

Total Produce

2009 Interim Results
8 September 2009



Total Produce today.....

- ❖ Stands at the forefront of the fresh produce industry
- ❖ One of the leading fresh produce companies in Europe with sales of €2.5 billion +
- ❖ Leading produce company in Ireland, Spain, Sweden, Denmark and the Czech Republic. Large operations in the Netherlands, UK, Italy and Slovakia
- ❖ Grows, sources, transports, packages, distributes and markets over 200+ lines of fresh produce and vegetables

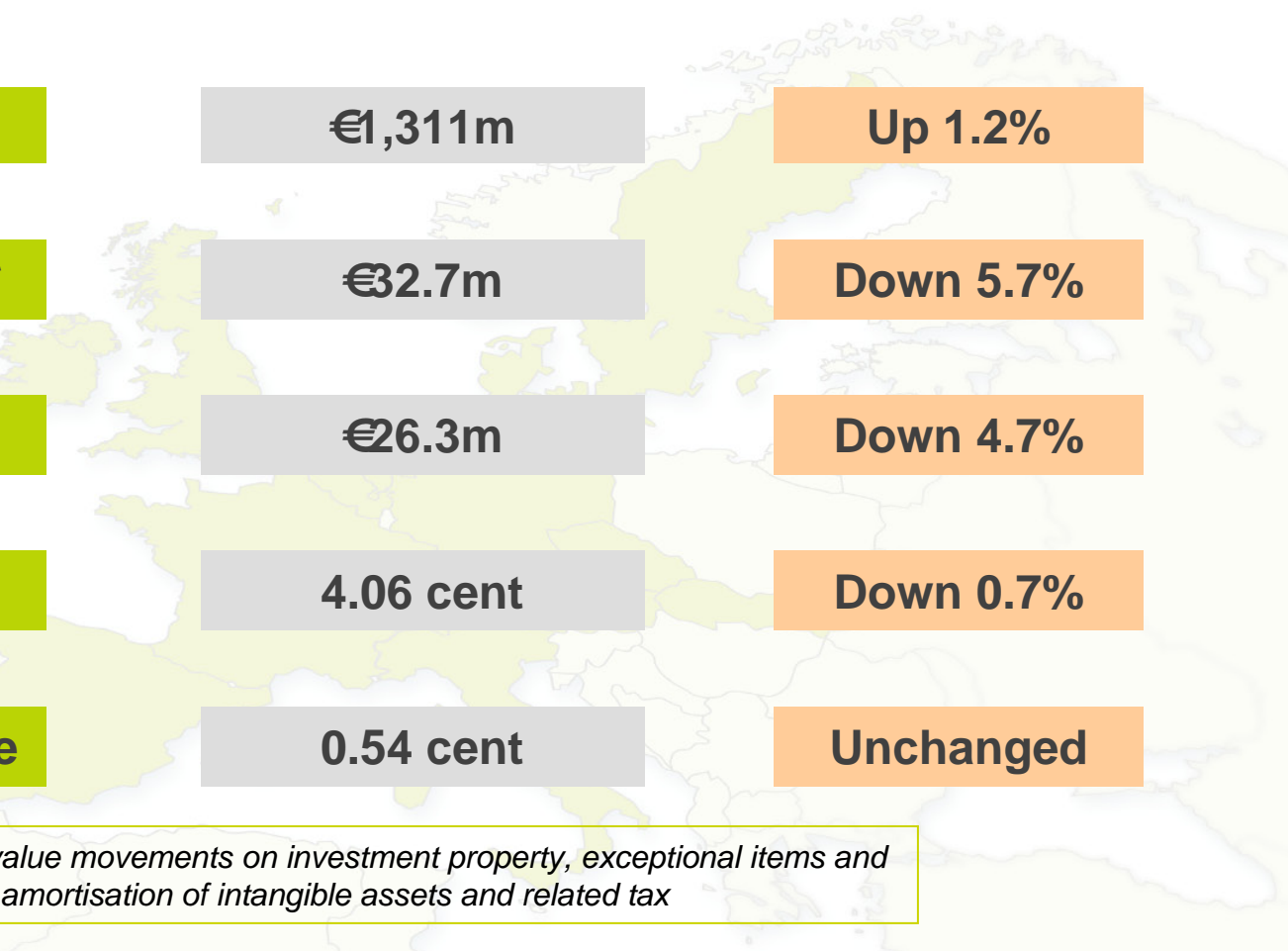


Scale and reach.....

