

Total Produce plc

Stock Exchange Announcement

Total Produce acquires 60% of two Dutch produce companies for up to €23 million

Total Produce Plc, Europe's leading fresh produce company, announces that it has entered an agreement to acquire 60% of Haluco B.V. and Nedalpac B.V. ("the Companies"). The initial cash consideration of €9.5 million is payable on completion and additional consideration becomes payable in 2011 if certain profit targets are met by the Companies during the three years ended 31 December 2010. The additional consideration will not exceed €13.5 million. The transaction is subject to the normal regulatory clearances.

Headquartered in Bleiswijk, the Netherlands, the Companies are leading providers of fresh produce specialising in Dutch salad products, mainly tomatoes, capsicums and cucumbers which they supply to a range of customers across Europe. The Companies operate from extensive purpose-built facilities and employ almost 400 people.–

The Companies recorded a combined profit before tax of €5.5 million on turnover of €298 million in the year ended 31 December 2007 and will have net assets of approximately €7.5 million at completion. The Companies have average net debt of approximately €10 million.

The Companies will continue to be managed by Mr. Jan van der Lugt and Mr. Izaäk Havenaar, the vendors, together with Mr. Johan Hensen and Mr. Harry Surminski. As part of the transaction, each has entered into a long term service agreement.

Commenting on the transaction, Carl McCann, Chairman of Total Produce said:

"The management team operate a large and successful business and we are very pleased that we have reached agreement with them and to join with them as shareholders in the Companies. This will further enhance our spread of business, and our product offering for our customers."

Mr. Jan van der Lugt and Mr. Izaäk Havenaar, of Haluco Beheer said:

"Haluco and Nedalpac are very happy to be joining the Total Produce Group. We expect that this new combination will provide improved added value to help us continue the process of developing our customer and supplier base."

Total Produce expects the acquisition to be earnings enhancing from the date of completion.

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