

# Total Produce plc Preliminary Statement of Results 2007



4 March 2008

TotalProduce



# Business Overview

- One of the leading companies in Europe with sales of €2.4 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

TotalProduce

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





# 2007 Financial Highlights

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|                     |   |           |   |          |
|---------------------|---|-----------|---|----------|
| Sales               | → | €2,431m   | → | UP 30.6% |
| Adjusted EBITDA*    | → | €57.5m    | → | UP 12.4% |
| Adjusted EBITA*     | → | €43.8m    | → | UP 12.7% |
| Adjusted EPS        | → | 6.35 cent | → | UP 11.4% |
| Shareholders' Funds | → | €163.7m   | → | UP 11.0% |

*\* Excludes fair value gains on investment property, exceptional items, amortisation of intangible assets and related tax*



# 4 Year Summary

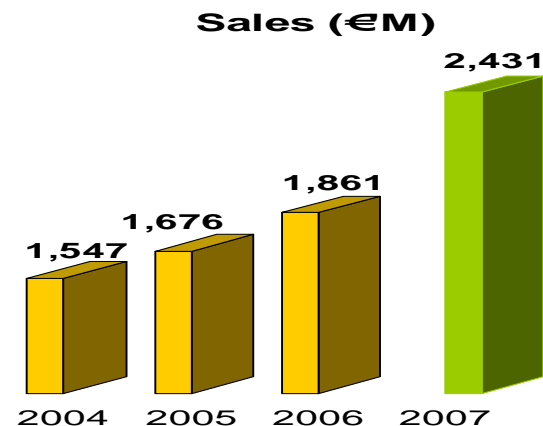
|  | 2007<br>€M    | 2006<br>€M   | 2005<br>€M    | 2004<br>€M   |
|--|---------------|--------------|---------------|--------------|
| <b>Sales</b>   | <b>2,431</b>  | <b>1,861</b> | <b>1,676</b>  | <b>1,547</b> |
| <b>EBITDA*</b>   | <b>57.5</b>   | <b>51.1</b>  | <b>48.4</b>   | <b>44.7</b>  |
| <b>Adjusted EBITA*</b>   | <b>43.8</b>   | <b>38.8</b>  | <b>37.8</b>   | <b>34.8</b>  |
| <b>Interest</b> <i>(including share of JV interest charge)</i> | <b>(4.9)</b>  | <b>(2.8)</b> | <b>(2.7)</b>  | <b>(2.5)</b> |
| <b>Taxation</b> <i>(excluding exceptional items)</i>           | <b>(11.5)</b> | <b>(9.7)</b> | <b>(11.2)</b> | <b>(9.3)</b> |
| <b>Minority interests</b> <i>(excluding exceptional items)</i> | <b>(5.1)</b>  | <b>(6.2)</b> | <b>(7.0)</b>  | <b>(6.2)</b> |
| <b>Adjusted earnings attributable</b>                          | <b>22.3</b>   | <b>20.2</b>  | <b>16.8</b>   | <b>16.8</b>  |
| <b>Adjusted earnings per share (cent)*</b>                     | <b>6.35</b>   | <b>5.70</b>  | <b>4.76</b>   | <b>4.76</b>  |

*\* Excludes fair value movements in investment, property, exceptional items, amortisation of intangible assets and related tax*

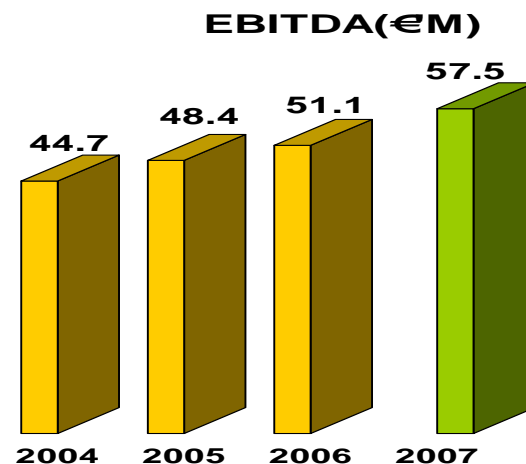


# Financial Highlights

- 2007 Sales increased by €570m – 30.6%
- Redbridge Acquisition
- Bolt-on acquisitions
- Modest average selling price increases