- ❖ Annualised sales of c. €2.5 billion
- ❖ 87 facilities in 17 countries
- ❖ 4,000+ employees
- ❖ 200+ lines of fresh produce and vegetables
- ❖ 250m cartons distributed annually



2009 Interim Financial Highlights



Revenue	€1,311m	Up 1.2%
Adjusted EBITDA*	€32.7m	Down 5.7%
Adjusted EBITA*	€26.3m	Down 4.7%
Adjusted EPS*	4.06 cent	Down 0.7%
Dividend per share	0.54 cent	Unchanged

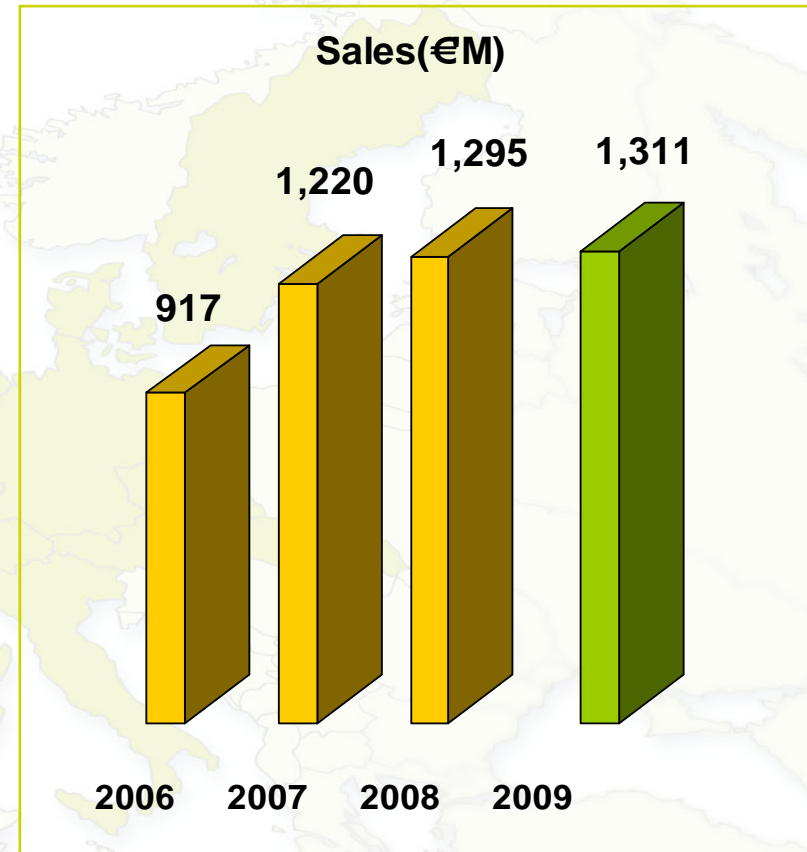
**Excludes fair value movements on investment property, exceptional items and amortisation of intangible assets and related tax*



2009 Interim Financial Highlights

(cont'd)

