

# Fyffes plc

## Interim Results 2010

### Fyffes maintains full year target

|  | 6 months to<br>30 June 2010<br>€ | 6 months to<br>30 June 2009<br>€ |
|--|----------------------------------|----------------------------------|
| Total revenue (incl share of joint ventures) | 402.6m                           | 400.0m                           |
| Group revenue (excl share of joint ventures) | 344.2m                           | 335.3m                           |
| Adjusted earnings before interest and tax *  | 13.1m                            | 18.1m                            |
| Adjusted profit before tax *                 | 13.3m                            | 18.6m                            |
| Adjusted fully diluted earnings per share ** | 3.38 cent                        | 4.46 cent                        |
| Interim dividend                             | 0.55 cent                        | 0.55 cent                        |

\* *excluding the Group's share of Blackrock's results, exceptional items, amortisation of intangibles and the Group's share of tax of its joint ventures*

\*\* *excluding the Group's share of Blackrock' results, exceptional items and amortisation of intangibles*

#### Commenting on the results, David McCann, Chairman, said:

*“Trading conditions were difficult for much of the first half of the year as previously indicated, resulting in a significant reduction in profits in the Group's banana category. Market conditions have normalised during the summer months. The Group continues to pursue increases in selling prices in all markets. Fyffes is maintaining its €14-18m target EBITA for the full year.”*

3 September 2010

For further information, please view the interim results slide presentation at [www.fyffes.com](http://www.fyffes.com) or contact Brian Bell at Wilson Hartnell PR, Tel: +353-1-6690030.

## Financial results and operating review

### Revenue

Total revenue, including the Group's share of its joint ventures, amounted to €403m in the first six months of 2010, 1% higher than the same period last year. Sales were higher in the Group's US winter melon category and lower in the banana and pineapple categories during the first half.

### Operating profit

Adjusted EBITA\* amounted to €13.1m in the seasonally stronger first half, compared to €18.1m in the same period last year when market conditions were more favourable. The key drivers of the performance of Fyffes' tropical produce operations, and its banana category in particular, are average selling prices, exchange rates and the costs of fruit, shipping and fuel, all of which can result in volatility in year on year profitability.

Trading conditions in the banana category were generally difficult for most of the first half of the year, reflecting the impact of the prolonged period of very cold weather throughout Europe during the first quarter and the impact of excess market supplies for much of the period. This had an adverse impact on average selling prices. Reflecting this and the impact of higher fuel costs and adverse exchange rate movements due to the strengthening of the US Dollar, profits in Fyffes' banana category were significantly down in the first half of 2010 compared to the same period last year. The first half results include the estimated impact of the implementation during the period of the December 2009 agreement to reduce EU banana import duty. While market conditions have normalised during the summer months, Fyffes continues to pursue reductions in costs and increases in selling prices in all markets.

Market conditions were also difficult in the pineapple category during the first half, for broadly similar reasons. Fyffes achieved an improved performance in its pineapple marketing activities in the period. This improvement was offset by the impact of ongoing development costs in the Group's production operation in Panama which was acquired in May 2009 and is targeted to make a positive contribution from 2011. Overall, Fyffes' pineapple category achieved a similar result during the first half as in the same period last year.

The Group's US imported melon business achieved an improved result in its 2009/10 season which ended in May. This was achieved in particular through the continued necessary focus on cost control.

The Group's 40% share of the net loss after tax of Blackrock International Land plc ("Blackrock"), which is excluded from Fyffes' Adjusted EBITA as noted above, amounted to €0.9m compared to €1.5m in the same period last year, based on the most up to date independent valuations of its property assets. A further €1.7m of valuation losses were set against revaluation reserves in the Fyffes balance sheet.

Total operating profit for the six months ended 30 June 2010, including the Group's share of Blackrock's losses, amortisation and the joint ventures tax charges amounted to €10.1m, compared to €12.1m in the first half last year.

\* *Adjusted EBITA is operating profit, excluding Fyffes' 40% share of Blackrock's result and before exceptional items, amortisation, interest and tax, including the equivalent share of joint ventures operating profit. The calculation of Adjusted EBITA is set out in note 2 of the accompanying interim financial information.*

### Financial income

Net interest income in the Group's subsidiary companies in the first half amounted to €0.2m, compared to €0.6m in the same period last year. This reduction reflects the impact of lower average interest rates and higher non-cash interest costs on the Group's deferred consideration provisions, including in respect of the pineapple farms acquired in Panama in May 2009.

## **Profit before tax**

Adjusted profit before tax amounted to €13.3m in the first half, compared to €8.6m in the same period last year. As set out in note 2 of the attached interim financial information, adjusted profit before tax excludes the Group's share of Blackrock's result, exceptional items (in the prior year), amortisation of intangible assets, and the Group's share of the tax charge of its joint ventures, which is reflected in profit before tax under IFRS rules. Profit before tax, before these adjustments, amounted to €10.3m compared to €2.6m in the same period last year.

## **Taxation**

The underlying tax charge for the first half of the year has been estimated based on the tax rate that is expected to apply for the full year 2010. The tax charge for the period is analysed in note 4 of the accompanying financial information. Excluding the tax impact of exceptional items (in the prior year) and deferred tax credits related to the amortisation of intangible assets, and including the Group's share of tax of its joint ventures, the underlying tax charge for the half year was €1.7m (2009 half year: €2.5m), equivalent to a rate of 12.7% (2009 half year: 13.5%), which is used for the purposes of calculating adjusted earnings per share. The equivalent underlying tax rate for the full year in 2009 was 12.9%.

## **Non-controlling interest**

The non-controlling interest share of profit after tax for the first half amounted to a credit of €0.1m, compared to a charge of €0.7m in the same period last year.

