TotalProduce

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

TOTAL PRODUCE INCREASES 2011 EARNINGS BY 5.8%

- Revenue at €2.53 billion [(i)] down 2.8% on prior year
- Profit before tax of €34.4m is up 2.3% on prior year
- Adjusted EPS [(ii)] up 5.8% to 7.24 cent per share
- Adjusted EBITDA [(iii)] down 4.2% to €59.7m
- Final dividend of 1.35 cent; total 2011 dividend of 1.89 cent up 6.0%

(i), (ii) and (iii) *as defined overleaf*

Commenting on the results, Carl McCann, Chairman, said:

"Total Produce has delivered a solid performance in 2011 with a 5.8% increase in adjusted earnings per share to 7.24 cent per share. The Group has performed satisfactorily despite challenging conditions in certain markets due to the prolonged impact of the EHEC scare in May 2011.

The Group was active in concluding a number of new acquisitions primarily in the second half of the year for a total investment of almost €20m including increasing its shareholding in Capespan Group Limited, the leading South African fresh produce company.

The Group is also pleased to propose an increase of 8.6% in its final dividend to 1.35 cent per share. This brings the full year dividend for 2011 to 1.89 cent per share, representing an increase of 6% on 2010. With the continued benefit of a good geographic spread of activities across Europe and the full year impact of acquisitions completed in second half of 2011, the Group is targeting adjusted EPS for 2012 in the range of 7.0 to 8.0 cent per share".

6 March 2012

Any forward-looking statements made in this press release have been made in good faith based on the information available as of the date of this press release 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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TOTAL PRODUCE PLC PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 €'million	**2010 €'million**	**% change**
Revenue, including share of joint ventures and associates	**2,527**	2,600	-2.8%
Group revenue	**2,284**	2,343	-2.5%
Adjusted EBITDA (iii)	**59.7**	62.4 *	-4.2%
Adjusted EBITA (iii)	**45.0**	47.8	-6.0%
Operating profit	**39.1**	37.0	+5.6%
Profit before tax	**34.4**	33.6	+2.3%
	Euro cent	**Euro cent**	**% change**
Adjusted earnings per share (ii)	**7.24**	6.84	+5.8%
Basic and diluted earnings per share	**7.11**	5.25	+35.4%
Total dividend per share	**1.89**	1.783	+6.0%

(i) *includes the Group's share of revenue of joint ventures and associates*
(ii) *excludes exceptional items, acquisition related costs, amortisation of intangible assets and related tax*
(iii) *excludes exceptional items, acquisition related costs and amortisation of intangible assets*

* *2010 re-presented to treat the Group's share of joint ventures' and associates' depreciation within the adjusted EBITDA calculation*

Summary Results

Total Produce (the ‘Group’) announces adjusted earnings per share [(1)] growth of 5.8% to 7.24 cent for the year ended 31 December 2011.

Revenue of €2.53 billion represents a 2.8% decrease on the prior year. Adjusted EBITA [(2)] for the year was €45.0m, which represented a 6.0% decrease on the €47.8m recorded in 2010. The result for the year was satisfactory allowing for the impact of the unusual trading conditions for the Group’s Fresh Produce division particularly in Continental and Eastern Europe from late May onwards due to the e-coli (‘EHEC’) scare. The effects lasted longer than anticipated with the market slow to recover. The Group has benefited from currency translation and the positive contribution of acquisitions made in the second half of the year.

Exceptional items in the year amounted to a net gain of €2.7m before tax (2010: net charge of €2.3m), including gains on the disposal of a joint venture, pension curtailments and revaluation gains reclassified to the income statement arising on the reclassification of an available-for-sale financial asset to an associate investment. These gains were partly offset by property revaluation charges. An analysis of these items is set out in Note 5 of the accompanying financial information.

Operating profit for 2011 after exceptional items amounted to €39.1m an increase of 5.6% on 2010, with profit before tax increasing 2.3% to €34.4m.

The Group invested almost €20m mainly in the second half of the year in additional business interests. The Group has increased its effective shareholding in Capespan Group Limited (“Capespan South Africa”), the leading South African fresh produce company from 15.6% to 20.2% and accordingly has equity accounted for the investment in this company as an associate from July 2011 onwards. In its Fresh Produce Division, the Group has invested in two new joint venture interests along with a number of bolt-on acquisitions. In the Consumer Goods and Healthfoods Distribution division, two new business interests were acquired.

In May 2011, the Group sold its 40% joint venture investment in a South African farm investment company to Capespan South Africa for cash proceeds of €4.2m (refer to Note 5 of the accompanying financial information).

Net debt at 31 December 2011 was €75.6m (2010: €47.9m) and represents 1.3 times adjusted EBITDA.

The Board recommends an increase of 8.6% in the final dividend to 1.35 cent per share which together with the interim dividend of 0.54 cent per share, brings the total dividend to 1.89 cent per share, an increase of 6.0% on 2010.

Operating Review

The table below details a segmental breakdown of the Group's revenue and adjusted EBITA for the year. Segment performance is evaluated based on revenue and adjusted EBITA.

	2011		2010	
	Segmental revenue €'000	**Adjusted EBITA €'000**	Segmental revenue €'000	Adjusted EBITA €'000
Eurozone Fresh Produce	**1,205,234**	**19,826**	1,282,367	27,947
Scandinavian Fresh Produce	**595,340**	**16,441**	602,360	16,384
UK Fresh Produce	**485,414**	**5,871**	508,261	3,960
Other Fresh Produce	**170,989**	**4,489**	158,979	3,256
Inter-segment revenue	**(29,729)**	**-**	(33,416)	-
Total Fresh Produce	**2,427,248**	**46,627**	2,518,551	51,547
Consumer Goods and Healthfoods Distribution	**99,329**	**1,213**	81,909	(598)*
Unallocated costs	**-**	**(2,881)**	-	(3,118)
Third party revenue and adjusted EBITA	**2,526,577**	**44,959**	2,600,460	47,831

** Includes rationalisation costs of €0.5m.*

Fresh Produce Division

The Group's Fresh Produce division is involved in the growing, sourcing, transporting, importing, packaging, marketing and distribution of hundreds of lines of fresh fruits, vegetables and flowers. This division is split into four distinct reporting segments.

Revenue in this division decreased by 3.6% in 2011 to €2,427m with low single digit percentage decreases in both volumes and average prices. Adjusted EBITA in the division is down 9.5% from €51.5m to €46.6m. Net adjusted EBITA margins of 1.92% were down from prior year margins of 2.05%.

The results for the year were impacted by difficult trading conditions particularly in Continental and Eastern Europe. This was due primarily to the EHEC scare which had a negative impact on the European fresh produce industry from late May onwards. The German authorities incorrectly implicated certain salad lines as the source of EHEC causing a significant adverse effect on both consumption and prices of salads and fresh produce in general. The effects lasted longer than anticipated with the market slow to recover. This had a negative impact on the Group's fresh produce business and a lowering of general average prices.

On a positive note, the additional investment in the second half of the year in Capespan South Africa and the resulting treatment of this investment as an associate company from July 2011 onwards positively contributed to the result of the Fresh Produce division. In addition, the reported results in 2011 benefited from the strength of the average Swedish Krona and Czech Koruna exchange rates against the Euro, although this was partly offset by the weaker average Sterling rate.

The overall outturn of the Fresh Produce division was satisfactory having regard to the exceptional trading conditions in the year with the Group benefiting from its broad base of operations.

