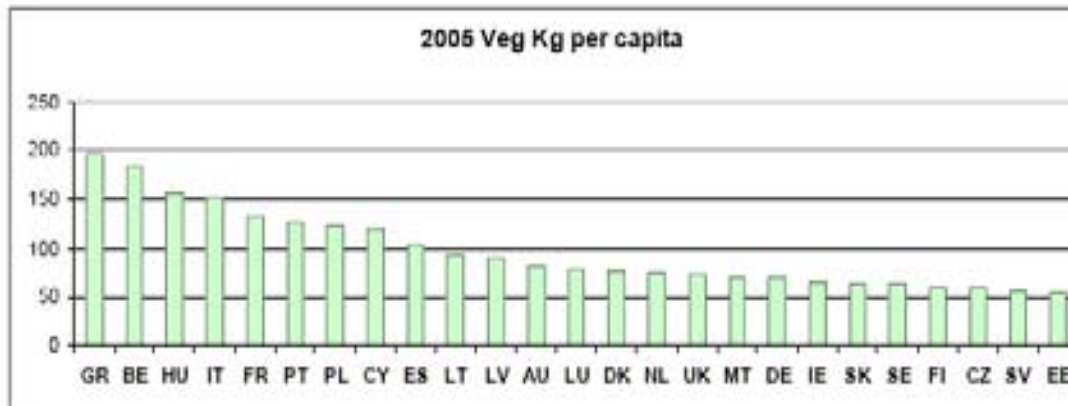
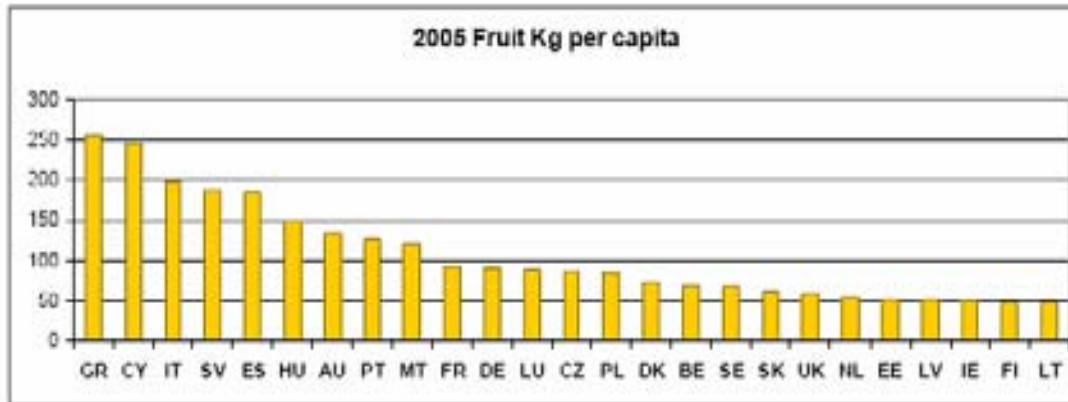
**Our Industry**



## Our Industry

- **Trends in Consumption**
- **Retail Environment**
- **Social & Political Momentum**
- **Corporate Social Responsibility**