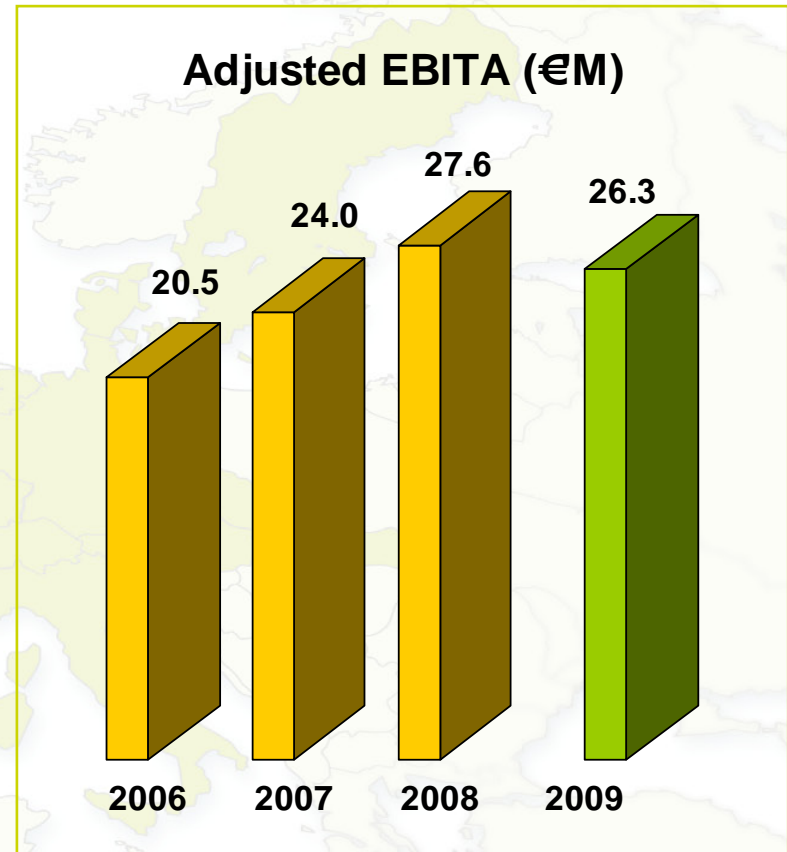
- ❖ Revenue increased by 1.2% on same prior year period
- ❖ Contribution from acquisitions made in August 2008 offset by;
 - Lower translation of non euro revenues due to strength of euro against SEK and STG in period and;
 - Marginal decrease in overall like for like volumes



2009 Interim Financial Highlights

(cont'd)

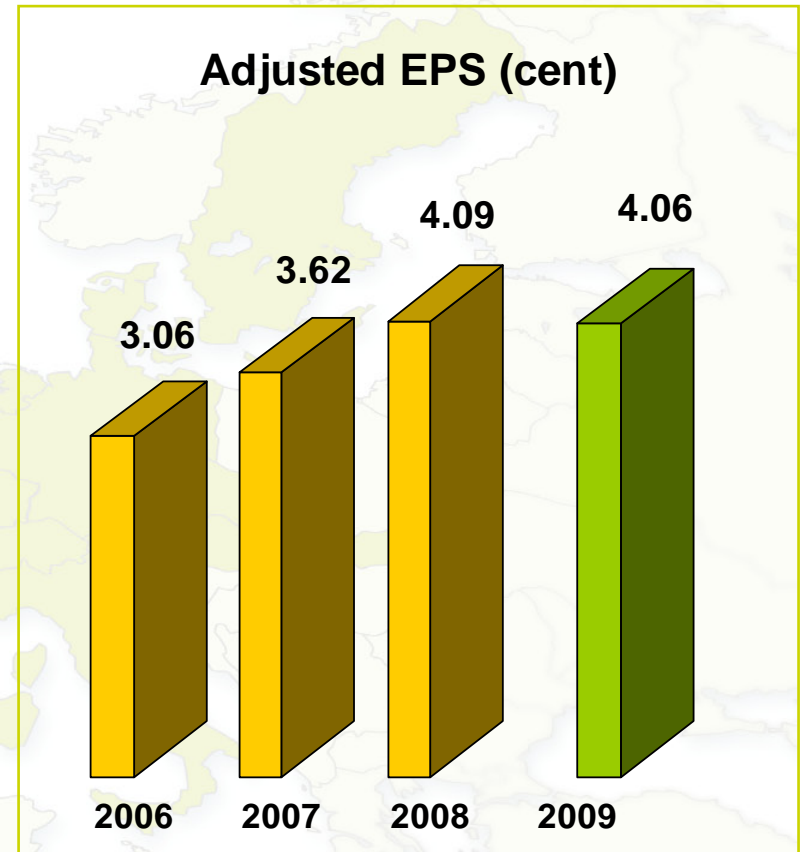
- ❖ 4.7% decrease in EBITA on same period in 2008
- ❖ Positive contribution from acquisitions in H2 2008, offset by;
- ❖ Marginal decrease in like for like volumes
- ❖ Lower translated value of non euro earnings due to strength of euro against SEK / STG in period
- ❖ Adjusted EBITA margins of 2.01% (2008: 2.13%)