Eurozone Fresh Produce
Revenue in this division decreased by 6% to €1,205m mainly due to volumes decreases. Strong average price increases in the first half of the year were offset by a sharp decrease in average prices in the second half of the year in Continental Europe. Adjusted EBITA decreased €8.1m to €19.8m reflected in the lowering of margin from 2.18% to 1.64%. The performance of the division in 2011 was impacted by difficult trading conditions particularly due to the aforementioned EHEC issue. By comparison, the results in 2010 benefited from the particularly strong market conditions for salad lines in the Netherlands.

Scandinavian Fresh Produce
Reported revenue in the Scandinavian division decreased by just over 1% to €595m. The reported revenue was assisted by the strengthening of the Swedish Krona against the Euro in 2011 but was offset by low single digit percentage decreases in both volume and average prices. Adjusted EBITA is flat year on year with the reorganisational costs incurred in completing the move to the new state-of-the-art distribution facility in Sweden offset to a large extent by the benefit of currency translation. Net adjusted EBITA margins of 2.76% are slightly up on the margins of 2.72% in 2010.

UK Fresh Produce
Reported revenue in the UK Division decreased by 4.5% to €485m. The reported results have been adversely impacted by the weakening of the average Sterling rate in the year. Volumes were in line with prior year with a marginal decrease in average prices. Adjusted EBITA for the division is up €1.9m to €5.9m in 2011 due to improved trading conditions and lower rationalisation costs year-on-year. Trading in 2010 was challenging with unusual and heavy snowfalls affecting trading conditions. As a result net EBITA margins of 1.2% are up from the margin of 0.8% in 2010.

Other Fresh Produce
This division comprises a number of fresh produce businesses in Eastern Europe, India and South Africa. The Group has increased its shareholding in Capespan South Africa from a 15.6% interest to 20.2% and accordingly has accounted for its investment as an associate from July 2011 onwards recording its share of revenue and after tax profits. In addition, the result for the year includes the contribution of the South African farm activities up to the date of its disposal in May 2011.

Revenue in this division has increased by 8% to €171m with adjusted EBITA increasing €1.2m to €4.5m mainly due to the first time contribution of Capespan South Africa, partly offset by a decrease in revenue in Eastern Europe due to decreased volumes and prices. The temporary closure of the Russian borders to imports from Europe as a consequence of EHEC exasperated the oversupply and lowering of average prices of fresh produce in Eastern Europe.

Consumer Goods and Healthfoods Distribution Division

The Consumer Goods and Healthfoods division is a full service distribution and marketing partner to the grocery, pharmacy, optical, healthfoods (including vitamins, minerals and supplements) and other sectors. This segment distributes to retail and wholesale outlets in Ireland and the United Kingdom.

Revenue in this division was up 21% to €99m. The division recorded an EBITA of €1.2m compared to a loss of €0.6m in 2010. Included in the 2010 results were rationalisation costs of €0.5m. The results for the year were assisted by the effect year-on-year of rationalisation costs, some new business and by the positive contribution of acquisitions made in this division in the second half of 2011.

Financial Review

Net financial expense
Net financial expense for the year was €4.7m compared to €3.4m in 2010. The average interest rate paid by the Group on its borrowings has increased due to higher average net debt in the year, higher margins on Group facilities and increases in central bank rates, particularly the Swedish central bank rate. In addition, the strength of the Swedish Krona led to higher reported interest costs on translation to Euro. The Group's share of the net financial expense in its joint ventures and associates was €0.5m compared to €1.2m in 2010. Net interest cover for the year was 9.5 times based on adjusted EBITA.

Profit before tax
Profit before tax increased 2.3% in the year to €34.4m. Excluding exceptional items and amortisation, adjusted profit before tax (3) decreased by 8.1% to €39.7m.

Taxation
The tax charge for the year including share of joint ventures' and associates' tax and before non-trading items, as set out in Note 6 of the accompanying financial information, was €10.4m (2010: €11.8m) representing an effective tax rate of 26.2% (2010: 27.4%).

Exceptional items
Exceptional items in the year amounted to a net gain before tax of €2.7m (2010: net charge of €2.3m). These include gains on the disposal of a joint venture, pension curtailments and revaluation gains reclassified to the income statement arising on the reclassification of a financial asset to an associate investment. These gains were partly offset by property revaluation charges. An analysis of these items is set out in Note 5 of the accompanying financial information.

Non-controlling interest
The non-controlling interest's share of after tax profits was €4.3m (2010: €6.9m). The decrease on prior year is due to lower after tax profits in a number of the Group's non-wholly owned subsidiaries in Continental and Eastern Europe.

Adjusted and basic earnings per share
Adjusted earnings per share of 7.24 cent in 2011 represents an increase of 5.8% on 2010. Basic earnings per share amounted to 7.11 cent (2010: 5.25 cent). The growth in earnings per share was assisted by the buyback of 22 million shares in November 2010 which reduced the number of shares in issue to 330 million in 2011 compared to an average of 350 million in 2010.

Net debt and cash flow

Net debt during the year increased from €47.9m to €75.6m. Net debt to adjusted EBITDA is 1.3 times and interest is covered 9.5 times by adjusted EBITA. At 31 December 2011, the Group had available cash balances of €90.1m and interest bearing borrowings (including overdrafts) of €165.7m. Post year-end, on 9 January 2012, the Group received €8.5m in cash as part of the consideration from the disposal of a 50% interest in Capespan International Holdings Limited. More detail is provided below.

The Group generated operating cash flows of €31.2m in 2011 (2010: €39.4m) before working capital movements. The decrease on prior year was due to lower profits and higher interest and tax payments. There were €7.7m of working capital and other outflows in the year. By comparison in 2010, there were higher than normal inflows of €7.0m in working capital. Cash outflows on maintenance capital expenditure, net of disposals, were €7.5m (2010: €6.1m). Dividend payments to non-controlling interests were €4.9m (2010: €5.0m).

Primarily as a result of lower profits, working capital movements and higher capital expenditure, free cash flow generated by the Group decreased from €37.2m in 2010 to €12.9m in 2011. Free cash flow is the funds available after outflows relating to maintenance capital expenditure and dividends to non-controlling shareholders but before acquisition expenditure, development capital expenditure, share buy-backs and the payment of dividends to equity shareholders.

Cash outflows on acquisitions and deferred consideration payments amounted to €29.1m (2010: €7.4m). The Group made payments of €7.3m (2010: €4.6m) relating to development capital expenditure which was primarily related to the construction of an enlarged distribution facility in Sweden. The Group received €4.2m in cash proceeds from the sale of its South African farm investment company. The Group distributed €5.9m (2010: €5.9m) in dividends to equity shareholders. There was an adverse net impact on net debt of €1.2m (2010: €4.0m) on translation of foreign currency denominated net debt to Euro.

During the year, the Group has renewed a number of its term borrowing facilities extending the Group's net debt maturity profile which further increases the Group's capacity to finance future expansion.