## **Earnings per share**

Adjusted fully diluted earnings per share, amounted to €3.38 cent in the first half compared to €4.46 cent in the same period last year. As set out in note 5 of the accompanying financial information, adjusted earnings per share excludes the Group's share of Blackrock's result, the impact of exceptional items (in the prior year) and the amortisation of intangible assets. Fully diluted earnings per share, before adjustments, amounted to €2.75 cent in the period, compared to €2.98 cent in the first half last year.

## **Dividend**

The Board has declared an interim dividend for the year of €0.55 cent per share, unchanged on the prior year. This dividend, which will be subject to Irish withholding tax rules, will be paid on 20 October 2010 to shareholders on the register on 17 September 2010. In accordance with company law and International Financial Reporting Standards (IFRS), this dividend has not been provided for in the balance sheet at 30 June 2010.

## **Balance sheet**

### ***Net cash***

Net cash at 30 June 2010 amounted to €36.3m compared to €36.6m at the beginning of the year. Operating cash generated in the first half, comprising profit before tax, excluding the Group's share of profits in its joint ventures and before depreciation and amortisation amounted to €15m. The main items of expenditure during the period included dividends of €3.8m, capital expenditure of €3.4m, tax paid of €1m and a deferred consideration payment related to previous acquisitions of €0.9m. In addition, the Group's balance sheet at 30 June 2010 shows a seasonal increase in working capital including the import duty recoverable relating to the period up to the date of implementation of the agreed reduction.

### ***Investment in Blackrock International Land plc (Blackrock)***

In accordance with IFRS, Fyffes' 40% stake in Blackrock is treated as an investment in an associated company and accounted for under equity accounting rules. Under these rules, Fyffes carries this investment at €21.5m, representing its share of Blackrock's reported net assets at 30 June 2010. The market value of this investment at that date was €7.5m based on Blackrock's then share price of €0.032. The resulting €14m discount to net asset value, which is similar to the position at 31 December 2009, has not been recognised in Fyffes' balance sheet at 30 June 2010.

***Pension obligations***

The deficit in the Group's defined benefit pension schemes, before deferred tax, increased from €14.5m at the beginning of the year to €18m at 30 June 2010. This movement includes the impact on scheme liabilities of the reduction in international bond rates. The schemes continue to be funded in line with actuarial advice and are closed to new members.

***Shareholders' funds***

Shareholders' funds increased to €66m at 30 June 2010, from €51.7m at the beginning of the year. In addition to the retained profit for the period of €5.7m, net of the €3.8m 2009 final dividend, the main movement was a €0.6m gain on retranslation of the Group's Sterling and US Dollar denominated net assets.

**Current trading**

Market conditions have normalised during the summer months. Fyffes is maintaining its €14m-18m target EBITA result for the year. The Group continues to pursue cost reductions and increases in selling prices in all markets.

**David McCann, Chairman  
on behalf of the Board  
3 September 2010**

**Copies of this announcement are available from the Company's registered office, 29 North Anne Street, Dublin 7 and on our website at [www.fyffes.com](http://www.fyffes.com).**

**Fyffes plc**  
**Summary Group Income Statement**

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| Revenue including share of joint ventures           | <b>402,636</b>  | 399,987   | 726,772   |
| Group revenue                                       | <b>344,235</b>  | 335,276   | 598,103   |
| Group operating profit before exceptional items     | <b>12,099</b>   | 15,068  | 16,513  |
| Share of profit of joint ventures (after tax)       | <b>803</b>  | 2,606   | 4,438   |
| Intangible amortisation                             | <b>(1,845)</b>  | (1,461)   | (3,360)   |
| Share of (loss) of associates after tax (Blackrock) | <b>(933)</b>  | (1,494)   | (27,884)  |
| Exceptional items (incl share of joint ventures)    | <b>-</b>  | (2,668)   | (1,500)   |
| Operating profit/(loss)                             | <b>10,124</b>   | 12,051  | (11,793)  |
| Net financing income – Group                        | <b>173</b>  | 578   | 582   |
| Profit/(loss) before tax                            | <b>10,297</b>   | 12,629  | (11,211)  |
| Income tax (expense)/credit                         | <b>(911)</b>  | (1,638)   | 1,293   |
| Profit/(loss) for the period                        | <b>9,386</b>  | 10,991  | (9,918)   |
| <i>Attributable as follows:</i>                     |   |   |   |
| Equity shareholders                                 | <b>9,517</b>  | 10,328  | (10,452)  |
| Non-controlling interest                            | <b>(131)</b>  | 663   | 534   |
|   | <b>9,386</b>  | 10,991  | (9,918)   |
| <b>Earnings per share</b>                           |   |   |   |
| Basic   | <b>2.75</b>   | 2.99  | (3.03)  |
| Fully diluted                                       | <b>2.75</b>   | 2.98  | (3.03)  |
| Adjusted fully diluted, excluding Blackrock         | <b>3.38</b>   | 4.46  | 5.19  |