- 12.4% increase on 2006
- 18.2% increase before UK restructuring and rationalisation costs of €3m
- Adjusted EBITDA margin 2.4% (2.8% in 2006)
- Redbridge net margin lower



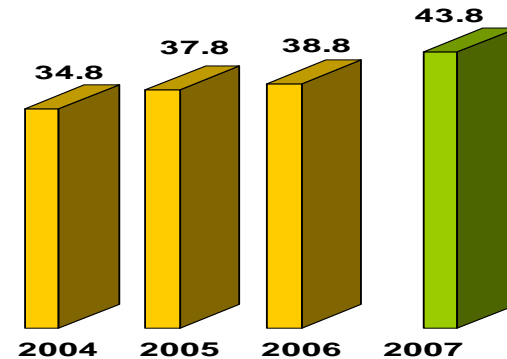


## Financial Highlights (contd.)

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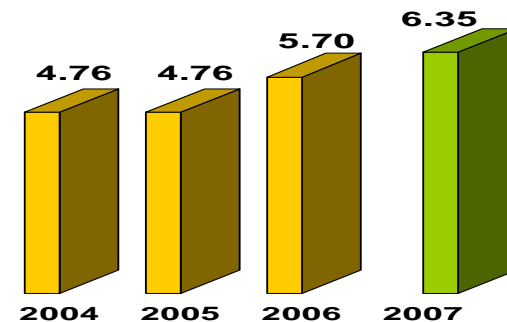
- 12.7% increase on 2006
- Adjusted EBITA margin of 1.80% (2.09%) in 2006

Adjusted EBITA (€M)



- 11.4% increase on 2006
- Interest €1.8m higher
- Tax rate 29.4%
- Lower minority interest charge

Adjusted EPS (€Cent)





# Summary balance sheet

|                              | 31-Dec-07           | 30-Dec-06           |
|------------------------------|---------------------|---------------------|
|                              | €M                  | €M                  |
| Tangible assets              | 136.4               | 121.0               |
| Intangible assets/goodwill   | 123.6               | 95.9                |
| Investment in JVs            | 41.5                | 26.9                |
| Trade investments            | 9.5                 | 11.0                |
| Working capital              | 8.2                 | 24.0                |
| Deferred consideration       | (11.6)              | (50.8)              |
| Other                        | (3.6)               | (0.9)               |
| Pension asset/(Liability)    | (1.4)               | (0.2)               |
| Corporation and deferred tax | (20.9)              | (21.0)              |
| Net debt                     | <u>(72.0)</u>       | <u>(10.0)</u>       |
|                              | <b><u>209.7</u></b> | <b><u>195.9</u></b> |
| Shareholders' funds          | 163.7               | 147.4               |
| Minority interest            | <u>46.0</u>         | <u>48.5</u>         |
|                              | <b><u>209.7</u></b> | <b><u>195.9</u></b> |





# Summary cashflow statement

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|  | 31-Dec-07          | 30-Dec-06          |
|--|--------------------|--------------------|
|  | €000               | €000               |
| Operating profit   | 37.7               | 21.8               |
| Fair value movement on investment properties within subsidiaries       | (0.4)              | -                  |
| Exceptional items  | -                  | 13.2               |
| Share of JV profit   | (2.0)              | (3.4)              |
| Depreciation, intangible asset and R&D amortisation                    | 19.3               | 15.3               |
| Interest paid (net)  | (3.1)              | (2.0)              |
| Other  | (2.2)              | 2.4                |
| Income tax paid  | <u>(11.7)</u>      | <u>(12.3)</u>      |
| <b>Cash generated from operations before working capital movements</b> | <b><u>37.6</u></b> | <b><u>35.0</u></b> |