	2011 €'million	2010 €'million
Adjusted EBITDA *	**59.7**	62.4
Deduct adjusted EBITDA of joint ventures and associates *	**(7.5)**	(6.5)
Net interest and tax paid	**(16.5)**	(13.2)
Other	**(4.5)**	(3.3)
Operating cash flows before working capital movements	**31.2**	39.4
Working capital and other movements	**(7.7)**	7.0
Operating cash flows	**23.5**	46.4
Maintenance capital expenditure net of disposal proceeds	**(7.5)**	(6.1)
Dividends received from joint ventures and associates	**1.8**	1.9
Dividends paid to non-controlling interests	**(4.9)**	(5.0)
Free cash flow	**12.9**	37.2
Acquisition (subsidiaries, JVs' & associates', non-controlling interests)	**(15.1)**	(2.9)
Deferred consideration payments and other	**(14.0)**	(4.5)
Development capital expenditure	**(7.3)**	(4.6)
Disposal of a joint venture interest	**4.2**	–
Dividends paid to equity shareholders	**(5.9)**	(5.9)
Purchase of own shares	**–**	(8.7)
Total cash flow	**(25.2)**	10.6
Net debt at beginning of year	**(47.9)**	(50.6)
Increase in finance leases	**(1.3)**	(3.9)
Foreign currency translation	**(1.2)**	(4.0)
Net debt at end of year	**(75.6)**	(47.9)

** 2010 re-presented to treat the Group's share of joint ventures' and associates' depreciation within the adjusted EBITDA calculation*

Shareholders' equity

The balance sheet has strengthened in the year with shareholders' equity increasing by €8.1m to €176.7m. The increase was primarily due to profits in the year of €23.5m offset by losses of €9.5m recognised directly in the statement of other comprehensive income attributable to equity shareholders. These included actuarial losses on employee defined benefit pension schemes (net of deferred tax) of €9.2m. During 2011, the Group distributed €5.9m in dividends to equity shareholders of the parent.

Defined benefit pension obligations

The net liability in the Group's defined benefit pension schemes (net of deferred tax) has increased to €14.8m at 31 December 2011 from €8.8m at 31 December 2010. The increase in the liability is due primarily to the decrease in the discount rates underlying the calculation of the present value of scheme obligations and lower than expected returns on scheme assets. Over the past three years the Group has modified the accruing benefits under the scheme in order to limit the exposure of the actuarial valuation of the liabilities. Post year-end, with the improvement of global equity markets, scheme assets have improved by approximately €5m which will reduce the pension liability.

Development activity

The Group invested €14.8m in capital expenditure including development expenditure which mainly comprised the expansion of the Group's state-of-the-art facilities in Sweden. Deferred consideration payments of €14.1m were made during the year in respect of previous acquisitions on achievement on profit targets. Further, the Group invested €19.9m in new subsidiaries and joint venture and associate interests.

Primarily during the second half of the year the Group invested €7.3m in new and existing joint venture and associate interests in its Fresh Produce division. This included the investment from July onwards which increased the Group's shareholding in Capespan South Africa to an effective interest of 20.2% at 31 December 2011 (2010: 15.6%). In September and December 2011, the Group invested in two new joint ventures within its Fresh Produce divisions in the UK and Scandinavia. During the year the Group also made further investments in existing joint venture interests.

The Group invested €12.6m (net of cash acquired) in a number of bolt-on acquisitions primarily in the second half of the year within both its Fresh Produce division and Consumer Goods and Healthfoods Distribution division. The investments include estimated deferred consideration of €4.7m payable on achievement of future profit targets. These acquisitions will complement existing business interests in these divisions.

In May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash proceeds of €4.2m. As noted in Note 5 of the accompanying financial information a profit of €1.6m was recognised on this sale and disclosed as an exceptional item in the income statement.

On 20 December 2011, the Group announced that it had entered into an agreement to acquire a 50% shareholding in Frankort & Koning Beheer Venlo BV and subsidiaries ("Frankort & Koning") for consideration of up to €15.0m. Headquartered in Venlo, the Netherlands, Frankort & Koning have operations principally in the Netherlands, Germany and Poland. An initial consideration of €6.0m will be paid on completion with additional consideration of up to €9.0m becoming payable in several tranches over the next number of years if certain profit targets are met. The transaction was subject to the normal regulatory clearances which were received on 5 March 2012.

Post year-end, on 9 January 2012, the Group announced the completion of a deal to sell its 50% joint venture interest in the European fruit distribution business of Capespan International Holdings Limited ("Capespan Europe") to Capespan South Africa for a total consideration of €13.0m satisfied by an exchange of an additional 20 million shares in Capespan South Africa and €8.5m in cash. This transaction results in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce both previously owned 50% each of Capespan Europe. On the Group balance sheet at 31 December 2011 the carrying value of this investment was classified as a non-current asset held for sale.

The Group continues to actively pursue further investment opportunities in both new and existing markets.

Share buyback

Under the authority granted at the AGM in 2011, the Group is permitted to purchase up to 10% of its issued share capital in the market if the appropriate opportunity arises at a price which would not exceed 105% of the average price over the previous five trading days. The Group continues to consider exercising its authority should the appropriate opportunity arise. The Group will seek to renew its authority at the forthcoming AGM in May 2012.

Dividends

The Board is proposing a final dividend of 1.35 cent per share (2010: 1.243 cent), subject to approval at the forthcoming AGM. If approved, this dividend will be paid on 24 May 2012 to shareholders on the register at 27 April 2012 subject to dividend withholding tax. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 31 December 2011. The total dividend for 2011 will amount to 1.89 cent and represents an increase of 6.0% on the prior year.

Current trading and outlook

Total Produce has delivered a solid performance in 2011 with an increase of 5.8% in adjusted earnings per share to 7.24 cent per share. The Group has performed satisfactorily despite challenging conditions in certain markets due to the prolonged impact of the EHEC scare in May 2011.

The Group was active in concluding a number of new acquisitions primarily in the second half of the year for a total investment of almost €20m including increasing its shareholding in Capespan Group Limited, the leading South African fresh produce company.

The Group is also pleased to propose an increase of 8.6% in its final dividend to 1.35 cent per share bringing the full year dividend for 2011 to 1.89 cent per share, representing an increase of 6% on 2010. With the continued benefit of a good geographic spread of activities across Europe and the full year impact of acquisitions completed in second half of 2011, the Group is targeting adjusted EPS for 2012 in the range of 7.0 to 8.0 cent per share.

Carl McCann, Chairman
On behalf of the Board
6 March 2012

(1) *Adjusted earnings per share excludes exceptional items, acquisition related costs, amortisation of intangible assets and related tax. This calculation is set out in Note 7 of the accompanying preliminary financial information*

(2) *Adjusted EBITA is operating profit excluding exceptional items, amortisation of intangible assets, acquisition related costs and excludes interest and tax (including the equivalent share of joint ventures and associates). This calculation is set out in Note 4 of the accompanying preliminary financial information*

(3) *Adjusted profit before tax excludes exceptional items, amortisation of intangible assets, acquisition related costs and the Group's share of joint ventures' and associates' tax which, under IFRS rules, is reflected in profit before tax. This calculation is set out in Note 4 of the accompanying preliminary financial information*

Copies of this announcement will be available from the Company's registered office at Charles McCann Building, Rampart Road, Dundalk, Co. Louth, Ireland and on our website at www.totalproduce.com.

Total Produce plc

Extract from the Group Income Statement

for the year ended 31 December 2011

	Before exceptional items 2011 €'000	**Exceptional items 2011 €'000**	**Total 2011 €'000**	Before exceptional items 2010 €'000	Exceptional items 2010 €'000	Total 2010 €'000
Revenue, including Group share of joint ventures and associates	**2,526,577**	**–**	**2,526,577**	2,600,460	–	2,600,460
Group revenue	**2,284,478**	**–**	**2,284,478**	2,343,124	–	2,343,124
Cost of sales	**(1,964,162)**	**–**	**(1,964,162)**	(2,019,550)	–	(2,019,550)
Gross profit	**320,316**	**–**	**320,316**	323,574	–	323,574
Operating expenses (net)	**(287,346)**	**2,712**	**(284,634)**	(285,930)	(2,119)	(288,049)
Share of profit/(loss) of joint ventures and associates	**3,442**	**–**	**3,442**	1,743	(231)	1,512
Operating profit	**36,412**	**2,712**	**39,124**	39,387	(2,350)	37,037
Financial income	**2,097**	**–**	**2,097**	1,823	–	1,823
Financial expense	**(6,845)**	**–**	**(6,845)**	(5,264)	–	(5,264)
Profit before tax	**31,664**	**2,712**	**34,376**	35,946	(2,350)	33,596
Income tax (expense)/credit	**(7,298)**	**663**	**(6,635)**	(8,991)	620	(8,371)
Profit for the year	**24,366**	**3,375**	**27,741**	26,955	(1,730)	25,225
Attributable to:						
Equity holders of the parent			**23,466**			18,337
Non-controlling interests			**4,275**			6,888
			27,741			25,225
Earnings per ordinary share						
Basic			**7.11 cent**			5.25 cent
Fully diluted			**7.11 cent**			5.25 cent
Adjusted fully diluted			**7.24 cent**			6.84 cent

