

# Total Produce

2011 Interim Results

6 September 2011



# Disclaimer: forward-looking statements

*Any forward-looking statements made in this presentation have been made in good faith based on the information available as of the date of this presentation and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in these statements, and the company undertakes no obligation to update any such statements whether as a result of new information, future events, or otherwise. Total Produce's Annual Report contains and identifies 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.*



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# Company Scale

- One of Europe's leading fresh produce companies with:
  - Annualised sales of c. €2.6 billion
  - Annualised adjusted EBITDA of c. €60m
- Leading produce company in Czech Republic, Denmark, Ireland, Spain and Sweden. Large operations in Italy, the Netherlands, Slovakia and the UK
- 88 facilities in 19 countries
- 4,000+ employees
- 200+ lines of fresh produce and vegetables
- 250m cartons sold annually



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# Financial Highlights

	June 2011	June 2010	% change
Revenue	€1,333m	€1,333m	-
Profit before tax	€21.7m	€21.7m	-
Adjusted EPS*	4.20 cent	4.12 cent	+2.0%
Adjusted EBITDA*	€32.6m	€33.7m	(3.2%)
Adjusted EBITA*	€26.2m	€27.1m	(3.5%)
Total dividend per share	0.54 cent	0.54 cent	-

\*Excludes exceptional items, amortisation of intangible assets and related tax



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# 2011 Summary Income Statement

	June 2011 €m	June 2010 €m
<b>Revenue</b>	<b>1,333</b>	1,333
<b>Adjusted EBITDA*</b>	<b>32.6</b>	33.7
<b>Adjusted EBITA*</b>	<b>26.2</b>	27.1
Interest <i>(including share of JV interest charge)</i>	<b>(2.5)</b>	(1.9)
Taxation <i>(including share of JV charge excluding exceptional items)</i>	<b>(6.5)</b>	(6.8)
Non-controlling interests <i>(excluding exceptional items)</i>	<b><u>(3.3)</u></b>	<u>(3.9)</u>
Adjusted earnings attributable to equity shareholders	<b><u>13.9</u></b>	<u>14.5</u>
<b>Weighted average number of shares (m)</b>	<b>329.9</b>	351.9
<b>Adjusted earnings per share (cent)*</b>	<b>4.20</b>	4.12

*\*Excludes exceptional items, amortisation of intangible assets and related tax*



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# Summary Segmental Performance

	June 2011		June 2010	
	Revenue €m	EBITA * €m	Revenue €m	EBITA * €m
Eurozone Fresh Produce	659	13.0	656	14.9
Scandinavia Fresh Produce	320	9.0	313	8.7
UK Fresh Produce	256	3.5	256	2.6
Other Fresh Produce	80	2.2	82	2.5
Inter-segment revenue	(21)	-	(15)	-
<b>Total Fresh Produce</b>	<b>1,294</b>	<b>27.7</b>	<b>1,292</b>	<b>28.7</b>
<b>Consumer Goods and Healthfoods</b>	<b>39</b>	<b>(0.1)</b>	<b>41</b>	<b>(0.1)</b>
Unallocated costs	-	(1.4)	-	(1.5)
<b>Third party revenue and adjusted EBITA</b>	<b>1,333</b>	<b>26.2</b>	<b>1,333</b>	<b>27.1</b>