**Fyffes plc**  
**Summary Group Statement of Comprehensive Income**

|  | <i>(Unaudited)</i><br><b>6 months to</b><br><b>30 June 2010</b><br><b>€000</b> | <i>(Unaudited)</i><br><b>6 months to</b><br><b>30 June 2009</b><br><b>€000</b> | <i>(Audited)</i><br><b>Year ended</b><br><b>31 Dec 2009</b><br><b>€000</b> |
|--|--|--|--|
| Profit/(loss) for the period   | <b>9,386</b>   | 10,991   | (9,918)  |
| Movement on translation of net equity investments  | <b>9,054</b>   | 5,643  | (4,508)  |
| Share of foreign currency movement recognised in joint venture and associated undertakings | <b>399</b>   | 2  | (567)  |
| Loss in associated undertaking set against revaluation reserves                            | <b>(1,667)</b>   | -  | (8,028)  |
| Revaluation of property assets   | <b>128</b>   | 873  | -  |
| Effective portion of cashflow hedges   | <b>4,494</b>   | (8,909)  | (13,614)   |
| Deferred tax on effective portion of cashflow hedges                                       | <b>(562)</b>   | 1,114  | 1,702  |
| Actuarial (loss) recognised on defined benefit pension schemes                             | <b>(2,685)</b>   | (8,328)  | (10,395)   |
| Deferred tax movements related to pension schemes  | <b>715</b>   | 2,100  | 1,565  |
| Share of actuarial (loss) on joint ventures pension schemes                                | <b>(1,875)</b>   | (1,157)  | (1,633)  |
| Deferred tax movement related to joint ventures pension schemes                            | <b>526</b>   | 325  | 457  |
| <b>Total comprehensive income</b>  | <b>17,913</b>  | 2,654  | (44,939)   |
| <i>Attributable as follows:</i>  |  |  |  |
| Equity shareholders  | <b>18,044</b>  | 1,991  | (45,473)   |
| Non-controlling interest   | <b>(131)</b>   | 663  | 534  |
|  | <b>17,913</b>  | 2,654  | (44,939)   |

**Fyffes plc**  
**Summary Group Statement of Movement in Equity**

|  | Share capital<br>€000 | Share premium<br>€000 | Other reserves<br>€000<br>(Note 9) | Retained reserves<br>€000 | Shareholders' funds<br>€000 | Non-controlling interest<br>€000 | Total equity<br>€000 |
|--|-----------------------|-----------------------|------------------------------------|---------------------------|-----------------------------|----------------------------------|----------------------|
| <b>Half year ended 30 June 2010</b>  |                       |                       |                                    |                           |                             |                                  |                      |
| Balance at beginning of period   | 21,863                | 98,999                | 49,344                             | (18,519)                  | 151,687                     | 2,070                            | 153,757              |
| Profit/(loss) for the period   | -                     | -                     | -                                  | 9,517                     | 9,517                       | (131)                            | 9,386                |
| Translation of net equity investments incl joint ventures and associates           | -                     | -                     | 9,581                              | -                         | 9,581                       | -                                | 9,581                |
| Loss in associated undertaking set against revaluation reserves                    | -                     | -                     | (1,667)                            | -                         | (1,667)                     | -                                | (1,667)              |
| Effective portion of cashflow hedges net of deferred tax                           | -                     | -                     | 3,932                              | -                         | 3,932                       | -                                | 3,932                |
| Actuarial (loss) recognised on defined benefit pension schemes net of deferred tax | -                     | -                     | -                                  | (1,970)                   | (1,970)                     | -                                | (1,970)              |
| Share of actuarial (loss) on joint ventures pension schemes net of deferred tax    | -                     | -                     | -                                  | (1,349)                   | (1,349)                     | -                                | (1,349)              |
| Share options exercised  | 12                    | -                     | -                                  | -                         | 12                          | -                                | 12                   |
| Share based payments   | -                     | -                     | 50                                 | -                         | 50                          | -                                | 50                   |
| Dividends paid to equity shareholders  | -                     | -                     | -                                  | (3,801)                   | (3,801)                     | -                                | (3,801)              |
| <b>Total at end of period</b>  | <b>21,875</b>         | <b>98,999</b>         | <b>61,240</b>                      | <b>(16,122)</b>           | <b>165,992</b>              | <b>1,939</b>                     | <b>167,931</b>       |

|  | Share capital<br>€000 | Share premium<br>€000 | Other reserves<br>€000<br>(Note 9) | Retained reserves<br>€000 | Shareholders' funds<br>€000 | Non-controlling interest<br>€000 | Total equity<br>€000 |
|--|-----------------------|-----------------------|------------------------------------|---------------------------|-----------------------------|----------------------------------|----------------------|
| <b>Half year ended 30 June 2009</b>  |                       |                       |                                    |                           |                             |                                  |                      |
| Balance at beginning of period   | 21,859                | 98,999                | 74,979                             | 6,552                     | 202,389                     | 1,536                            | 203,925              |
| Profit for the period  | -                     | -                     | -                                  | 10,328                    | 10,328                      | 663                              | 10,991               |
| Translation of net equity investments incl joint ventures and associates           | -                     | -                     | 5,643                              | 2                         | 5,645                       | -                                | 5,645                |
| Effective portion of cashflow hedges net of deferred tax                           | -                     | -                     | (7,795)                            | -                         | (7,795)                     | -                                | (7,795)              |
| Actuarial (loss) recognised on defined benefit pension schemes net of deferred tax | -                     | -                     | -                                  | (6,228)                   | (6,228)                     | -                                | (6,228)              |
| Share of actuarial (loss) on joint ventures pension schemes net of deferred tax    | -                     | -                     | -                                  | (832)                     | (832)                       | -                                | (832)                |
| Realised revaluation reserves  | -                     | -                     | (114)                              | 987                       | 873                         | -                                | 873                  |
| Share based payments   | -                     | -                     | 50                                 | -                         | 50                          | -                                | 50                   |
| Dividends paid to equity shareholders  | -                     | -                     | -                                  | (3,453)                   | (3,453)                     | -                                | (3,453)              |
| <b>Total at end of period</b>  | <b>21,859</b>         | <b>98,999</b>         | <b>72,763</b>                      | <b>7,356</b>              | <b>200,977</b>              | <b>2,199</b>                     | <b>203,176</b>       |