Total Produce plc
Extract from the Group Statement of Comprehensive Income
for the year ended 31 December 2011

	2011 €'000	2010 €'000
Profit for the year	**27,741**	25,225
Other comprehensive income:		
Foreign currency translation effects:		
- foreign currency net investments – subsidiaries	**2,196**	13,382
- foreign currency net investments – joint ventures and associates	**14**	1,263
- foreign currency gains reclassified to the income statement on disposal of joint venture	**(528)**	–
- foreign currency borrowings	**(1,380)**	(7,168)
Revaluation gains on property, plant and equipment, net	**1,350**	436
Gains/(losses) on re-measuring available-for-sale financial assets, net	**2,028**	(592)
Reclassification of revaluation gains to income statement upon available-for-sale investment becoming an associate	**(4,055)**	–
Actuarial losses on defined benefit pension schemes	**(10,883)**	(6,857)
Effective portion of cash flow hedges, net	**25**	(16)
Deferred tax on items taken directly to other comprehensive income	**1,654**	1,133
Share of joint ventures' actuarial gain/(loss) on defined benefit pension scheme	**80**	(1,009)
Share of joint ventures' loss on re-measuring available-for-sale financial assets	**–**	(8)
Share of joint ventures' effective portion of cash flow hedges, net	**9**	30
Share of joint ventures' deferred tax on items taken directly to other comprehensive income	**23**	266
Other comprehensive income for the year, net of tax	**(9,467)**	860
Total comprehensive income for the year, net of tax	**18,274**	26,085
Attributable to:		
Equity holders of the parent	**13,926**	18,804
Non-controlling interests	**4,348**	7,281
	18,274	26,085

Total Produce plc
Extract from the Group Balance Sheet
as at 31 December 2011

	2011	2010
Assets	**€'000**	€'000
Non-current assets		
Property, plant and equipment	**135,644**	131,965
Investment property	**10,881**	13,331
Goodwill and intangible assets	**152,493**	140,641
Investments in joint ventures and associates	**40,212**	34,054
Other financial assets	**647**	9,704
Other receivables	**4,290**	3,590
Deferred tax assets	**6,903**	5,877
Employee benefits	**–**	1,231
Total non-current assets	**351,070**	340,393
Current assets		
Inventories	**39,098**	41,601
Trade and other receivables	**268,126**	264,163
Corporation tax receivables	**2,075**	697
Derivative financial instruments	**57**	61
Cash and cash equivalents	**90,087**	104,486
Total current assets (excluding non-current assets classified as held for sale)	**399,443**	411,008
Non-current assets classified as held for sale	**11,064**	–
Total current assets	**410,507**	411,008
Total assets	**761,577**	751,401
Equity		
Called-up share capital	**3,519**	3,519
Share premium	**252,574**	252,574
Other reserves	**(116,460)**	(116,114)
Retained earnings	**37,066**	28,621
Total equity attributable to equity holders of the parent	**176,699**	168,600
Non-controlling interests	**60,041**	57,999
Total equity	**236,740**	226,599
Liabilities		
Non-current		
Interest-bearing loans and borrowings	**140,586**	129,326
Deferred government grants	**1,569**	1,460
Other payables	**2,582**	3,386
Provisions	**10,809**	4,469
Corporation tax payable	**7,754**	8,110
Deferred tax liabilities	**17,100**	17,577
Employee benefits	**18,058**	12,264
Total non-current liabilities	**198,458**	176,592
Current		
Interest-bearing loans and borrowings	**25,054**	23,095
Trade and other payables	**295,728**	306,341
Provisions	**1,634**	15,059
Derivative financial instruments	**309**	300
Corporation tax payable	**3,654**	3,415
Total current liabilities	**326,379**	348,210
Total liabilities	**524,837**	524,802
Total liabilities and equity	**761,577**	751,401

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2011

	Attributable to equity holders of the parent										
	Share capital €'000	*Share premium €'000*	*Currency translation reserve €'000*	*Reval-uation reserve €'000*	*De-merger reserve €'000*	*Own shares reserve €'000*	*Other equity reserves €'000*	*Retained earnings €'000*	*Total €'000*	*Non-controlling interests €'000*	*Total equity €'000*
As at 1 January 2011	**3,519**	**252,574**	**(6,005)**	**17,938**	**(122,521)**	**(8,580)**	**3,054**	**28,621**	**168,600**	**57,999**	**226,599**
Comprehensive income											
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**23,466**	**23,466**	**4,275**	**27,741**
Other comprehensive income:											
Foreign currency translation effects	**–**	**–**	**197**	**–**	**–**	**–**	**–**	**–**	**197**	**105**	**302**
Revaluation gains on property, plant and equipment, net	**–**	**–**	**–**	**1,398**	**–**	**–**	**–**	**–**	**1,398**	**(48)**	**1,350**
Gains on re-measuring available-for-sale financial assets, net	**–**	**–**	**–**	**–**	**–**	**–**	**2,028**	**–**	**2,028**	**–**	**2,028**
Reclassification of revaluation gains to income statement upon available-for-sale investment becoming an associate	**–**	**–**	**–**	**–**	**–**	**–**	**(4,055)**	**–**	**(4,055)**	**–**	**(4,055)**
Actuarial losses on defined benefit pension schemes, net	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,745)**	**(10,745)**	**(138)**	**(10,883)**
Effective portion of cash flow hedges, net	**–**	**–**	**–**	**–**	**–**	**–**	**14**	**–**	**14**	**11**	**25**
Deferred tax on items taken directly to other comprehensive income	**–**	**–**	**–**	**(40)**	**–**	**–**	**(6)**	**1,557**	**1,511**	**143**	**1,654**
Share of joint ventures' actuarial gain on defined benefit pension scheme	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**80**	**80**	**–**	**80**
Share of joint ventures' gain on re-measuring available-for-sale financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9**	**9**	**–**	**9**
Share of joint ventures' deferred tax on items taken directly to other comprehensive income	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**23**	**23**	**–**	**23**
Total other comprehensive income	**–**	**–**	**197**	**1,358**	**–**	**–**	**(2,019)**	**(9,076)**	**(9,540)**	**73**	**(9,467)**
Total comprehensive income	**–**	**–**	**197**	**1,358**	**–**	**–**	**(2,019)**	**14,390**	**13,926**	**4,348**	**18,274**
Transactions with equity holders of the parent											
Non-controlling interests arising on acquisition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,715**	**2,715**
Buyout of non-controlling interests arising on acquisition	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(63)**	**(63)**	**(141)**	**(204)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(5,882)**	**(5,882)**	**(4,880)**	**(10,762)**
Share-based payment transactions	**–**	**–**	**–**	**–**	**–**	**–**	**118**	**–**	**118**	**–**	**118**
Total transactions with equity holders of the parent	**–**	**–**	**–**	**–**	**–**	**–**	**118**	**(5,945)**	**(5,827)**	**(2,306)**	**(8,133)**
As at 31 December 2011	**3,519**	**252,574**	**(5,808)**	**19,296**	**(122,521)**	**(8,580)**	**1,153**	**37,066**	**176,699**	**60,041**	**236,740**