2009 Interim Financial Highlights

(cont'd)

- ❖ Adjusted EPS of 4.06 cent, almost unchanged on same prior year period
- ❖ Decrease in EPS lower than decrease in EBITA due to benefit of:
 - Lower net financial expense
 - Lower minority interest share of earnings



Summary Cashflow

	30 June 09 €M	30 June 08 €M
Operating profit before exceptional items	22.7	24.8
Share of JV profit before exceptional items	(1.3)	(1.6)
Depreciation, intangible asset and R&D amortisation	9.1	9.5
Interest paid (net)	(2.0)	(3.6)
Other	(2.3)	(0.9)
Income tax paid	(3.3)	(0.3)
Cash generated from operations before seasonal working capital movements	22.9	27.9
Seasonal working capital increases	(26.6)	(14.8)
Cashflows from operations after seasonal working capital movements	(3.7)	13.1



Summary Cashflow (cont'd)

	30 June 09 €M	30 June 08 €M
Cashflows from operations after seasonal working capital movements	(3.7)	13.1
Acquisitions net of cash/overdrafts acquired	(2.7)	(1.3)
Investment in joint ventures including loans	(2.5)	(2.7)
Payment of deferred consideration	(0.3)	(0.4)
Capital expenditure (net of disposals)	(5.9)	(11.0)
Dividends to equity shareholders of the Company	(4.0)	(4.0)
Other	<u>(1.2)</u>	<u>(1.4)</u>
Cashflow movement	(20.3)	(7.7)
Translation adjustment	<u>(1.8)</u>	<u>(0.3)</u>
Net debt at beginning of period	<u>(60.2)</u>	<u>(72.0)</u>
Net debt at end of period	<u>(82.3)</u>	<u>(80.0)</u>



4 Year Summary

	June 2009	June 2008	June 2007	June 2006
Revenue	1,311	1,295	1,220	917
Adjusted EBITDA*	32.7	34.7	30.3	26.2
Adjusted EBITA*	26.3	27.6	24.0	20.5
Interest (including share of JV interest charge)	(2.0)	(2.7)	(2.1)	(1.5)
Taxation (excluding exceptional items)	(6.5)	(6.8)	(6.5)	(4.5)
Minority interests (excluding exceptional items)	<u>(3.5)</u>	<u>(3.7)</u>	<u>(2.7)</u>	<u>(3.7)</u>
Adjusted earnings attributable to equity shareholders	<u>14.3</u>	<u>14.4</u>	<u>12.7</u>	<u>10.8</u>
Adjusted earnings per share (cent)*	4.06	4.09	3.62	3.06

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



Summary Balance Sheet

	30 June 09	31 Dec 08	30 June 08
	€m	€m	€m
Tangible assets	138.6	134.0	142.9
Intangible assets / goodwill	124.9	119.1	123.8
Investment in joint ventures and associates	39.5	35.9	43.2
Equity investments	10.2	8.2	9.4
Working capital / other	38.6	11.9	18.8
Provisions and deferred consideration	(15.0)	(11.4)	(11.2)
Pension liability (net of DT)	(16.8)	(14.5)	(7.0)
Corporation and deferred tax (ex. DT on pension)	(26.2)	(24.9)	(26.7)
Net debt	(82.3)	(60.2)	(80.0)
Net assets	211.5	198.1	213.2
Shareholders' equity	157.4	144.6	165.3
Minority interests	54.1	53.5	47.9
Shareholders' equity & minority interests	211.5	198.1	213.2



Other Financial Matters

❖ Net financial expense

- Decrease of €1.1m to €1.8m in first half of 2009
- Benefit of low interest rates and the positive impact of weaker STG and SEK on borrowing costs when translated to euro
- Interest cover of 12.5 times (2008: 9.8 times)

❖ Minority interest

- Minority share of profits (excl. exceptional items) decreased by €0.2m to €3.5m
- Lower profits in certain companies with a high minority interest
- Partially offset by a 40% minority interest share in after tax profits of companies acquired in H2 2008