## Summary cash flow statement (contd.)

TotalProduce

|   | 31-Dec-07<br>€000    | 30-Dec-06<br>€000    |
|---|----------------------|----------------------|
| <b>Cash generated from operations before working capital movements</b>          | 37.6                 | 35.0                 |
| Working capital decrease  | <u>12.6</u>          | <u>3.8</u>           |
| <b>Cash generated from operations after working capital movement</b>            | 50.2                 | 38.8                 |
| Acquisitions net of cash /overdrafts acquired (subsidiaries and joint ventures) | (40.3)               | (14.7)               |
| Payment of deferred consideration   | (43.6)               | (5.1)                |
| Capital expenditure, net of disposals   | (14.5)               | (26.0)               |
| Subsidiary becoming a joint venture   | (8.6)                | -                    |
| Cash inflow from Fyffes plc net of dividends paid to Fyffes plc                 | -                    | 29.8                 |
| Dividend to equity shareholders   | (1.8)                | -                    |
| Other   | <u>(5.4)</u>         | <u>(3.7)</u>         |
| <b>Cashflow movement</b>  | <b>(64.0)</b>        | 19.1                 |
| Translation adjustment  | 2.0                  | 0.4                  |
| <b>Net debt at beginning of period</b>  | <b>(10.0)</b>        | (13.8)               |
| Balance due to Fyffes plc on demerger   | <u>-</u>             | <u>(15.7)</u>        |
| <b>Net debt at end of period</b>  | <b><u>(72.0)</u></b> | <b><u>(10.0)</u></b> |



## Market valuation

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|                           | At current<br>Share Price<br>(0.57c)* |
|---------------------------|---------------------------------------|
| P/E Ratio                 | 9.0 times                             |
| Price/shareholders' funds | 1.22 times                            |
| EV/EBITDA                 | 5.5 times                             |
| EV/EBITA                  | 7.3 times                             |

\* Share price at 3 March 2008



# Dividend

|                  |               |
|------------------|---------------|
| Final Dividend   | 1.15 per cent |
| Interim Dividend | 0.50 per cent |
| Total Dividend   | 1.65 per cent |
| Payable on       | 29 May 2008   |



# Acquisition Strategy

- Good pipeline of medium-sized opportunities in Europe
- Targeting our existing markets along with other European countries
- We see good possibilities for further growth from acquisitions for considerations between €20m and €40m



## Acquisitions in 2007

- **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.
- €3.0m 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



## Acquisitions in 2007 (contd.)

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- **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 €4.0m
  - This gives access to a country with one of the largest populations and producers of fresh produce in the world





## Acquisitions in 2007 (contd.)

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- **Wholefoods Limited**

- In August 2007, 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







## Bolt-on acquisitions

- Six produce transactions in Ireland, Great Britain and Europe
- Programme will continue in 2008
- Significant focus will continue where further consolidation opportunities exist





# Performance Drivers

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Revenue

Weather

Costs and  
overhead  
costs

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Let's Grow Together

Acquisitions

People



# Strategy and Targets

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- **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
  - Pursuing alliances and investments with producers worldwide giving them access to the leading produce company in the EU
  - Five-year goal to double turnover to €4.0bn by 2011



## Conclusions

- The company has reported satisfactory results in its first year post demerger
- Company is valued on a very low multiple
- Good progress on integration of acquired Redbridge business
- Targeting mid single digit growth in EPS in 2008
- Company is financially strong and has significant resources available for future development
- Acquisition pipeline looking strong



## Further information

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**For additional information, please contact**

**Frank Gernon**  
**Finance Director / Investor Relations**  
**Tel: +353 (0) 86 2564 788**  
**E-mail: [fgernon@totalproduce.com](mailto:fgernon@totalproduce.com)**

# Appendices



# Summary Income Statement

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|   | 2007<br>€000          | 2006<br>€000          |
|---|-----------------------|-----------------------|
| Revenue (including share of JVs)  | 2,431,000             | 1,861,000             |
| <b>Operating profit</b> [(including joint ventures) and before exceptional items] | <b>37,733</b>         | 34,947                |
| Exceptional items   | -                     | (13,199)              |
| Interest  | <b>(4,575)</b>        | (2,832)               |
| Taxation  | <b><u>(8,979)</u></b> | <b><u>(5,356)</u></b> |
| Profit for the period   | <b><u>24,179</u></b>  | <b><u>13,560</u></b>  |
| <i>Attributable as follows:</i>   |                       |                       |
| Equity shareholders   | <b>19,055</b>         | 7,060                 |
| Minority interest   | <b><u>5,124</u></b>   | <b><u>6,500</u></b>   |
|   | <b><u>24,179</u></b>  | <b><u>13,560</u></b>  |