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2011 (continued)

	Attributable to equity holders of the parent										
	Share capital €'000	*Share premium €'000*	*Currency translation reserve €'000*	*Reval-uation reserve €'000*	*De-merger reserve €'000*	*Own shares reserve €'000*	*Other equity reserves €'000*	*Retained earnings €'000*	*Total €'000*	*Non-controlling interests €'000*	*Total equity €'000*
As at 1 January 2010	3,519	252,574	(13,171)	17,797	(122,521)	–	3,637	23,353	165,188	55,771	220,959
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	18,337	18,337	6,888	25,225
Other comprehensive income:											
Foreign currency translation effects	–	–	7,166	–	–	–	–	–	7,166	311	7,477
Revaluation gains on property, plant and equipment, net	–	–	–	283	–	–	–	–	283	153	436
Losses on re-measuring available-for-sale financial assets, net	–	–	–	–	–	–	(592)	–	(592)	–	(592)
Actuarial losses on defined benefit pension schemes, net	–	–	–	–	–	–	–	(6,770)	(6,770)	(87)	(6,857)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	(19)	–	(19)	3	(16)
Deferred tax on items taken directly to other comprehensive income	–	–	–	(142)	–	–	6	1,256	1,120	13	1,133
Share of joint ventures' actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	–	(1,009)	(1,009)	–	(1,009)
Share of joint ventures' loss on re-measuring available-for-sale financial assets	–	–	–	–	–	–	–	(8)	(8)	–	(8)
Share of joint ventures' effective portion of cash flow hedges, net	–	–	–	–	–	–	–	30	30	–	30
Share of joint ventures' deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	266	266	–	266
Total other comprehensive income	–	–	7,166	141	–	–	(605)	(6,235)	467	393	860
Total comprehensive income	–	–	7,166	141	–	–	(605)	12,102	18,804	7,281	26,085
Transactions with equity holders of the parent											
Non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	–	260	260
Buyout of non-controlling interests arising on acquisition	–	–	–	–	–	–	–	(780)	(780)	(326)	(1,106)
Contribution by non-controlling interest	–	–	–	–	–	–	–	–	–	51	51
Dividends	–	–	–	–	–	–	–	(5,947)	(5,947)	(5,038)	(10,985)
Own shares acquired	–	–	–	–	–	(8,580)	–	(107)	(8,687)	–	(8,687)
Share-based payment transactions	–	–	–	–	–	–	22	–	22	–	22
Total transactions with equity holders of the parent	–	–	–	–	–	(8,580)	22	(6,834)	(15,392)	(5,053)	(20,445)
As at 31 December 2010	3,519	252,574	(6,005)	17,938	(122,521)	(8,580)	3,054	28,621	168,600	57,999	226,599

Total Produce plc
Extract from the Group Statement of Cash Flows
for the year ended 31 December 2011

	2011 €'000	2010 €'000
Net cash flows from operating activities before working capital movements (Note 12)	**31,228**	39,367
(Increase)/decrease in working capital	**(7,747)**	6,976
Net cash flows from operating activities	**23,481**	46,343
Investing activities		
Acquisition of subsidiaries, net of cash, cash equivalents and bank overdrafts acquired	**(7,973)**	(1,409)
Acquisition of, and investment in, joint ventures and associates, including loans	**(6,192)**	(989)
Acquisition of other financial assets	**(30)**	–
Payments of deferred consideration	**(14,086)**	(4,807)
Acquisition of property, plant and equipment	**(15,531)**	(12,788)
Proceeds from disposal of property, plant and equipment	**725**	2,116
Dividends received from joint ventures and associates	**1,760**	1,948
Proceeds from disposal of joint ventures and associates	**4,172**	–
Proceeds from disposal of equity investments	–	823
Research and development expenditure capitalised	**(156)**	(782)
Government grants received	**296**	118
Net cash flows from investing activities	**(37,015)**	(15,770)
Financing activities		
Net increase/(decrease) in borrowings	**12,784**	(360)
Capital element of finance lease repayments	**(274)**	(300)
Purchase of own shares	**–**	(8,687)
Dividends paid to shareholders of the parent	**(5,882)**	(5,947)
Acquisition of non-controlling interests	**(841)**	(470)
Capital contribution by non-controlling interests	**–**	51
Dividends paid to non-controlling interests	**(4,880)**	(5,038)
Net cash flows from financing activities	**907**	(20,751)
Net (decrease)/increase in cash and cash equivalents, including bank overdrafts	**(12,627)**	9,822
Cash and cash equivalents, including bank overdrafts at start of year	**97,916**	84,624
Effect of exchange rate fluctuations on cash held	**524**	3,470
Cash and cash equivalents, including bank overdrafts at end of year	**85,813**	97,916

Group Reconciliation of Net Debt
for the year ended 31 December 2011

	2011 €'000	2010 €'000
Net (decrease) / increase in cash, cash equivalents, and bank overdrafts	**(12,627)**	9,822
Net (increase)/decrease in borrowings	**(12,784)**	360
Capital element of lease repayments	**274**	300
Other movements on finance leases	**(1,327)**	(3,879)
Foreign exchange movement	**(1,154)**	(3,978)
Movement in net debt	**(27,618)**	2,625
Net debt at beginning of year	**(47,935)**	(50,560)
Net debt at end of year	**(75,553)**	(47,935)

Total Produce plc
Selected explanatory notes for the Preliminary Results for the year ended 31 December 2011

1. Basis of preparation

The financial information included in this preliminary results statement has been extracted from the Group's Financial Statements for the year ended 31 December 2011 and is prepared based on the accounting policies set out therein, which are consistent with those applied in the prior year. As permitted by the European Union (EU) law and in accordance with AIM/ESM rules, the Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

A number of new IFRSs and interpretations of the International Financial Reporting Interpretations Committee became effective for, and have been applied in preparing, the Group Financial Statements. None of these have had any material impact on the Group's financial statements in 2011.

The financial information prepared in accordance with IFRSs as adopted by the EU included in this report do not comprise "full group accounts" within the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations 1992 of Ireland insofar as such group accounts would have to comply with the disclosure and other requirements of those Regulations. The information included has been derived from the Group Financial Statements which have been approved by the Board of Directors on 5 March 2012. The Financial Statements will be filed with the Irish Registrar of Companies and circulated to shareholders in due course. The financial information is presented in Euro, rounded to the nearest thousand.

2. Translation of foreign currencies

The reporting currency of the Group is Euro. Results and cashflows of foreign currency denominated operations have been translated into Euro at the average exchange rates for the period, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on the translation of the results of foreign currency denominated operations at average rates, and on restatement of the opening net assets at closing rates, are accounted for within a separate translation reserve within equity, net of differences on related foreign currency borrowings. All other translation differences are taken to the income statement. The principal rates used in the translation of results and balance sheets into Euro were as follows:

	Average rate			**Closing rate**		
	2011	2010	% change	**2011**	2010	% change
Pound Sterling	**0.8757**	0.8434	(3.8%)	**0.8353**	0.8568	2.5%
Swedish Krona	**9.0086**	9.5425	5.6%	**8.899**	9.0186	1.3%
Czech Koruna	**24.7335**	25.3886	2.6%	**25.5018**	25.0889	(1.6%)
Danish Kroner	**7.4507**	7.4471	0.0%	**7.4322**	7.4518	0.3%
South African Rand	**10.0826**	9.7165	(3.8%)	**10.4802**	8.875	(18.1%)

3. Segmental Analysis

In accordance with IFRS *8 Operating Segments*, the Group's reportable operating segments based on how performance is assessed and resources are allocated are as follows:

- *Eurozone Fresh Produce:* This segment is an aggregation of operating segments in the Eurozone involved in the procurement and distribution of fresh produce. These operating segments have been aggregated because they have similar economic characteristics
- *Scandinavian Fresh Produce*: This operating segment is involved in the procurement and distribution of fresh produce in Sweden and Denmark
- *UK Fresh Produce*: This operating segment includes the Group's UK business which is involved in the procurement and distribution of fresh produce
- *Consumer Goods and Healthfoods Distribution*: This division is a full service distributor and marketing partner to the grocery, pharmacy, optical, healthfoods (including vitamins, minerals and supplements) and other sectors. This segment distributes to retail and wholesale outlets in Ireland and in the United Kingdom.