**Fyffes plc**  
**Summary Group Statement of Movement in Equity (cont'd)**

|  | <b>Share<br/>capital<br/>€000</b> | <b>Share<br/>premium<br/>€000</b> | <b>Other<br/>reserves<br/>€000<br/>(Note 9)</b> | <b>Retained<br/>reserves<br/>€000</b> | <b>Shareholders'<br/>funds<br/>€000</b> | <b>Non-<br/>controlling<br/>interest<br/>€000</b> | <b>Total<br/>equity<br/>€000</b> |
|--|-----------------------------------|-----------------------------------|---|---------------------------------------|---|---|----------------------------------|
| <b>Full year ended 31 December 2009</b>  |                                   |                                   |   |                                       |   |   |                                  |
| Balance at beginning of year   | 21,859                            | 98,999                            | 74,979  | 6,552                                 | 202,389                                 | 1,536   | 203,925                          |
| Profit/(loss) for the year   | -                                 | -                                 | -   | (10,452)                              | (10,452)                                | 534   | (9,918)                          |
| Translation of net equity investments incl joint ventures and associates           | -                                 | -                                 | (5,075)   | -                                     | (5,075)                                 | -   | (5,075)                          |
| Loss in associated undertaking set against revaluation reserves                    | -                                 | -                                 | (8,028)   | -                                     | (8,028)                                 | -   | (8,028)                          |
| Effective portion of cashflow hedges net of deferred tax                           | -                                 | -                                 | (11,912)  | -                                     | (11,912)                                | -   | (11,912)                         |
| Actuarial (loss) recognised on defined benefit pension schemes net of deferred tax | -                                 | -                                 | -   | (8,830)                               | (8,830)                                 | -   | (8,830)                          |
| Share of actuarial (loss) on joint ventures pension schemes net of deferred tax    | -                                 | -                                 | -   | (1,176)                               | (1,176)                                 | -   | (1,176)                          |
| Share options exercised  | 4                                 | -                                 | -   | -                                     | 4                                       | -   | 4                                |
| Realised revaluation reserves  | -                                 | -                                 | (739)   | 739                                   | -                                       | -   | -                                |
| Share based payments   | -                                 | -                                 | 119   | -                                     | 119                                     | -   | 119                              |
| Dividends paid to equity shareholders  | -                                 | -                                 | -   | (5,352)                               | (5,352)                                 | -   | (5,352)                          |
| <b>Total at end of year</b>  | <b>21,863</b>                     | <b>98,999</b>                     | <b>49,344</b>                                   | <b>(18,519)</b>                       | <b>151,687</b>                          | <b>2,070</b>                                      | <b>153,757</b>                   |

**Fyffes plc**  
**Summary Group Balance Sheet**

|  | <i>(Unaudited)</i><br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>30 June 2009<br>€000 | <i>(Audited)</i><br>31 Dec 2009<br>€000 |
|--|--|--|---|
| <b>Non-current assets</b>                        |  |  |   |
| Property, plant and equipment                    | 73,245                                     | 70,375                                     | 64,192                                  |
| Goodwill and Intangible assets                   | 17,489                                     | 15,989                                     | 16,595                                  |
| Other receivables                                | 442  | 458  | 511                                     |
| Investments in joint ventures                    | 30,684                                     | 35,656                                     | 32,265                                  |
| Investments in associate – Blackrock             | 21,459                                     | 58,485                                     | 24,071                                  |
| Equity investments                               | 16   | 16   | 15                                      |
| Biological assets                                | 348  | -  | 327                                     |
| Deferred tax assets                              | 7,755                                      | 6,456                                      | 7,038                                   |
| <b>Total non-current assets</b>                  | <b>151,438</b>                             | <b>187,435</b>                             | <b>145,014</b>                          |
| <b>Current assets</b>                            |  |  |   |
| Inventory  | 21,353                                     | 18,550                                     | 18,469                                  |
| Biological assets                                | 344  | 537  | 5,275                                   |
| Trade and other receivables                      | 73,247                                     | 62,017                                     | 59,182                                  |
| Hedging instruments                              | 6,798                                      | 6,538                                      | 2,149                                   |
| Corporation tax recoverable                      | 132  | 534  | 637                                     |
| Short term bank deposits                         | 271  | 20,082                                     | 1,814                                   |
| Cash and cash equivalents                        | 42,368                                     | 81,795                                     | 42,633                                  |
| <b>Total current assets</b>                      | <b>144,513</b>                             | <b>190,053</b>                             | <b>130,159</b>                          |
| <b>Total assets</b>                              | <b>295,951</b>                             | <b>377,488</b>                             | <b>275,173</b>                          |
| <b>Equity</b>                                    |  |  |   |
| Called-up share capital                          | 21,875                                     | 21,859                                     | 21,863                                  |
| Share premium                                    | 98,999                                     | 98,999                                     | 98,999                                  |
| Other reserves                                   | 61,240                                     | 72,763                                     | 49,344                                  |
| Retained earnings                                | (16,122)                                   | 7,356                                      | (18,519)                                |
| <b>Total shareholders' equity</b>                | <b>165,992</b>                             | <b>200,977</b>                             | <b>151,687</b>                          |
| <b>Non-controlling interest</b>                  | <b>1,939</b>                               | <b>2,199</b>                               | <b>2,070</b>                            |
| <b>Total equity and non-controlling interest</b> | <b>167,931</b>                             | <b>203,176</b>                             | <b>153,757</b>                          |
| <b>Non-current liabilities</b>                   |  |  |   |
| Interest bearing loans and borrowings            | 1,531                                      | 592  | 660                                     |
| Other payables                                   | 2,864                                      | 3,412                                      | 2,029                                   |
| Provisions                                       | 13,923                                     | 10,118                                     | 13,231                                  |
| Employee benefits                                | 17,991                                     | 17,495                                     | 14,514                                  |
| Corporation tax payable                          | 11,178                                     | 11,093                                     | 12,429                                  |
| Deferred tax liabilities                         | 4,033                                      | 4,434                                      | 3,504                                   |
| <b>Total non-current liabilities</b>             | <b>51,520</b>                              | <b>47,143</b>                              | <b>46,367</b>                           |
| <b>Current liabilities</b>                       |  |  |   |
| Interest bearing loans and borrowings            | 4,844                                      | 60,867                                     | 7,162                                   |
| Trade and other payables                         | 65,896                                     | 61,751                                     | 63,327                                  |
| Corporation tax payable                          | 3,899                                      | 3,340                                      | 2,633                                   |
| Hedging instruments                              | 471  | -  | 316                                     |
| Provisions                                       | 1,390                                      | 1,211                                      | 1,611                                   |
| <b>Total current liabilities</b>                 | <b>76,500</b>                              | <b>127,169</b>                             | <b>75,049</b>                           |
| <b>Total liabilities</b>                         | <b>128,020</b>                             | <b>174,312</b>                             | <b>121,416</b>                          |
| <b>Total liabilities and equity</b>              | <b>295,951</b>                             | <b>377,488</b>                             | <b>275,173</b>                          |