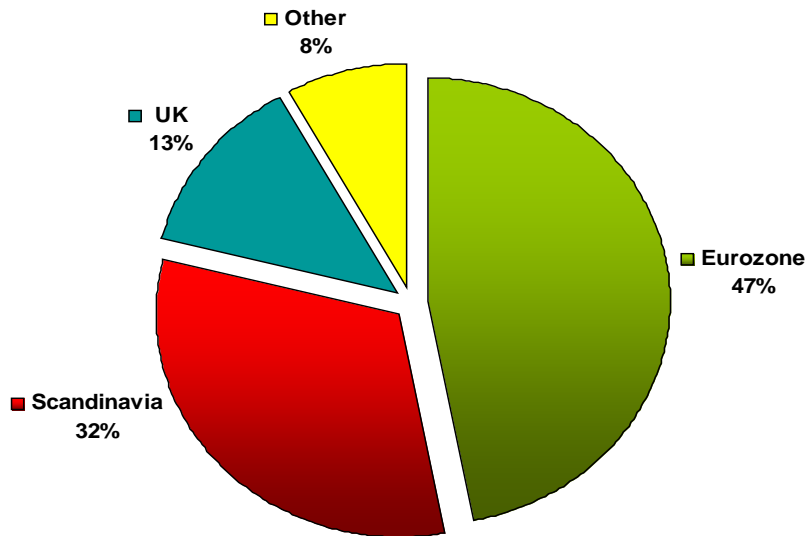
\* Excludes exceptional items

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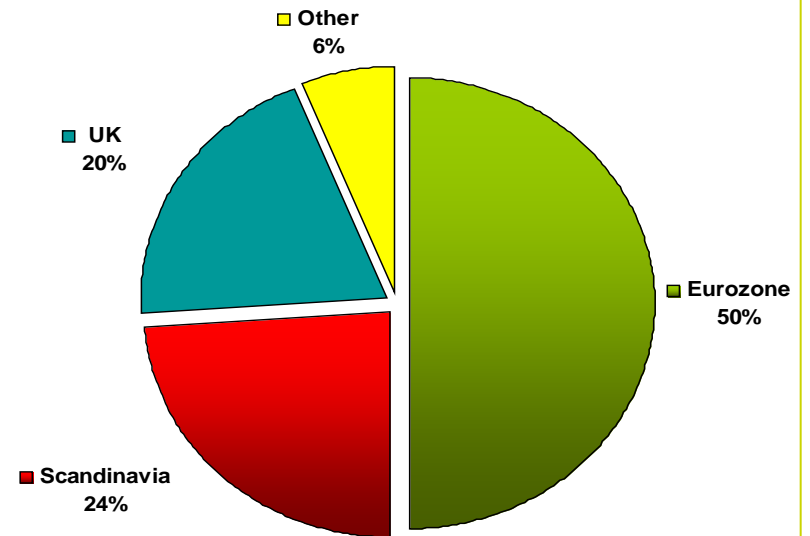


# Segmental Analysis

## Fresh Produce Division - adjusted EBITA by Segment



## Fresh Produce Division - Revenue by Segment \*



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# Consumer Goods and Healthfoods

	June 2011 €m	June 2010 €m
Revenue	39	41
% change	(4%)	

## Revenue

- Down €2m (4%) in period
- Continued trading pressure in the sector

	June 2011 €m	June 2010 €m
Adjusted EBITA	(0.1)	(0.1)
Adjusted EBITA margin	(0.5%)	(0.5%)

## Adjusted EBITA

- In line with prior year
- Anticipated improvement in second half of the year



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# Other Fresh Produce

	June 2011 €m	June 2010 €m
Revenue	80	82
% change	(2%)	
% constant currency	(7%)	

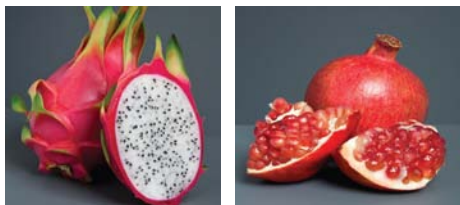
## Revenue

- Down €2m (2%)
- Constant currency revenue down 7% primarily due to volume decreases

	June 2011 €m	June 2010 €m
Adjusted EBITA	2.2	2.5
Adjusted EBITA margin	2.8%	3.1%

## Adjusted EBITA

- €0.3m decrease primarily due to difficult trading conditions in Eastern Europe



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# Eurozone Fresh Produce

	June 2011 €m	June 2010 €m
<b>Revenue</b>	659	656
<b>% change</b>	+0.4%	

## Revenue

- Up €3m
- Volume decreases offset by average price increases in first four months of period
- E-coli issue

	June 2011 €m	June 2010 €m
<b>Adjusted EBITA</b>	13.0	14.9
<b>Adjusted EBITA Margin</b>	2.0%	2.3%

## Adjusted EBITA

- €1.9m decrease
- E-coli issue



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# Scandinavian Fresh Produce

	June 2011 €m	June 2010 €m
<b>Revenue</b>	320	313
<b>% change</b>	+2%	
<b>% constant currency</b>	(3%)	

## Revenue

- Up 2% on prior period
- Assisted by strength of SEK
- Constant currency revenue down 3% with slight volume and average price decrease

	June 2011 €m	June 2010 €m
<b>Adjusted EBITA</b>	9.0	8.7
<b>Adjusted EBITA Margin</b>	2.8%	2.8%

## Adjusted EBITA

- €0.3m increase on stronger SEK
- Completion of expansion of facilities in Sweden – some associated reorganisation costs
- EBITA margin unchanged at 2.8%