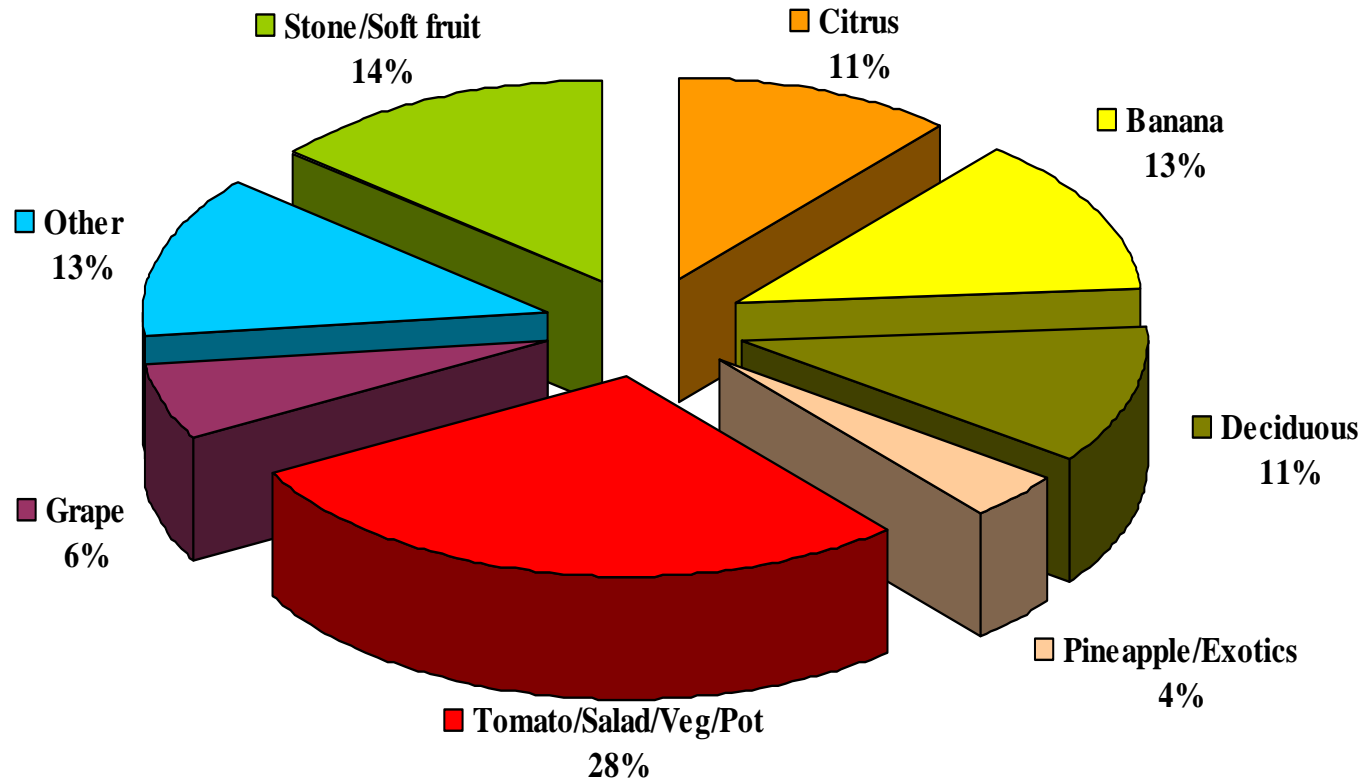
# Adjusted earnings per share calculation

|   | 31 Dec 2007<br>€000   | 30 Dec 2006<br>€000   |
|---|-----------------------|-----------------------|
| <b>Profit attributable to equity shareholders</b>                 | <b>19,055</b>         | <b>7,060</b>          |
| Exceptional items   | -                     | 13,199                |
| Fair value movement on investment properties                      | <b>(615)</b>          | -                     |
| Minority share of exceptional items/intangible asset amortisation | <b>(63)</b>           | 282                   |
| Amortisation of intangible assets                                 | <b>5,096</b>          | 3,063                 |
| Tax effect of exceptional items and amortisation charge           | <b><u>(1,191)</u></b> | <b><u>(3,417)</u></b> |
| <b>Adjusted profit for the period</b>                             | <b><u>22,282</u></b>  | <b><u>20,187</u></b>  |
| Weighted average no. of shares in issue ('000)                    | <b>351,003</b>        | 349,951               |
| <b>Adjusted earnings per share</b>                                | <b>6.35</b>           | <b>5.70</b>           |