**Fyffes plc**  
**Summary Group Cash Flow Statement**

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| Cash flows from operating activities                                  | <b>6,301</b>  | 14,422  | 14,402  |
| Cash flows from investing activities                                  | <b>(3,002)</b>  | (577)   | (3,237)   |
| Cash flows from financing activities                                  | <b>(3,725)</b>  | (6,795)   | (66,765)  |
| Net movement in cash and cash equivalents                             | <b>(426)</b>  | 7,050   | (55,600)  |
| Cash and cash equivalents, including bank overdrafts at start of year | <b>35,721</b>   | 65,704  | 65,704  |
| Joint venture becoming a subsidiary                                   | -   | (243)   | -   |
| Transfer from short term deposits                                     | <b>1,543</b>  | 7,244   | 25,512  |
| Effect of foreign exchange movements on cash and cash equivalents     | <b>1,228</b>  | (429)   | 105   |
| Cash and cash equivalents, including bank overdrafts at end of period | <b>38,066</b>   | 79,326  | 35,721  |

**Reconciliation of total net funds**

|  |               |         |          |
|--|---------------|---------|----------|
| (Decrease)/increase in cash and cash equivalents | <b>(426)</b>  | 7,050   | (55,600) |
| Net (increase)/decrease in debt                  | <b>(207)</b>  | 3,072   | 61,048   |
| Acquisition of subsidiary – net debt acquired    | -             | (1,476) | (1,719)  |
| Joint venture becoming a subsidiary              | -             | (243)   | -        |
| Capital element of finance lease payments        | <b>143</b>    | 270     | 369      |
| New finance leases                               | <b>(919)</b>  | (91)    | -        |
| Foreign exchange movement                        | <b>1,048</b>  | (390)   | 300      |
| Movement in net funds                            | <b>(361)</b>  | 8,192   | 4,398    |
| Net funds at start of period                     | <b>36,625</b> | 32,227  | 32,227   |
| Net funds at the end of period                   | <b>36,264</b> | 40,419  | 36,625   |

**Fyffes plc**  
**Notes supporting 2010 interim financial statements**

**1. General information and basis of preparation**

The condensed consolidated interim financial statements of the Group for the half year ended 30 June 2010 are unaudited. These financial statements do not constitute the statutory financial statements that are required by Section 7 of the Companies (Amendment) Act, 1986 to be annexed to the annual return of the company. The statutory consolidated financial statements for the year ended 31 December 2009 have been annexed to the 2010 annual return and filed with the Registrar of Companies. The audit report on those statutory financial statements was unqualified.

The financial information contained in these interim financial statements has been prepared in accordance with the accounting policies set out in the last annual report for the year ended 31 December 2009, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the EU Commission.

The financial information is presented in Euro, rounded to the nearest thousand. Given the seasonality of the tropical produce sector, the Group's profits are typically significantly weighted towards the first half of the year. The interim financial statements were authorised by the Board on 2 September 2010.

*New accounting standards*

The Group's accounting policy for business combinations has been amended following the adoption of IFRS 3 (Revised) Business Combinations. The change in accounting policy has been applied prospectively only and had no effect on earnings per share during the period.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to acquisitions are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

The following are the other new standards that are effective for the Group's financial year ending on 31 December 2010 and which had no impact on the results or financial position of the Group for the period ended 30 June 2010.

- Amendments to IFRS 2 – Share Based Payment – Group Cash-Settled Share Based Payment Transactions.
- Amendments to IAS 27 – Consolidated and Separate Financial Statements.
- Amendments to IAS 39 – Financial Instruments: Recognition and Measurement – Eligible Hedged Items.
- IFRIC 17 – Distribution of Non-Cash Assets to Owners.
- Improvements to IFRS (issued by IASB in April 2009).

The Group has not early adopted the following standards that have been approved by the IASB. If applicable, they will be adopted in 2011.

- Amendment to IAS 24 – Related Party Disclosures.
- Amendment to IAS 32 – Financial Instruments: Presentation - Classification of rights issues.
- Amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement.
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.