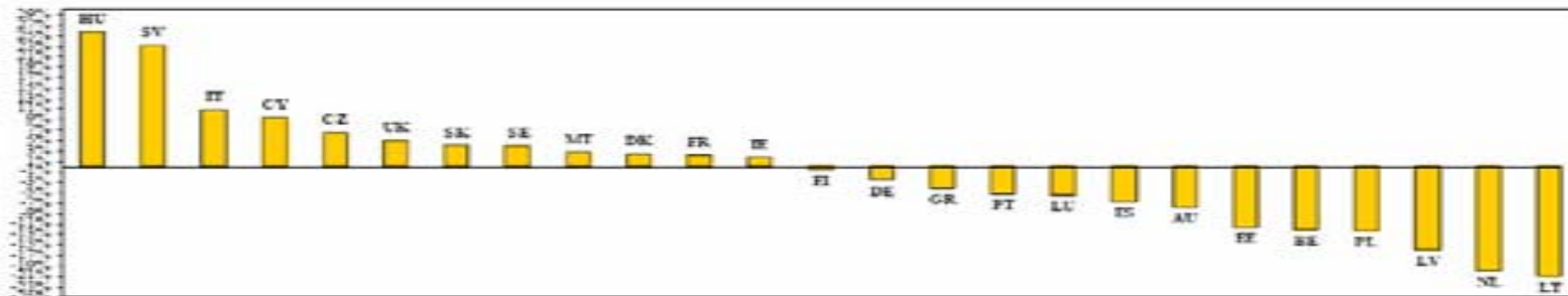
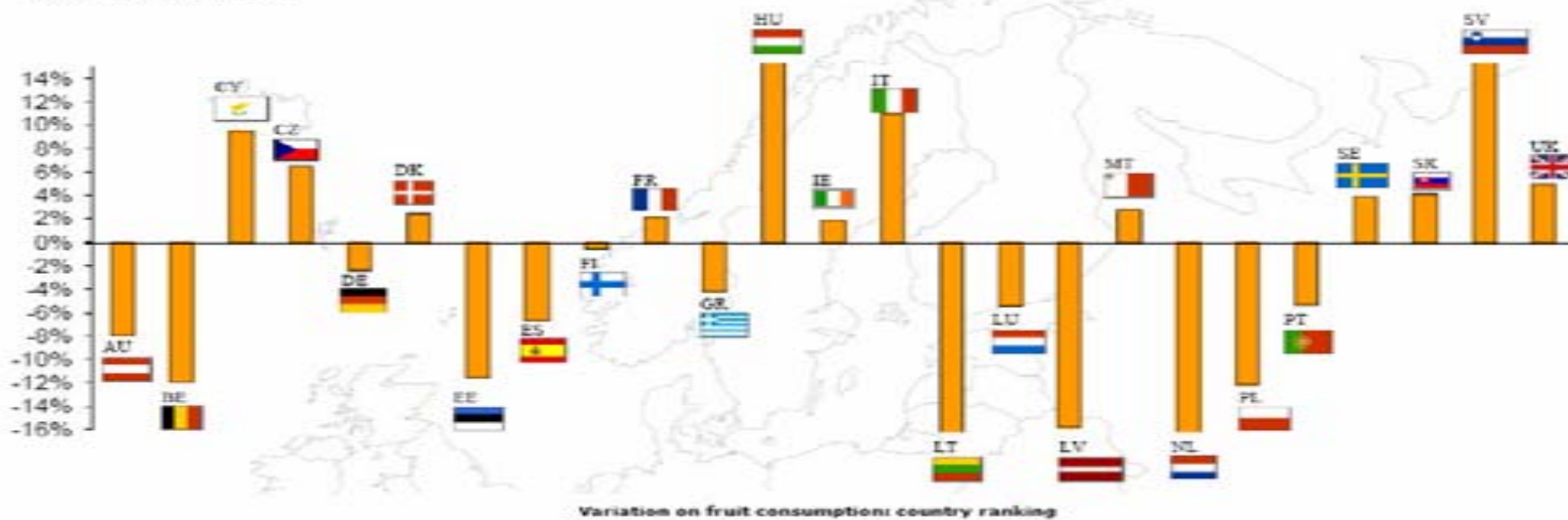


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MEMBER STATE	2005 Fruit Kg/person	2005 Veg Kg/person
AU - Austria	133,65	81,91
BE - Belgium	68,63	184,17
CY - Cyprus	246,69	120,02
CZ - Czech Republic	85,76	59,49
DE - Germany	90,87	70,69
DK - Denmark	72,92	76,40
EE - Estonia	51,58	54,23
ES - Spain	183,81	104,89
FI - Finland	48,19	59,53
FR - France	91,57	133,70
GR - Greece	255,92	196,96
HU - Hungary	149,10	157,25
IE- Ireland	49,26	65,56
IT - Italy	197,30	152,39
LT - Lithuania	48,02	93,09
LU - Luxembourg	88,02	79,16
LV - Latvia	51,39	89,48
MT - Malta	122,08	71,19
NL - The Netherlands	54,79	75,51
PL - Poland	84,50	123,79
PT - Portugal	126,18	125,84
SE - Sweden	66,97	63,82
SK - Slovakia	61,45	64,36
SV - Slovenia	187,53	56,67
UK - United Kingdom	59,58	74,28
<b>EU-25</b>	<b>109.75</b>	<b>106.19</b>