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# UK Fresh Produce

	June 2011 €m	June 2010 €m
Revenue	256	256
% change	-	
% constant currency	+1%	

## Revenue

- Revenue in line with prior period
- Volumes and average prices unchanged on prior period

	June 2011 €m	June 2010 €m
Adjusted EBITA	3.5	2.6
Adjusted EBITA margin	1.4%	1.0%

## Adjusted EBITA

- Adjusted EBITA up €0.9m on prior year
- Improved trading margins



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# Funds Flow

	June 2011 €m	June 2010 €m
<b>Operating cashflows (see appendix)</b>	<b>19.9</b>	<b>22.8</b>
Seasonal working capital movements	(24.5)	(28.9)
<b>Operating cashflows after working capital movements</b>	<b>(4.6)</b>	<b>(6.1)</b>
Capital expenditure <i>(net of disposals)</i>	(10.1)	(2.7)
Dividends from joint ventures	1.5	0.8
Dividends to non-controlling interests	(3.1)	(4.7)
<b>Total free cashflow</b>	<b>(16.3)</b>	<b>(12.7)</b>
Acquisition related expenditure <i>(including JV's and earn out payments)</i>	(1.8)	(1.2)
Proceeds from disposal of joint venture	4.2	-
Dividends to equity holders of the parent	(4.1)	(4.0)
<b>Total cashflow for the period</b>	<b>(18.0)</b>	<b>(17.9)</b>
<b>Net debt at beginning of period</b>	<b>(47.9)</b>	<b>(50.6)</b>
Drawdown of finance lease	(1.1)	-
Foreign exchange	1.4	(3.3)
<b>Net debt at 30 June</b>	<b>(65.6)</b>	<b>(71.8)</b>



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# Summary Balance Sheet

	30 June 2011 €m	30 June 2010 €m	31 Dec 2010 €m
Tangible assets	147.8	138.2	145.3
Intangible assets / goodwill	136.6	130.9	140.6
Investment in joint ventures	30.8	35.4	34.1
Other financial assets	9.7	10.4	9.7
Other (including working capital)	24.6	40.4	(2.1)
Provisions (mainly deferred consideration)	(19.2)	(15.8)	(19.5)
Pension liability (net of DT)	(6.5)	(15.3)	(8.8)
Corporation and deferred tax (ex. DT on pension)	(24.1)	(27.2)	(24.8)
Net debt	(65.6)	(71.8)	(47.9)
<b>Net assets</b>	<b>234.1</b>	225.2	226.6
Shareholders' equity	176.0	170.6	168.6
Non-controlling interests	58.1	54.6	58.0
<b>Shareholders' equity &amp; non-controlling interests</b>	<b>234.1</b>	225.2	226.6



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# Dividend

- ❖ The board has declared an interim dividend of 0.54 cent per share (unchanged on prior year interim dividend)
- ❖ The dividend is payable on 20 October 2011 to shareholders on the register at 23 September 2011, and is subject to Irish dividend withholding tax rules
- ❖ Approximately one third: two thirds split between interim and final dividend



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# Development Activity

- ❖ Sale in period of South African Farm investments for €4.2m realising an exceptional profit of €1.6m
- ❖ The Group invested €12.5m in the business in the first half of the year
- ❖ Investment of €1.3m on a number of new and existing business interests
- ❖ Capital expenditure of €11.2m inclusive of completion of state of the art distribution facility in Sweden
- ❖ Investment post half year of €14m in a number of bolt-on acquisitions together with increasing its investment in the South African company, Capespan Group Limited
- ❖ Total capital investment, including post half year end acquisitions is €26.5m
- ❖ Continuing to pursue acquisition opportunities in both new and existing markets



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# Competitive Advantages

## ***Total Produce: well positioned to operate in a demanding environment***

- Leading fruit company in Europe and in many key markets
- Diversified and large customer portfolio across Europe
- Very good distribution facilities
- Experienced management
- Successful acquisition track record
- Strong balance sheet and generating cash to facilitate expansion



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# Conclusion and Outlook

- ❖ The Group has delivered a solid performance in the first half of 2011 with a 2% increase in adjusted earnings per share
- ❖ Temporarily difficult trading conditions in certain markets within Continental Europe
- ❖ Successful completion of bolt-on acquisitions post half year end
- ❖ Total Produce remains positive about the fundamentals in its markets and its position as one of the leading produce companies in Europe
- ❖ Based on current trading conditions, Total Produce is pleased to confirm that it continues to target adjusted earnings per share in the range of 6.5 cent to 7.5 cent per share for the full year