## 2. Adjusted profit before tax and EBITA

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| Profit/(loss) before tax per income statement               | 10,297  | 12,629  | (11,211)  |
| <i>Adjustments</i>  |   |   |   |
| Group share of tax charge/(credit) of joint ventures        | 211   | 369   | (284)   |
| Share of loss after tax of Blackrock International Land plc | 933   | 1,494   | 27,884  |
| Exceptional items (note 3 below)                            | -   | 2,668   | 1,500   |
| Amortisation of intangible assets                           | 1,845   | 1,461   | 3,360   |
|   | <hr/> 13,286  | <hr/> 18,621  | <hr/> 21,249  |
| <i>Exclude</i>  |   |   |   |
| Financial income – Group                                    | (173)   | (578)   | (582)   |
| Financial expense – share of joint ventures                 | 31  | 18  | 52  |
|   | <hr/> 13,144  | <hr/> 18,061  | <hr/> 20,719  |

Fyffes believes that adjusted profit before tax, adjusted EBITA and adjusted earnings per share (note 5 below) are the appropriate measures of the underlying performance of the Group, excluding exceptional items and amortisation charges.

## 3. Exceptional items

|  | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|--|---|---|---|
| Cessation / impairment of investment in Brazilian melon joint venture                    | -   | (2,989)   | (1,596)   |
| Profit on disposal of property by joint venture  | -   | 321   | 529   |
| Realised currency gains on liquidation of subsidiaries and termination of joint ventures | -   | -   | 7,488   |
| Professional fees and similar costs arising in relation to ongoing EU investigation      | -   | -   | 297   |
| Merchant Navy Officers Pension Fund (MNOFP)  | -   | -   | (3,774)   |
| Onerous shipping contract  | -   | -   | (4,444)   |
|  | <hr/> -   | <hr/> (2,668)   | <hr/> (1,500)   |

There were no exceptional items in the period.

#### 4. Taxation

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| Tax charge / (credit) per income statement                                  | 911   | 1,638   | (1,293)   |
| Group share of tax charge of its joint ventures netted in profit before tax | 211   | 369   | (284)   |
| Total tax charge / (credit)   | <b>1,122</b>  | 2,007   | (1,577)   |
| <i>Adjustments</i>  |   |   |   |
| Deferred tax credit relating to amortisation of intangibles                 | 565   | 507   | 1,087   |
| Tax effect of exceptional items   | -   | -   | 3,225   |
| Tax charge on underlying activities   | <b>1,687</b>  | 2,514   | 2,735   |

Including the Group's share of the tax charge of its joint ventures and associates of €0.2m, which is netted in operating profit in accordance with IFRS, the total tax charge for the period amounted to €1.1m (2009 first half: €2m).

Adjusting for the tax effect of exceptional items and deferred tax credits related to the amortisation of intangible assets, the underlying tax charge for the period was €1.7m (2009 first half: €2.5m), equivalent to a rate of 12.7% (2009 first half: 13.5%) when applied to the Group's Adjusted Profit before Tax.

The Group's underlying tax rate for the first half of the year is based on the estimated tax rate that is expected to apply for the full year.

The equivalent underlying charge for the full year in 2009 was a charge of €2.7m, equal to a rate of 12.9%, excluding once-off tax charges.

#### 5. Earnings per share

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| Profit/(loss) attributable to equity shareholders                                     | <b>9,517</b>  | 10,328  | (10,452)  |
|   | <b>No. of shares<br/>'000</b>                             | <b>No. of shares<br/>'000</b>                             | <b>No. of shares<br/>'000</b>                         |
| Weighted average number of ordinary shares outstanding                                | <b>364,589</b>  | 364,320   | 364,334   |
| Deduct: weighted average own shares held  | <b>(19,022)</b>   | (19,022)  | (19,022)  |
| Weighted average number of shares for calculation of basic earnings per share         | <b>345,567</b>  | 345,298   | 345,312   |
| Weighted average number of options with dilutive effect                               | <b>980</b>  | 1,154   | 1,085   |
| Weighted average number of shares for calculation of fully diluted earnings per share | <b>346,547</b>  | 346,452   | 346,397   |
|   | <b>€Cent</b>  | <b>€Cent</b>  | <b>€Cent</b>  |
| Basic earnings per share  | <b>2.75</b>   | 2.99  | (3.03)  |
| Fully diluted earnings per share  | <b>2.75</b>   | 2.98  | (3.03)  |

## 5. Earnings per share (cont'd)

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| <i>Calculation of adjusted earnings per share</i>                     |   |   |   |
| Profit/(loss) attributable to equity shareholders                     | 9,517   | 10,328  | (10,452)  |
| <i>Adjustments</i>  |   |   |   |
| Exceptional items   | -   | 2,668   | 1,500   |
| Share of Blackrock result   | 933   | 1,494   | 27,884  |
| Amortisation of intangible assets                                     | 1,845   | 1,461   | 3,360   |
| Tax effect of exceptional items                                       | -   | -   | (3,225)   |
| Deferred tax credit relating to amortisation of intangibles           | (565)   | (507)   | (1,087)   |
| Earnings for calculation of adjusted fully diluted earnings per share | <b>11,730</b>   | 15,444  | 17,980  |
|   | <b>€Cent</b>  | <b>€Cent</b>  | <b>€Cent</b>  |
| Adjusted fully diluted earnings per share                             | <b>3.38</b>   | 4.46  | 5.19  |

Adjusted fully diluted earnings per share excludes the Group's share of Blackrock's result, the impact of exceptional items after tax and non-controlling interests, once-off tax credits and amortisation charges on intangible assets and related deferred tax credits.