A further three operating segments involved in the fresh produce business, have been identified which are combined below under 'Other Fresh Produce' as they are not individually material.

Segment performance is evaluated based on revenue and adjusted EBITA. Management believes that adjusted EBITA, while not a defined term under IFRS, gives a fair reflection of the underlying trading performance of the Group. Adjusted EBITA excludes exceptional items, amortisation of intangible assets, acquisition related costs, share of joint ventures' and associates' tax and finance expense, and is therefore measured differently from operating profit in the Group financial statements as explained and reconciled in detail below.

Finance costs, finance income, income taxes and certain corporate costs are managed on a centralised basis. These items are not allocated between operating segments for the purpose of the information presented to the Chief Operating Decision Maker and are accordingly not included in the detailed segmental analysis below.

	2011			2010		
	Segmental revenue €'000	**Third party revenue €'000**	**Adjusted EBITA €'000**	Segmental revenue €'000	Third party revenue €'000	Adjusted EBITA €'000
Eurozone Fresh Produce	**1,205,234**	**1,189,058**	**19,826**	1,282,367	1,263,580	27,947
Scandinavian Fresh Produce	**595,340**	**584,318**	**16,441**	602,360	593,716	16,384
UK Fresh Produce	**485,414**	**483,411**	**5,871**	508,261	505,782	3,960
Other Fresh Produce	**170,989**	**170,461**	**4,489**	158,979	155,473	3,256
Inter – segment revenue	**(29,729)**	**-**	**-**	(33,416)	-	-
Total Fresh Produce	**2,427,248**	**2,427,248**	**46,627**	2,518,551	2,518,551	51,547
Consumer Goods and Healthfoods Distribution	**99,329**	**99,329**	**1,213**	81,909	81,909	(598)
Unallocated costs	**-**	**-**	**(2,881)**	-	-	(3,118)
Third party revenue and adjusted EBITA	**2,526,577**	**2,526,577**	**44,959**	2,600,460	2,600,460	47,831

All inter-segment revenue transactions are transacted at arm's length.

Reconciliation of segmental profits to operating profit

Below is a reconciliation of adjusted EBITA per management reports to operating profit and profit before tax per the Group income statement.

	Note	2011 €'000	2010 €'000
Adjusted EBITA per management reporting		**44,959**	47,831
Amortisation of intangible assets within subsidiaries	(i)	**(5,501)**	(5,252)
Acquisition related costs	(ii)	**(615)**	–
Share of joint ventures' and associates' amortisation	(iii)	**(535)**	(489)
Share of joint ventures' and associates' interest	(iii)	**(507)**	(1,181)
Share of joint ventures' and associates' tax	(iii)	**(1,389)**	(1,522)
Operating profit before exceptional items		**36,412**	39,387
Exceptional items	(iv)	**2,712**	(2,350)
Operating profit after exceptional items		**39,124**	37,037
Net financial expense	(v)	**(4,748)**	(3,441)
Profit before tax		**34,376**	33,596

(i) Intangible asset amortisation is not allocated to operating segments in the Group management accounts.
(ii) Acquisition related costs include legal fees and other professional service fees on completed acquisitions of subsidiaries. From 1 January 2010, upon adoption of IFRS 3 *Business Combinations* (2008) these costs no longer form part of the acquisition cost and are expensed though the income statement.
(iii) Under IFRS, included within profit before tax is the share of joint ventures' and associates' profit after intangible assets amortisation charges, tax and interest. In the Group's management accounts, the Group share of these items is excluded from the adjusted EBITA calculation.
(iv) Exceptional items (Note 5) are not allocated to operating segments in the management reports.
(v) Financial income and expense is primarily managed at Group level and not allocated to individual operating segments in the management reports.

4. Adjusted profit before tax and adjusted EBITA

For the purpose of assessing the Group's performance, Total Produce management believe that adjusted EBITA, adjusted profit before tax and adjusted earnings per share (Note 7) are the most appropriate measures of the underlying performance of the Group.

	2011 €'000	2010 €'000
Profit before tax per the income statement	**34,376**	33,596
Adjustments		
Exceptional items before share of joint venture's tax (Note 5)	**(2,712)**	2,455
Group share of the tax charge of joint ventures and associates	**1,389**	1,417
Amortisation of intangibles (including the Group's share of joint ventures and associates)	**6,036**	5,741
Acquisition related costs	**615**	–
Adjusted profit before tax	**39,704**	43,209
Exclude		
Net financial expense – Group	**4,748**	3,441
Net financial expense – share of joint ventures and associates	**507**	1,181
Adjusted EBITA	**44,959**	47,831

5. Exceptional items

	2011 €'000	2010 €'000
Gains on available-for-sale financial assets reclassified from other comprehensive income to income statement (a)	**4,055**	
Gain on the disposal of a joint venture (b)	**1,612**	–
Pension curtailment gain (c)	**926**	–
Impairment of property, plant and equipment (d)	**(1,331)**	–
Change in fair value of investment property (e)	**(2,550)**	(2,119)
Share of joint ventures' and associates' changes in the fair value of investment property (f)	**–**	(336)
Total exceptional items (before joint ventures' and associates' tax)	**2,712**	(2,455)
Share of joint ventures' and associates' tax on fair value losses on property	**–**	105
Total exceptional items (after share of joint ventures' and associates' tax)	**2,712**	(2,350)
Tax on exceptional items	**663**	620
Total	**3,375**	(1,730)

(a) *Gains on available-for-sale financial assets reclassified from other comprehensive income to the income statement*

In July 2011, as a result of increasing its shareholding, the Group commenced equity accounting for its investment in Capespan Group Limited ("Capespan South Africa"). As part of this exercise, the previously held shareholding was fair valued at this date resulting in an uplift of €2,028,000. This uplift, together with previously recognised fair value gains in the available-for-sale reserve of €2,027,000 relating to Capespan South Africa, were reclassified to the income statement resulting in an exceptional gain of €4,055,000. Refer to Note 10 for further details.

(b) *Gain on the disposal of a joint venture*

In May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash proceeds of €4,172,000. A profit of €1,612,000 was recognised on this sale comprising the €1,084,000 difference between the sales proceeds and the joint venture's carrying value of €3,088,000 together with the reclassification of €528,000 of currency translation differences from equity to the income statement.

(c) *Pension curtailment gain*

An exceptional gain of €926,000 arose during the year as a result of payments no longer being made by the Group for a number of employees who have reached the pension cap. The deferred tax charge on this exceptional gain amounted to €116,000.

(d) *Impairment of property, plant and equipment*

On revaluation of the Group's properties in 2011, in addition to the net revaluation gains of €1,350,000 included in other comprehensive income, properties where the carrying value exceeded market value were identified, resulting in an impairment charge of €1,331,000 (2010: € Nil) to the income statement.

(e) *Revaluation of investment property*

Fair value losses, amounting to €2,550,000 (2010: €2,119,000) have been recognised in the income statement in relation to investment property. A deferred tax credit of €779,000 (2010: credit of €620,000) was recognised in the income statement as a result of these revaluations.