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# Further Information

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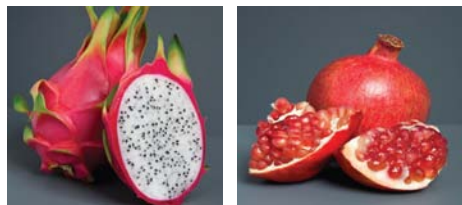
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## Appendices



# 2011 Summary Interim Income Statement

	June 2011	June 2010
	€000	€000
<b>Revenue</b> <i>(including Group share of JV's)</i>	<b>1,333,080</b>	1,333,068
<b>Operating profit</b>	<b>22,209</b>	23,046
Exceptional items	1,612	-
Interest, net	<u>(2,098)</u>	<u>(1,341)</u>
<b>Profit before tax</b>	<b>21,723</b>	21,705
Taxation	<u>(5,012)</u>	<u>(5,409)</u>
<b>Profit for the period</b>	<b><u>16,711</u></b>	<u>16,296</u>
<i>Attributable as follows:</i>		
Equity holders of the parent	<b>13,607</b>	12,583
Non-controlling interests	<b><u>3,104</u></b>	<u>3,713</u>
	<b><u>16,711</u></b>	<u>16,296</u>

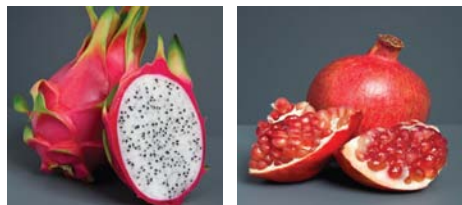


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# Adjusted EPS Calculation

	June 2011 €000	June 2010 €000
<b>Profit attributable to equity holders of the parent</b>	<b>13,607</b>	12,583
Exceptional items	(1,612)	-
Amortisation of intangible assets (inc. share of JV's)	2,772	2,776
Related tax on exceptional items / amortisation	(678)	(637)
Non-controlling interests share of exceptional items / amortisation	<u>(228)</u>	<u>(219)</u>
<b>Adjusted profit attributable to equity holders</b>	<b><u>13,861</u></b>	<u>14,503</u>
Weighted average number of shares ('000)	<b>329,887</b>	351,887
<b>Adjusted earnings per share</b>	<b><u>4.20</u></b>	<u>4.12</u>

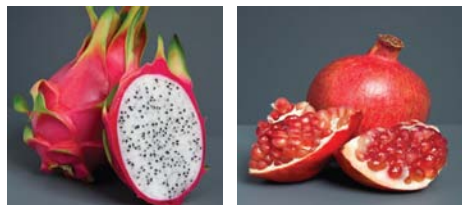


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# Operating Cashflows

	June 2011	June 2010
	€m	€m
<b>EBITDA (including JV's)</b>	<b>32.6</b>	33.7
Deduct share of JV's adjusted EBITA	<b>(3.2)</b>	(3.0)
Net interest paid	<b>(2.2)</b>	(1.6)
Income tax paid	<b>(5.4)</b>	(4.1)
Other	<b>(1.9)</b>	(2.2)
<b>Operating cashflows before working capital movement</b>	<b>19.9</b>	22.8
Working capital movements	<b>(24.5)</b>	(28.9)
<b>Operating cashflows</b>	<b>(4.6)</b>	(6.1)



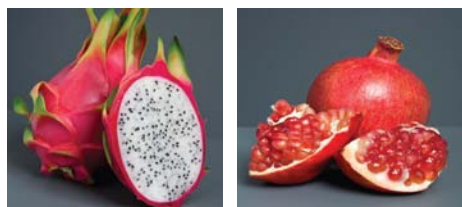
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# 6 Year Summary – half year results