## 6. Employee post employment benefits

|  | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|--|---|---|---|
| (Deficit) at beginning of period   | (14,514)  | (9,985)   | (9,985)   |
| Current/past service cost less finance income recognised in income statement | (928)   | (805)   | (1,637)   |
| Actuarial (loss) recognised in statement of comprehensive income             | (2,685)   | (8,328)   | (10,395)  |
| Employer contributions to schemes  | 1,141   | 2,704   | 7,941   |
| Exchange movement  | (1,005)   | (1,081)   | (438)   |
| (Deficit) at end of period   | (17,991)  | (17,495)  | (14,514)  |
| Related deferred tax asset   | 5,652   | 4,190   | 4,937   |
| Net (deficit) after deferred tax   | <b>(12,339)</b>   | (13,305)  | (9,577)   |

This table summarises the movements in the net deficit on the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe. The current/past service cost is charged in the Income Statement, net of finance income on scheme assets. The actuarial (loss) is recognised in the Statement of Comprehensive Income, in accordance with the amendment to IAS 19, *Actuarial Gains and Losses, Group Plans and Disclosures*.

The increase in the net deficit in the period reflects the impact of the reduction in international bond rates which are used for the purposes of measuring pension liabilities. The discount rate for Euro denominated liabilities was reduced by 0.6% to 5.2% and the rate for Sterling denominated liabilities was reduced by 0.3% to 5.4% during the period.

## 7. Dividends paid to equity shareholders

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| <i>Cash dividends paid on Ordinary €6 cent shares</i> |   |   |   |
| Final dividend for 2009 of 1.10 cent                  | 3,801   | -   | -   |
| Interim dividend for 2009 of 0.55 cent                | -   | -   | 1,899   |
| Final dividend for 2008 of 1.00 cent                  | -   | 3,453   | 3,453   |
| Total cash dividends paid in the period               | <b>3,801</b>  | 3,453   | 5,352   |

The final dividend for 2009 of 1.1 cent per share, approved by the shareholders at the Annual General Meeting on 13 May 2010, gave rise to a distribution of €3.8m in the period.

The directors have proposed an interim dividend for 2010 of €0.55 cent per share (2009: €0.55 cent per share). This dividend, which will be subject to Irish withholding tax rules, will be paid on 20 October 2010 to shareholders on the register at 17 September 2010. In accordance with company law and IFRS, this dividend has not been provided in the balance sheet at 30 June 2010.

At 30 June 2010, 30 June 2009 and 31 December 2009, the company and subsidiary companies held 19,021,610 Fyffes plc ordinary shares. The right to dividends on these shares has been waived and they are excluded from the calculation of earnings per share.

## 8. Notes supporting cash flow statement

### 8.1 Cash generated from operations

|  | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|--|---|---|---|
| Profit/(loss) for the period   | 9,386   | 10,991  | (9,918)   |
| Income tax expense/(credit)  | 911   | 1,638   | (1,293)   |
| Tax (paid)   | (950)   | (3,400)   | (2,000)   |
| Depreciation of property, plant and equipment                                    | 2,799   | 2,386   | 4,993   |
| Impairment of investment in melon joint venture and related receivables          | -   | 2,007   | 287   |
| Impairment of property, plant and equipment                                      | -   | -   | 1,923   |
| Currency gains on liquidated subsidiaries and terminated joint venture           | -   | -   | (7,488)   |
| Onerous shipping contract provision in joint venture                             | -   | -   | 4,444   |
| Increase in MNOPF liability  | -   | -   | 3,774   |
| Contributions to defined benefit pension schemes less charge in income statement | (213)   | (1,899)   | (6,304)   |
| Net interest received less net interest income in income statement               | 95  | 941   | 1,506   |
| Amortisation of intangible assets  | 1,845   | 1,461   | 3,360   |
| Share of (profits) of joint ventures (after tax, before amortisation)            | (803)   | (2,606)   | (4,438)   |
| Share of losses of Blackrock International Land plc                              | 933   | 1,494   | 27,884  |
| Movement in working capital  | (7,460)   | 1,233   | (1,155)   |
| Other  | (242)   | 176   | (1,173)   |
| Cash generated from operations   | <b>6,301</b>  | 14,422  | 14,402  |

## 8.2 Cash flows from investing activities

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| Acquisition of subsidiaries net of cash acquired      | -   | (1,147)   | (1,326)   |
| Acquisition of and investment in joint ventures       | -   | (320)   | -   |
| Deferred consideration payments                       | <b>(852)</b>  | -   | -   |
| Acquisition of property, plant and equipment          | <b>(3,381)</b>  | (7,355)   | (10,356)  |
| Proceeds on disposal of investments                   | -   | -   | 2   |
| Proceeds on disposal of property, plant and equipment | <b>114</b>  | 22  | 220   |
| Dividend income from joint ventures                   | <b>1,117</b>  | 4,194   | 4,194   |
| Loans repaid by joint ventures, net                   | -   | 4,029   | 4,029   |
|   | <b>(3,002)</b>  | (577)   | (3,237)   |

## 8.3 Cash flows from financing activities

|   | <i>(Unaudited)</i><br>6 months to<br>30 June 2010<br>€000 | <i>(Unaudited)</i><br>6 months to<br>30 June 2009<br>€000 | <i>(Audited)</i><br>Year ended<br>31 Dec 2009<br>€000 |
|---|---|---|---|
| Proceeds from issue of shares (including premium) | <b>12</b>   | -   | 4   |
| Net proceeds from / (repayment of) borrowings     | <b>207</b>  | (3,072)   | (61,048)  |
| Capital element of lease payments                 | <b>(143)</b>  | (270)   | (369)   |
| Dividends paid to equity shareholders             | <b>(3,801)</b>  | (3,453)   | (5,352)   |
|   | <b>(3,725)</b>  | (6,795)   | (66,765)  |