❖ Employee benefit pension schemes

- Increase in deficit (net of tax) to €16.8m at 30/06/09 from €14.5m at 31/12/08
- Increase due to lower than expected returns on assets and a change in actuarial assumptions in UK scheme leading to an increase in the present value of pension obligations
- A strategic review of the Group's employee benefit schemes is ongoing



- ❖ The board has declared an interim dividend of 0.54 cent per share (unchanged on same prior year period)
- ❖ The dividend is payable on 23 October 2009 to shareholders on the register at 25 September 2009, and is subject to Irish dividend withholding tax rules
- ❖ Approximately one third: two thirds split between interim and final dividend



- ❖ Pipeline of medium-sized opportunities in Europe
- ❖ Targeting our existing markets along with other European countries
- ❖ Possibilities for further acquisitions with considerations between €20m and €40m, similar to Redbridge and Haluco deals
- ❖ Economic environment may open up acquisition opportunities



- ❖ A significant part of the Group's strategy is the completion of bolt-on acquisitions. During the period the Group completed a bolt-on acquisition in Europe.
- ❖ In April 2009, the Group acquired a 50% interest in ASF Holland B.V. a soft fruit business in the Netherlands.
- ❖ ASF, is involved exclusively in the soft fruit business and complements the Group's existing business in this specialist area.



❖ 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
- Goal to double revenue to €4.0bn



Our Competitive Advantage

Total Produce: well positioned to compete in a competitive environment

- ❖ Leading fruit company in many of our key markets
- ❖ Successful track record in acquisitions and forging effective strategic partnerships
- ❖ Strong long term relationships with a diversified supplier base
- ❖ Diversified and large customer portfolio across Europe
- ❖ State of the art distribution facilities
- ❖ Experienced management to deal with difficult economic environment
- ❖ Strong balance sheet with cash generating profit streams to facilitate further expansion



Why Invest in Total Produce ?

Strong and predictable cashflows



Generated c.€100m of operating cashflows in past 2 and half years after servicing debt

Low business model in a low risk sector



Total Produce is an attractive lower risk option in the food sector

Attractive dividend yield



Total Produce has a dividend yield of c.4.5% based on current share price

Diversified earnings stream



The Group's earnings are well diversified across countries, products and customers


Successful track record of expansion



Opportunities for expansion in a fragmented industry



Valuation Multiples



	Share Price at 7 September 2009 (39c)
P/E Ratio	6.0 times – 7.1 times *
Price/shareholders' funds	0.87 times
EV/EBITDA	4.9 times - 5.4 times *
EV/EBITA	6.4 times - 7.3 times *

* Based on earnings range



Conclusion

- ❖ Satisfactory performance in first half of 2009
- ❖ Total Produce remains positive about the fundamentals in its markets and its position as one of the leading produce companies in Europe
- ❖ Group's activities and income are geographically spread across Europe
- ❖ Group is cash generative with a strong balance sheet to support acquisitions
- ❖ However, the Group remains cautious because of uncertainties in external environment
- ❖ No change in full year outlook, Total Produce is targeting adjusted EPS of 5.5 to 6.5 cent per share for full year 2009



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Summary Income Statement

	June 2009 €000	June 2008 €000
Revenue <i>(including Group share of JV's)</i>	1,310,632	1,294,722
Operating profit <i>(before exceptional items)</i>	22,746	24,796
Exceptional items	(429)	-
Interest	(1,752)	(2,829)
Taxation	<u>(5,263)</u>	<u>(5,539)</u>
Profit for the period	<u>15,302</u>	<u>16,428</u>
<i>Attributable as follows:</i>		
Equity shareholders	12,024	12,686
Minority interests	<u>3,278</u>	<u>3,742</u>
	<u>15,302</u>	<u>16,428</u>