# Produce Portfolio





# Produce portfolio

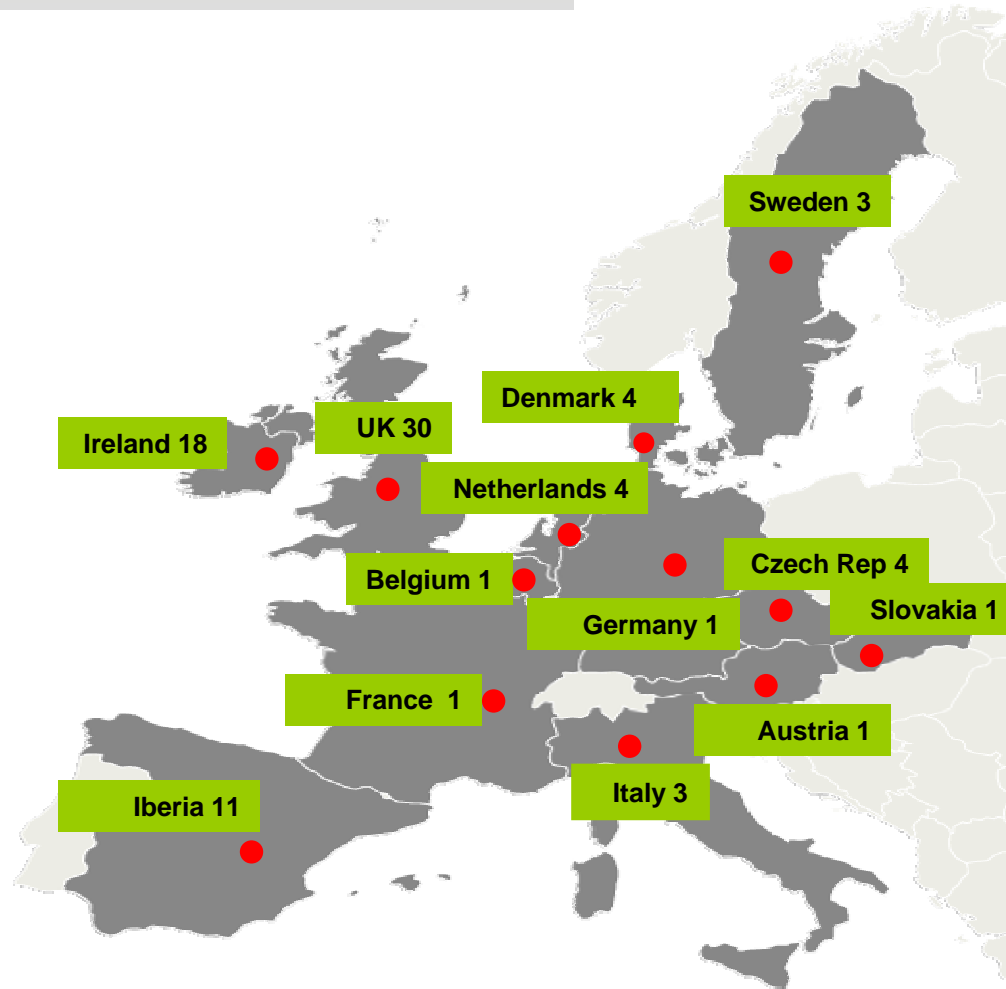
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# Our Infrastructure

|   |  |   |
|---|--|---|
| <p>Ireland<br/>UK<br/>Holland<br/>India</p>                          | <p>Denmark</p>  | <p>Sweden</p>  |
| <p>UK, Belgium<br/>Austria, France<br/>Germany<br/>South Africa</p>  | <p>Italy</p>    |   |
| <p>Czech Republic</p>   | <p>Iberia</p>  |   |
| <p>UK</p>    |  |   |





# Our Board

| Name           | Position                | Years in Company |
|----------------|-------------------------|------------------|
| 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  |                  |

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