## 8.4 Analysis of movement in net funds in the period

|   | Opening<br>1 Jan<br>2010<br>€000 | Cash flow<br>€000 | Non cash<br>movement<br>€000 | Translation<br>€000 | Closing<br>30 June<br>2010<br>€000 |
|---|----------------------------------|-------------------|------------------------------|---------------------|------------------------------------|
| Short term bank deposits                        | 1,814                            | (1,543)           | -                            | -                   | <b>271</b>                         |
| Bank balances                                   | 7,486                            | 14,834            | -                            | 1,228               | <b>23,548</b>                      |
| Call deposits                                   | 35,147                           | (16,327)          | -                            | -                   | <b>18,820</b>                      |
| Cash & cash equivalents per balance sheet       | 42,633                           | (1,493)           | -                            | 1,228               | <b>42,368</b>                      |
| Overdrafts                                      | (6,912)                          | 2,610             | -                            | -                   | <b>(4,302)</b>                     |
| Cash & cash equivalents per cash flow statement | 35,721                           | 1,117             | -                            | 1,228               | <b>38,066</b>                      |
| Bank loans – current                            | (30)                             | (245)             | -                            | (17)                | <b>(292)</b>                       |
| Bank loans – non current                        | (352)                            | 38                | -                            | (47)                | <b>(361)</b>                       |
| Finance leases                                  | (528)                            | 143               | (919)                        | (116)               | <b>(1,420)</b>                     |
| <b>Total net funds</b>                          | <b>36,625</b>                    | <b>(490)</b>      | <b>(919)</b>                 | <b>1,048</b>        | <b>36,264</b>                      |

## 9. Reconciliation of other reserves

|   | Capital<br>Reserves<br>€000 | Share<br>Options<br>Reserve<br>€000 | Currency<br>Translation<br>Reserve<br>€000 | Revaluation<br>Reserve<br>€000 | Treasury<br>Shares<br>Reserve<br>€000 | Hedging<br>Reserve<br>€000 | Total<br>Other<br>Reserves<br>€000 |
|---|-----------------------------|-------------------------------------|--|--------------------------------|---------------------------------------|----------------------------|------------------------------------|
| <b>Half year ended 30 June 2010</b>   |                             |                                     |  |                                |                                       |                            |                                    |
| Balance at beginning of period  | 71,696                      | 1,229                               | (13,522)                                   | 12,027                         | (23,690)                              | 1,604                      | 49,344                             |
| Translation of net equity investments including joint ventures and associates | -                           | -                                   | 9,453                                      | 128                            | -                                     | -                          | 9,581                              |
| Loss in associated undertaking set against revaluation reserves               | -                           | -                                   | -  | (1,667)                        | -                                     | -                          | (1,667)                            |
| Effective portion of cash flow hedges net of deferred tax                     | -                           | -                                   | -  | -                              | -                                     | 3,932                      | 3,932                              |
| Share based payments  | -                           | 50                                  | -  | -                              | -                                     | -                          | 50                                 |
| <b>Total at end of period</b>   | <b>71,696</b>               | <b>1,279</b>                        | <b>(4,069)</b>                             | <b>10,488</b>                  | <b>(23,690)</b>                       | <b>5,536</b>               | <b>61,240</b>                      |
| <b>Half year ended 30 June 2009</b>   |                             |                                     |  |                                |                                       |                            |                                    |
| Balance at beginning of period  | 71,696                      | 1,110                               | (9,059)                                    | 21,406                         | (23,690)                              | 13,516                     | 74,979                             |
| Translation of net equity investments including joint ventures and associates | -                           | -                                   | 5,643                                      | -                              | -                                     | -                          | 5,643                              |
| Effective portion of cash flow hedges net of deferred tax                     | -                           | -                                   | -  | -                              | -                                     | (7,795)                    | (7,795)                            |
| Revaluation of property assets including translation of revaluation reserves  | -                           | -                                   | 381  | (495)                          | -                                     | -                          | (114)                              |
| Share based payments  | -                           | 50                                  | -  | -                              | -                                     | -                          | 50                                 |
| <b>Total at end of period</b>   | <b>71,696</b>               | <b>1,160</b>                        | <b>(3,035)</b>                             | <b>20,911</b>                  | <b>(23,690)</b>                       | <b>5,721</b>               | <b>72,763</b>                      |
| <b>Full year ended 31 December 2009</b>                                       |                             |                                     |  |                                |                                       |                            |                                    |
| Balance at beginning of year  | 71,696                      | 1,110                               | (9,059)                                    | 21,406                         | (23,690)                              | 13,516                     | 74,979                             |
| Translation of net equity investments including joint ventures and associates | -                           | -                                   | (5,075)                                    | -                              | -                                     | -                          | (5,075)                            |
| Loss in associated undertaking set against revaluation reserves               | -                           | -                                   | -  | (8,028)                        | -                                     | -                          | (8,028)                            |
| Effective portion of cash flow hedges net of deferred tax                     | -                           | -                                   | -  | -                              | -                                     | (11,912)                   | (11,912)                           |
| Currency movements in revaluation reserves                                    | -                           | -                                   | 612  | (612)                          | -                                     | -                          | -                                  |
| Realised revaluation reserves   | -                           | -                                   | -  | (739)                          | -                                     | -                          | (739)                              |
| Share based payments  | -                           | 119                                 | -  | -                              | -                                     | -                          | 119                                |
| <b>Total at end of year</b>   | <b>71,696</b>               | <b>1,229</b>                        | <b>(13,522)</b>                            | <b>12,027</b>                  | <b>(23,690)</b>                       | <b>1,604</b>               | <b>49,344</b>                      |