## FRUIT CONSUMPTION

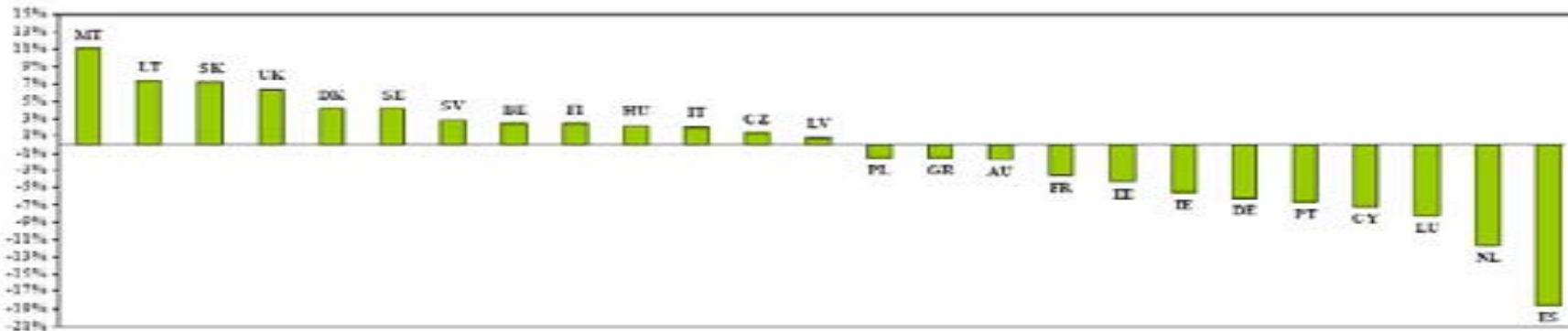




**VEGETABLE CONSUMPTION**



Variation on vegetable consumption: country ranking



# Retail Environment

Rank	Company	Grocery Retail Banner Sales			
		2007	2006	2005	2004
1	Tesco UK	43,052	38,388	35,590	32,726
2	Carrefour (France)	33,742	33,229	32,382	33,121
3	Edeke (Germany)	30,529	30,671	31,931	24,605
4	Rewe (Germany)	23,496	22,776	22,198	21,721
5	Sainsbury (UK)	22,840	20,631	19,177	18,302
6	Intermarche (France)	20,975	20,364	19,777	20,070
7	Schwarz (Germany)	19,363	18,950	17,927	17,063
8	Leclerc (France)	19,256	19,318	17,956	17,113
9	Casino (France)	19,181	18,443	17,160	17,589
10	Wal Mart UK (Asda)	18,763	17,404	16,544	15,702
11	Aldi (Germany)	18,688	18,282	18,115	17,515
12	Morrisons (UK)	16,036	15,479	15,128	16,153
13	Systeme U (France)	13,891	13,263	12,839	12,473
14	Metro Group (Germany)	13,563	13,010	13,021	14,339
15	Mercadona (Spain)	13,090	11,793	10,028	8,508
16	Carrefour (Spain)	12,372	10,465	10,138	10,015
17	Auchan (France)	12,080	11,856	11,722	11,671
18	Coop (Italia)	10,361	9,955	9,686	9,553
19	Ahold (Netherlands)	10,242	9,597	9,596	10,068
20	Tengelmann (Germany)	8,989	8,722	8,252	7,819

- **“Food Dudes” Ireland**

- Pioneered by Total Produce
- EU/ Irish Government/ Industry
- €28m government investment
- WHO award recipient

- **Fruit For Schools**

- UK free fruit initiative
- £80m investment
- Total Produce largest single supplier

- **European Union**

- Cost of fresh produce deficiencies: €150bn
- Proposed investment of €100m in promotion