(f) *Share of joint ventures' and associates' fair value losses on investment property*

In 2010, the Group's share of changes in fair value of joint ventures' and associates' investment property of €336,000 was recognised in the income statement. A deferred tax credit of €105,000 was recognised in the income statement as a result. No such fair value movements were identified in 2011.

6. Income tax

	2011	2010
	€'000	€'000
Income tax expense	**6,635**	8,371
Group share of tax charge of its joint ventures and associates netted in profit before tax	**1,389**	1,417
Total tax charge	**8,024**	9,788
Adjustments		
Deferred tax on amortisation of intangible assets - subsidiaries	**1,649**	1,264
Share of joint ventures' and associates' deferred tax credit on amortisation of intangible assets	**55**	48
Net deferred tax on fair value movement on properties - subsidiaries	**779**	620
Net deferred tax on pension curtailment - subsidiaries	**(116)**	–
Share of net deferred tax on fair value movements on properties within joint ventures and associates	**–**	105
Tax charge on underlying activities	**10,391**	11,825

The total tax charge for the year amounted to €8.0m (2010: €9.8m), including the Group's share of the tax charge of its joint ventures and associates amounting to €1.4m (2010: €1.4m), which is netted in profit before tax in accordance with IFRS.

Excluding the impact of deferred tax credits related to the amortisation of intangibles and the tax effect of exceptional items, the underlying tax charge for the year was €10.4m (2010: €11.8m), equivalent to a rate of 26.2% (2010: 27.4%) when applied to the Group's adjusted profit before tax.

7. Earnings per share

	2011	2010
	€'000	€'000
Profit attributable to equity holders of the parent	**23,466**	18,337
	'000	'000
Issued ordinary shares at start of the year	**329,887**	351,887
Effect of own shares held – Note (a)	**–**	(2,351)
Weighted average number of shares for basic and adjusted earnings per share calculation	**329,887**	349,536
Basic and diluted earnings per share - € cent	**7.11**	5.25

Adjusted fully diluted earnings per share	**2011 €'000**	**2011 cent per share**	2010 €'000	2010 cent per share
Profit attributable to equity holders of the parent	**23,466**	**7.11**	18,337	5.25
Adjustments:				
Exceptional items (Note 5)	**(2,712)**	**(0.82)**	2,350	0.67
Amortisation of intangible assets (including share of joint ventures and associates)	**6,036**	**1.83**	5,741	1.64
Acquisition related costs	**615**	**0.19**		
Tax effect of exceptional items and amortisation charges	**(2,366)**	**(0.72)**	(1,932)	(0.55)
Non-controlling interests' impact of exceptional items, acquisition related costs, intangible asset amortisation charges and related tax	**(1,148)**	**(0.35)**	(594)	(0.17)
Adjusted fully diluted earnings	**23,891**	**7.24**	23,902	6.84

Note (a)
On 23 November 2010, the Group purchased 22,000,000 of its own shares to be held as treasury shares. In respect of these treasury shares, all rights (including voting and dividend rights) are suspended until the shares are reissued and therefore they are not included in the earnings per share calculations.

Adjusted fully diluted earnings per share is calculated to adjust for exceptional items, intangible asset amortisation, acquisition related costs, related tax charges and credits and the impact of share options with a dilutive effect.

Share options outstanding at the end of 2011 were 7,260,000 (2010: 7,310,000) and were anti-dilutive in both years. Therefore the weighted average number of shares outstanding applied in the calculation of basic and adjusted earnings per share is the same.

8. Employee benefits

	2011 €'000	2010 €'000
Net pension liability at beginning of year	**(11,033)**	(7,931)
Current/past service cost less net finance income recognised in income statement	**(1,689)**	(1,642)
Curtailment gain recognised in the income statement	**926**	–
Contributions to schemes	**4,842**	5,527
Actuarial losses recognised in other comprehensive income	**(10,883)**	(6,857)
Foreign exchange movement	**(221)**	(130)
Net pension liability at end of year	**(18,058)**	(11,033)
Related deferred tax asset, net	**3,246**	2,268
Net pension liability after tax	**(14,812)**	(8,765)

The table summarises the movements in the net liability on the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe. The balance sheet at 31 December 2011 reflects pension assets of €Nil (2010: €1.2m) in respect of schemes in surplus and pension liabilities of €18.1m (2010: €12.2m) in respect of schemes in deficit. Post year-end, with the improvement of global equity markets, scheme assets have improved by approximately €5m which will reduce the pension liability.

The current/past service cost is charged in the income statement, net of the finance income on scheme assets and liabilities. Actuarial (losses)/gains are recognised in other comprehensive income.

In determining the valuation of pension obligations, consultation with independent actuaries is required. The estimation of employee benefit obligations requires the determination of appropriate assumptions such as discount rates and expected future rates of return on assets.

The increase in the net liability during the year was due to the decrease in the discount rates in the Irish and UK pension schemes which led to an increase in the net present value of the schemes' obligations and lower than expected returns on the scheme assets in 2011. This increase in the liability was partly offset by a decrease in the UK inflation rate and a curtailment gain which arose on the Irish pension scheme as a result of payments no longer being made by the Group for a number of employees who have reached the relevant pension cap.

9. Dividends

	2011 €'000	2010 €'000
Dividends paid on Ordinary Euro 1 cent shares		
Interim dividend for 2011 of 0.54 cent per share (2010: 0.54 cent)	**1,900**	1,900
Final dividend for 2010 of 1.243 cent per share (2009: 1.15 cent)	**3,982**	4,047
Total dividend	**5,882**	5,947
Total dividend per share	**1.783**	1.69

The directors have proposed an increase of 8.6% in the final dividend for 2011, subject to shareholder approval at the AGM, of 1.35 cent per share. This brings the total dividend in respect of 2011 to 1.89 cent per share, representing an increase of 6.0% on the total 2010 dividend. This dividend has not been provided for in the balance sheet at 31 December 2011.

10. Joint ventures and associates

	2011 **€'000**	2010 €'000
Investment in joint ventures and associates at beginning of the year	**34,054**	32,959
Share of profit after tax:		
- before exceptional items	**3,442**	1,743
- exceptional item arising on fair value losses on investment property	**–**	(231)
Share of other comprehensive income, net	**112**	(721)
Increased investment during the year - cash	**5,898**	433
Increased investment during the year – deferred consideration	**1,124**	–
Loans advanced during the year, net	**294**	556
Dividends received	**(1,760)**	(1,948)
Available-for-sale financial asset becoming an associate	**11,186**	–
Disposal of joint venture	**(3,088)**	–
Joint venture being reclassified as non-current asset held for sale	**(11,064)**	–
Foreign exchange movement	**14**	1,263
Investment in joint ventures and associates at end of the year	**40,212**	34,054

Investments in the period

Primarily during the second half of the year the Group invested €7,316,000 in new and existing joint venture and associate interests.

Investment in associates

At 31 December 2010, the Group held an effective interest of 15.6% in Capespan Group Limited ("Capespan South Africa") which was classified as an available-for-sale financial asset. From July onwards the Group invested €3,336,000 which increased the Group's shareholding in Capespan South Africa to an effective interest of 20.2% at 31 December 2011. From July 2011 onwards, the investment in Capespan South Africa has been treated as an associate undertaking of the Group in accordance with IAS 28 *Investment in Associates.* At this date the Group's existing 15.6% effective interest in Capespan South Africa was fair valued to €11,186,000 and reclassified from an available-for-sale financial asset to an investment in an associate. The total fair value gain of €4,055,000 (which included the reclassification of €2,027,000 of previously recognised fair value gains in the fair value reserve within equity) were reclassified to the income statement resulting in an exceptional gain of €4,055,000 which has been disclosed in the financial statements as an exceptional item (refer to Note 5).