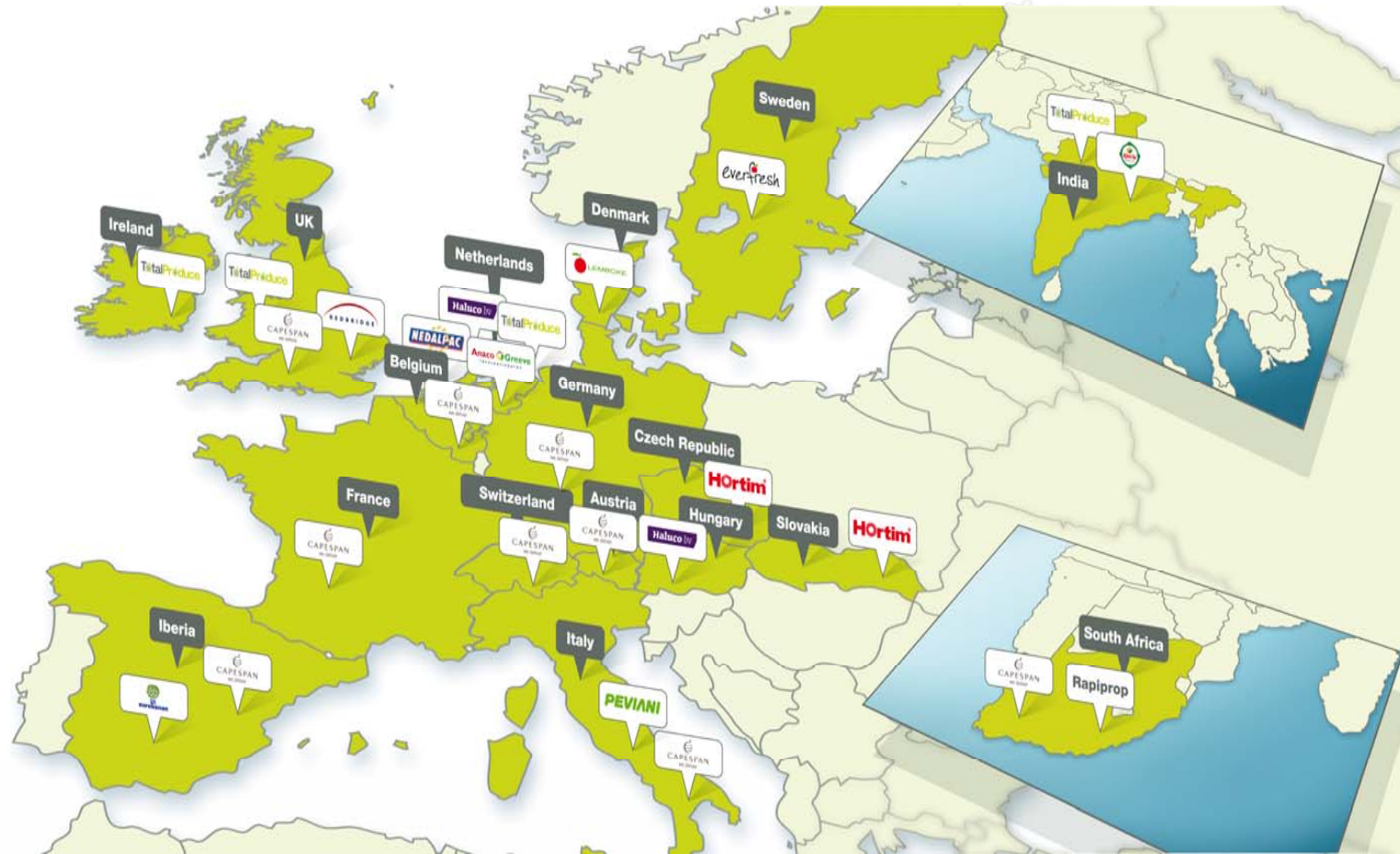
Adjusted EPS Calculation

	June 2009 €000	June 2008 €000
Profit attributable to equity shareholders of the Company	12,024	12,686
Exceptional items	429	-
Amortisation of intangible assets (inc. share of JV's)	2,629	2,205
Related tax on exceptional items / amortisation	(579)	(500)
Minority share of exceptional items / amortisation	<u>(202)</u>	<u>-</u>
Adjusted profit attributable to equity shareholders	<u>14,301</u>	<u>14,391</u>
Weighted average number of shares ('000)	351,887	351,887
Adjusted earnings per share	<u>4.06</u>	<u>4.09</u>



Company Overview

Our reach



Company Overview

Our product portfolio