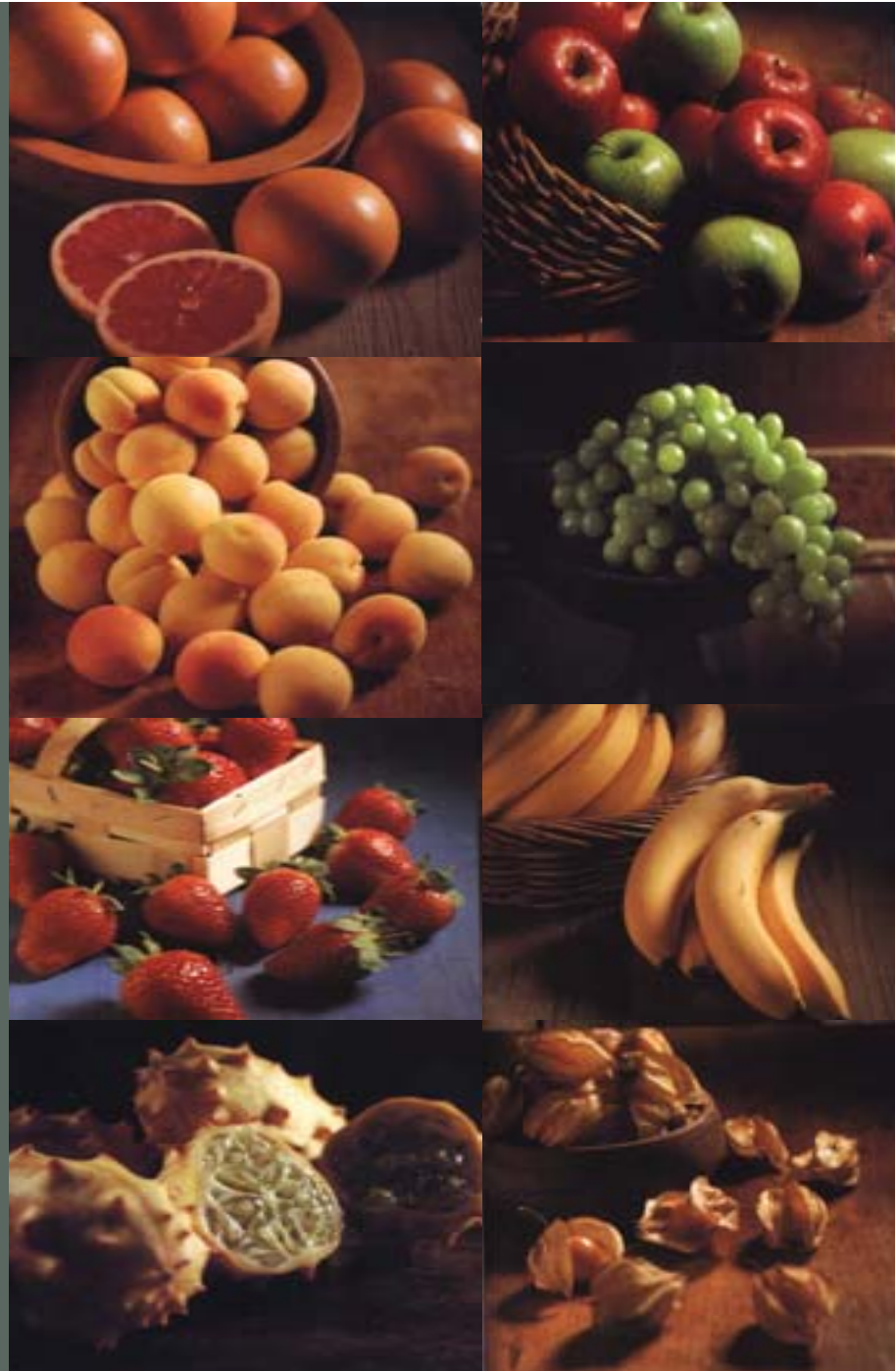
- **Ethical Trading**
- **Sustainable Production**
- **Fair trade Production**
- **Organic Production**
- **Carbon Footprint**
- **Waste, Packaging & Recycling**



# Total Produce™

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## Finance & Strategy



## 3 Year Summary

	<b>2006</b>	<b>2005</b>	<b>2004</b>
	<b>€'M</b>	<b>€'M</b>	<b>€'M</b>
Sales	1,861	1,676	1,547
EBITDA	51.2	48.4	44.7
Adjusted EBITA	38.9	37.8	34.8
Interest	(2.9)	(2.7)	(2.5)
Taxation	(9.7)	(11.2)	(9.3)
Minority interests	(6.2)	(7.0)	(6.2)
Adjusted earnings attributable	20.2	16.8	16.8
Adjusted earnings per share (cent)	5.70	4.76	4.76

*2006 after Blackrock rent of €1.5 million*

- **Sales revenue growth (incl share of JV's) of 33% to €1,220m**
- **Operating profit up 14.8% to €23.5m**
- **EBITDA growth of 13.9% to €29.8m**
- **Profit before tax and amortisation up 13.0% to €21.5m**
- **Adjusted earnings per share up 18.3% to 3.62 cent**
- **Increase of €19.7m in shareholders funds in the six months period to €167.1m**

- **Revenue growth of 33% to €1,220m due to:**
  - the acquisition of Redbridge Holdings
  - remaining 50% of Lembcke
  - organic growth in some of our markets
  - 5% increase in average selling prices and similar in costs
  - weather conditions favourable to demand for produce in Europe in April and May
- **Net margins lower reflecting:**
  - additional Blackrock rent costs of €0.7m
  - UK rationalisation expense of €2.1m in period