Investment in joint ventures

Mainly during the second half of the year the Group invested €3,980,000, including €1,124,000 deferred consideration payable on achievement of future profit targets in new and existing joint venture and associate interests within its Fresh Produce Division. In September and December 2011, the Group invested in two new joint ventures within its Fresh Produce Divisions in the UK and Scandinavia. During the year the Group also made further investments in existing joint venture interests.

Disposal of joint venture

As disclosed in Note 5, in May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash consideration of €4,172,000. A profit of €1,612,000 was recognised on this sale comprising the €1,084,000 difference between the sales proceeds and the joint venture's carrying value of €3,088,000 together with the reclassification of €528,000 of currency translation differences from equity to the income statement. This profit on disposal has been classified as an exceptional item in the Group income statement for the year ended 31 December 2011.

10. Joint ventures and associates *(continued)*

Joint venture reclassified as held for sale

On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in the European fruit distribution business Capespan International Holdings Limited ("Capespan Europe") to Capespan South Africa for a total consideration of €13,030,000 satisfied by the exchange of an additional 20 million shares in Capespan South Africa and €8,456,000 in cash. This transaction results in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce both previously owned 50% each of Capespan Europe. This investment was classified as a non-current asset held for sale following the agreement to dispose of this investment in December 2011.

11. Businesses acquired and other developments

In the year, the Group made the following investments in the business.

Acquisition of subsidiary interests
The Group invested €12.6m (net of cash acquired) in a number of bolt-on acquisitions primarily in the second half of the year within both its Fresh Produce division and Consumer Goods and Healthfoods Distribution division. The investment includes estimated deferred consideration of €4.7m payable on achievement of future profit targets. These acquisitions will complement existing business interests in these divisions.

The purchase method of accounting has been applied for these acquisitions. The provisional fair value of the identifiable assets and liabilities acquired amounts to €7.0m inclusive of €8.9m of intangible assets. Goodwill of €5.7m arose on these transactions. Transaction costs related to these acquisitions of €0.6m were expensed to the income statement in 2011.

Investment in joint ventures and associations
As highlighted in Note 10 the Group invested €7.3m in new and existing joint venture and associate interests in its Fresh Produce division. For all acquisitions, the purchase method of accounting has been applied. The initial assignment of fair values to net assets has been performed on a provisional basis in respect of these acquisitions given the timing of the completion of these transactions and will be finalised within twelve months from the acquisition date, as permitted by IFRS 3 (Revised) *Business Combinations*.

Acquisition of non-controlling interests
During the year, the Group acquired additional shares in subsidiaries for cash consideration of €0.2m. These changes in the Group's ownership interest in existing subsidiaries were accounted for as equity transactions. The difference of €0.1m between the fair value of consideration, €0.2m, and the book value of the non-controlling interest acquired, €0.1m, was accounted for directly in retained earnings. Also the Group paid €0.6m in respect of the acquisition of a non-controlling interest in a subsidiary that was completed in late 2010.

Other
During the year, the Group paid €14.1m in respect of deferred consideration payments relating to previous acquisitions. Revisions of €1.1m were also made during the year to deferred consideration amounts payable relating to previous acquisitions as actual performance in 2011 has exceeded previous expectations.

The Group continues to actively pursue further investment opportunities in both new and existing markets.

12. Cash flows generated from operations

	2011	2010
	€'000	€'000
Operating activities		
Profit before tax	**34,376**	33,596
Depreciation of property, plant and equipment (excluding joint ventures and associates)	**13,154**	13,066
Goodwill impairment	**114**	–
Impairment of property, plant and equipment	**1,331**	–
Fair value movement on investment property	**2,550**	2,119
(Gain)/loss on disposal of equity investment	**(273)**	65
Amortisation of intangible assets (excluding joint ventures and associates)	**5,501**	5,252
Amortisation of research and development	**281**	227
Amortisation of grants	**(187)**	(441)
Movement on provisions	**(294)**	798
Share based payment expense	**118**	22
Contributions to defined benefit pension schemes	**(4,842)**	(5,527)
Defined benefit pension scheme expense	**1,689**	1,642
Curtailment gains in respect of defined benefit pension schemes	**(926)**	–
Net gain on disposal of property, plant and equipment	**(314)**	(679)
Net (gain)/loss on non-hedging derivative financial instruments	**(583)**	129
Net interest expense	**4,748**	3,441
Income from available-for-sale financial assets	**406**	411
Share of profits of joint ventures and associates	**(3,442)**	(1,512)
Gain reclassified to income statement on available-for-sale financial asset becoming an associate	**(4,055)**	–
Gain on disposal of joint venture	**(1,612)**	–
Income tax paid	**(11,286)**	(9,847)
Net interest paid	**(5,226)**	(3,395)
Cash flows from operations before working capital movements	**31,228**	39,367
(Increase)/decrease in working capital	**(7,747)**	6,976
Cash flows from operating activities	**23,481**	46,343

13. Analysis of movement in net debt in the year

	1 Jan 2011 €'000	**Cash flow €'000**	**Non-cash €'000**	**Acquisitions €'000**	**Translation €'000**	**31 Dec 2011 €'000**
Bank balances and deposits	**104,486**	**(16,165)**	**-**	**1,245**	**521**	**90,087**
Overdrafts	**(6,570)**	**2,293**	**-**	**-**	**3**	**(4,274)**
Cash, cash equivalents and bank overdrafts per cash flow statement	**97,916**	**(13,872)**	**-**	**1,245**	**524**	**85,813**
Bank loans - non current	**(125,155)**	**(8,523)**	**(1,470)**	**-**	**(1,210)**	**(136,358)**
Bank loans - current	**(16,266)**	**(4,261)**	**1,470**	**-**	**(398)**	**(19,455)**
Finance leases	**(4,430)**	**274**	**(1,327)**	**-**	**(70)**	**(5,553)**
Total interest bearing borrowings	**(145,851)**	**(12,510)**	**(1,327)**	**-**	**(1,678)**	**(161,366)**
Net debt	**(47,935)**	**(26,382)**	**(1,327)**	**1,245**	**(1,154)**	**(75,553)**

	1 Jan 2010 €'000	Cash flow €'000	Non-cash €'000	Acquisitions €'000	Translation €'000	31 Dec 2010 €'000
Bank balances and deposits	88,961	11,608	-	414	3,503	104,486
Overdrafts	(4,337)	(2,200)	-	-	(33)	(6,570)
Cash, cash equivalents and bank overdrafts per cash flow statement	84,624	9,408	-	414	3,470	97,916
Bank loans - non current	(122,418)	(583)	4,453	-	(6,607)	(125,155)
Bank loans - current	(12,191)	943	(4,453)	-	(565)	(16,266)
Finance leases	(575)	300	(3,774)	(105)	(276)	(4,430)
Total interest bearing borrowings	(135,184)	660	(3,774)	(105)	(7,448)	(145,851)
Net debt	(50,560)	10,068	(3,774)	309	(3,978)	(47,935)

14. Post balance sheet events

Other than the disposal of Capespan International Holdings on 9 January 2012 as disclosed in Note 10 there have been no material events subsequent to 31 December 2011 which would require disclosure in this report.

15. Related party transactions

There have been no changes to related parties, other than those set out in Note 11, from those described in the 2010 Annual Report that materially affect the financial position or affect the performance of the Group for the twelve month period ended 31 December 2011.

16. Board approval

This announcement was approved by the Board of Directors of Total Produce plc on 5 March 2012.