	June 2011 €m	June 2010 €m	June 2009 €m	June 2008 €m	June 2007 €m	June 2006 €m
<b>Revenue</b>	<b>1,333</b>	1,333	1,311	1,295	1,220	917
<b>Adjusted EBITDA*</b>	<b>32.6</b>	33.7	32.7	34.7	30.3	26.2
<b>Adjusted EBITA*</b>	<b>26.2</b>	27.1	26.3	27.6	24.0	20.5
Interest <i>(including share of JV interest charge)</i>	<b>(2.5)</b>	(1.9)	(2.0)	(2.7)	(2.1)	(1.5)
Taxation <i>(including JV tax &amp; excluding exceptional items)</i>	<b>(6.5)</b>	(6.8)	(6.5)	(6.8)	(6.5)	(4.5)
Non-controlling interests <i>(excluding exceptional items)</i>	<b><u>(3.3)</u></b>	<u>(3.9)</u>	<u>(3.5)</u>	<u>(3.7)</u>	<u>(2.7)</u>	<u>(3.7)</u>
Adjusted earnings attributable	<b><u>13.9</u></b>	<u>14.5</u>	<u>14.3</u>	<u>14.4</u>	<u>12.7</u>	<u>10.8</u>
<b>Adjusted earnings per share (cent)*</b>	<b>4.20</b>	4.12	4.06	4.09	3.62	3.06

\*Excludes exceptional items, amortisation of intangible assets and related tax



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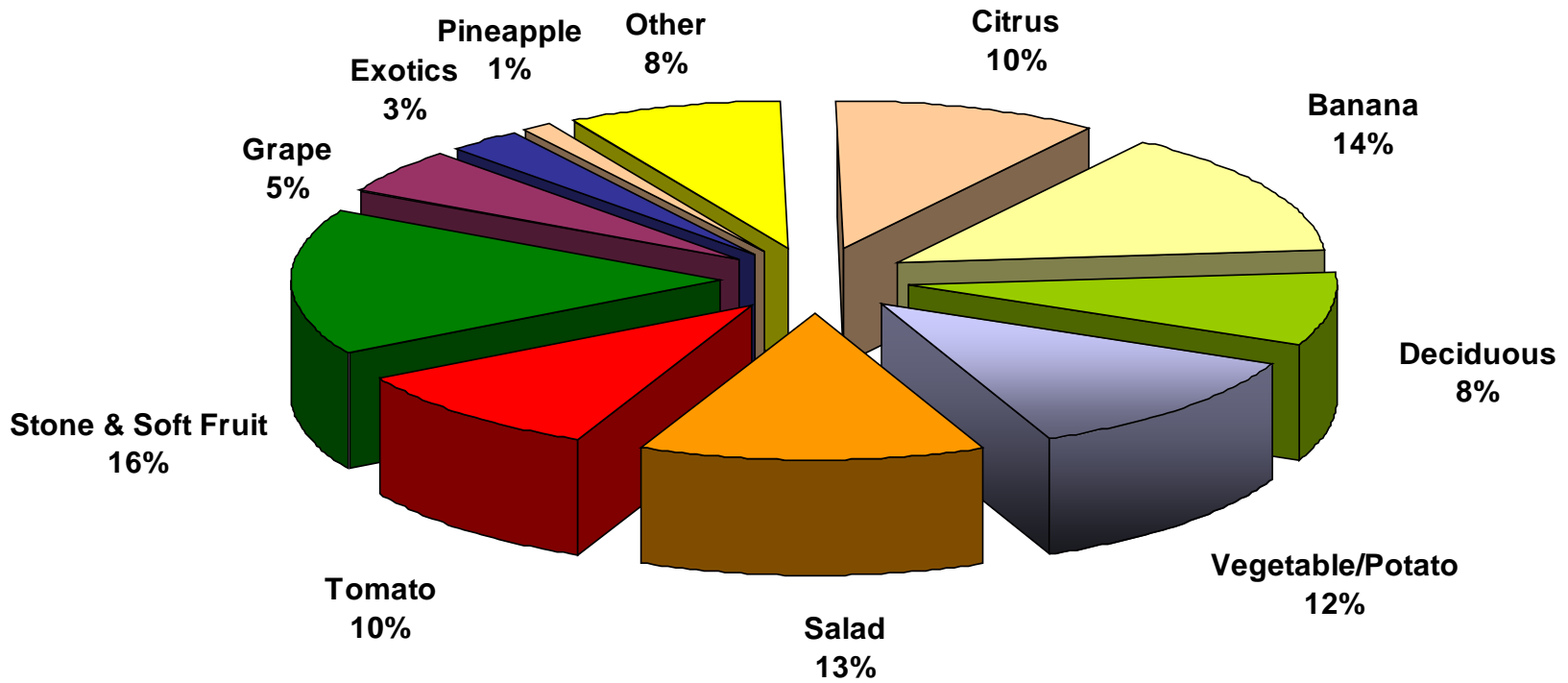
# Locations



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# Produce Portfolio



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