## Summary Interim Income Statement

	30 June 2007	30 June 2006
	€'M	€'M
Revenue (including share of JV's)	1,220	917
Operating profit (including joint ventures)	23.5	20.5
Amortisation	(2.1)	(1.4)
Interest	(2.0)	(1.5)
Taxation	<u>(5.5)</u>	<u>(4.1)</u>
Profit for the period	<u>13.9</u>	<u>13.5</u>
<i>Attributable as follows:</i>		
Equity shareholders	11.2	9.8
Minority interest	<u>2.7</u>	<u>3.7</u>
	<u>13.9</u>	<u>13.5</u>
Adjusted EPS	3.62 cent	3.06 cent

## Summary Interim Balance Sheet

	<b>30-Jun-07</b>	<b>30-Dec-06</b>
	<b>€M</b>	<b>€M</b>
Tangible assets	125.0	121.0
Intangible assets	116.2	95.9
Investment in JV's	31.1	26.9
Other LT assets	11.1	12.7
Working capital	33.7	23.9
Deferred consideration	(13.0)	(50.8)
Pension asset	5.9	(0.2)
Corporation and deferred tax and other	(23.5)	(23.4)
Net debt	<u>(79.6)</u>	<u>(10.0)</u>
	<b><u>206.9</u></b>	<b><u>196.0</u></b>
Shareholders' funds	167.1	<u>147.5</u>
Minority interest	<u>39.8</u>	<u>48.5</u>
	<b><u>206.9</u></b>	<b><u>196.0</u></b>

- **The board has declared an interim dividend of €0.50 cent per share payable on 5 November 2007 to shareholders on the register on 12 October 2007 and subject to Irish withholding tax**
- **This is equal to a payment of €1.75m**
- **Approximately one-third : two-thirds split between interim and final dividend**

## Redbridge Holdings

- Acquired in January 2007 for a consideration of €23 million including deferred consideration of €4.5m and pension deficit of €5.5m (net of deferred tax)
- Leading UK produce company with strong market position in wholesale and retail market
- €2.1m in period has been expensed on a rationalisation and integration programme to merge Redbridge with our existing UK operations
- Acquisition has been earnings enhancing during period



## Investment in India

- Joint venture with Tata Limited in February 2007 to create state-of-the-art distribution facilities for fresh produce across India
- Total Produce's initial investment will be €2.25m
- This gives access to a country with one of the largest populations and producers of fresh produce in the world

## Wholefoods Limited

- Post period end, the Group invested in Wholefoods Wholesale Limited
- Leading distributor to independent health food stores in Ireland of high quality health products, including natural foods, vitamins and mineral supplements
- Turnover of c. €18m per annum
- Gives access to a sector which has grown strongly in recent years
- Acquisition will complement the group's ambient distribution business

## Other acquisitions

- A number of other bolt-on acquisitions

# Performance Drivers

- **Revenues**
- **Costs and Overhead costs**
- **Acquisitions**
- **People**
- **Weather**



# Delivering Sustained Growth

## Opportunity Assessment

- Established contacts across Europe and the globe
- Reputation – largest player in a fragmented marketplace
- Momentum- new initiatives and new markets = new opportunities

## Methodology

- Trading co-operation, partnership, integration
- Flexible, amicable construction of partnerships
- Transparent objectives and motives

## Benefits

- Solid fiscal controls AND entrepreneurial freedom
- Delivery of logistical and procurement synergies
- Sharing of “best practice” and core competencies

## Management

- Experienced in evaluating partners
- Exhaustive due diligence and qualitative reviews
- Methodical approach to roll out

- **Total Produce is ambitious to continue to expand by:**
  - Pursuing a focused strategy
  - Seeking medium and large acquisitions to expand the Group's existing operations
  - Acquisitions in existing and in new countries
  - Will pursue alliances and investments with producers worldwide giving them access to the leading produce company in the EU
  - Five year goal to double turnover to €4.0 bn

## Conclusion



- **The company has reported satisfactory results in its first six months period post demerger**
- **Company is valued on a relatively low multiple**
- **Good progress on integration of acquired Redbridge business**
- **Upgrading full year adjusted EPS growth from mid to high single digit**
- **Company is financially strong and has significant resources available for future development**