



## Fyffes plc Interim Results 2011

### Fyffes delivers strong first half result and confirms full year target

	6 months to 30 June 2011 €	6 months to 30 June 2010 €	
Total revenue (incl share of joint ventures)	458.5m	402.6m	+13.9%
Group revenue (excl share of joint ventures)	370.0m	344.2m	+7.5%
Adjusted earnings before interest and tax *	17.7m	13.1m	+35.0%
Adjusted profit before tax *	17.3m	13.3m	+30.4%
Adjusted fully diluted earnings per share **	4.41 cent	3.38 cent	+30.5%
Interim dividend	0.605 cent	0.55 cent	+10.0%

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

\*\* *excluding the Group's share of Balmoral's result, exceptional items and amortisation of intangibles*

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

*"Fyffes is pleased to report a strong increase in operating profits for the first half of the year. Trading conditions were generally positive for much of the period, particularly compared to the very difficult first half last year. Fyffes is maintaining its €20-24m target EBITA for the full year."*

5 September 2011

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, was €56m higher (13.9%) year on year in the first half, amounting to €459m. This included the €29m first time contribution from the Group's one third stake in German distributor Van Wylick, which was acquired during the period. This business has performed broadly in line with expectations since acquisition. In addition, Fyffes has benefitted from the commencement of banana sales to this joint venture. Sales were also higher in each of the Group's product categories, driven by increases in volumes in a number of key markets.

### Operating profit

Adjusted EBITA\* increased 35% in the seasonally stronger first half, to €17.7m. The comparison to the same period last year is measured against the exceptionally difficult trading conditions which prevailed during the early months of 2010. The key drivers of the short term 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.

Fyffes performed strongly in the banana category in the first half of the year. Operating profit was €4.2m higher than the same period in 2010, when trading conditions had been adversely impacted by the prolonged period of cold weather and excess market supplies. Market volumes were lower for much of the first half in 2011 as a result of poor weather conditions in production regions. This had a positive impact on selling prices during the period, particularly in the weekly priced Continental market. Import volumes increased from May and pricing in Continental Europe has been adversely impacted in the weaker summer months. Fruit and shipping costs were higher during the first half of 2011, with bunker fuel prices in particular currently 40% up on the 2010 average, although the impact of these factors was reduced by the relative weakness of the US Dollar. Fyffes remains focused on reducing those costs it can influence and pursuing necessary increases in selling prices to offset the costs outside its control.

As anticipated, Fyffes has made further progress in the pineapple category in the first half of 2011. The Group's farming operations achieved higher yields, following completion of development work on the farm in Panama which was acquired in 2009, resulting in an increase in volumes. Trading conditions in Europe and the US were relatively difficult during the first half of the year as a result of excess market volumes. The Group achieved a close to breakeven result overall in the pineapple category in the period, similar to the previous year.

Building on the progress made in 2010, through expanded production and sourcing, the Group's US melon business increased its volumes further this year and delivered another satisfactory result in the key import season which ended in May. Market conditions were more difficult in the period, with lower average prices. The underlying trading result was down on the very strong performance in the previous year.

The Group's 40% share of the net profit after tax of Balmoral International Land plc, which is excluded from Fyffes' Adjusted EBITA, amounted to €0.4m compared to a loss of €0.9m in the same period last year, based on the most up to date valuation of its property assets. This excludes valuation losses of €1.8m set against Fyffes' revaluation reserves.

Total operating profit for the six months ended 30 June 2011, including the Group's share of Balmoral's result, amortisation and the joint ventures tax charges amounted to €16.5m, compared to €10.1m in the first half last year, an increase of 62.5%.

\* *Adjusted EBITA is operating profit, excluding Fyffes' 40% share of Balmoral's result and before exceptional items (if any), 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/expense**

Net interest expense in the Group's subsidiary companies in the first half amounted to €0.3m, compared to net interest income of €0.2m in the same period last year. This reduction mainly reflects a €0.4m increase in the period in non-cash interest charges on deferred consideration liabilities and other provisions. Interest earned on the Group's cash balances in the period amounted to €0.2m, €0.1m down on the same period last year, representing a return of 1.4% on average net cash.

## **Profit before tax**

Adjusted profit before tax amounted to €17.3m in the first half, 30.4% up on the same period last year, reflecting the increase in operating profit, less the higher interest costs. As set out in note 2 of the attached interim financial information, adjusted profit before tax excludes the Group's share of Balmoral's result, exceptional items (if any), 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 €16.1m, up 56.4% on the €10.3m 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 2011. The tax charge for the period is analysed in note 3 of the accompanying financial information. Excluding the impact of 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 €2.3m (2010 half year: €1.7m), equivalent to a rate of 13% (2010 half year: 12.7%). This underlying rate is used for the purposes of calculating adjusted earnings per share. The equivalent underlying tax rate for the full year in 2010 was 13%.

## **Non-controlling interests**

The non-controlling interest share of profit after tax for the first half amounted to €0.5m, compared to a credit of €0.1m in the same period last year.

## **Earnings per share**

Adjusted fully diluted earnings per share, amounted to €4.41 cent in the first half, an increase of 30.5% compared to €3.38 cent in the same period last year. This increase reflects the 35% increase in Adjusted EBITA in the period and the benefit of the shares repurchased in 2010, partly offset by higher interest costs and the higher non-controlling interest charge. As set out in note 4 of the accompanying financial information, adjusted earnings per share excludes the Group's share of Balmoral's result, the amortisation of intangible assets and related tax credits. Fully diluted earnings per share, before adjustments, amounted to €4.34 cent in the period, compared to €2.75 cent in the first half last year, an increase of 57.8%.

## **Dividend and share repurchase**

The Board has declared an interim dividend for the year of €0.605 cent per share, an increase of 10% on the prior year. This dividend, which will be subject to Irish withholding tax rules, will be paid on 19 October 2011 to shareholders on the register on 16 September 2011. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 30 June 2011. The Group may repurchase further Fyffes plc shares in the market, taking into account other investment opportunities.

## **Balance sheet**

### ***Net cash***

Net cash at 30 June 2011 amounted to €2m compared to €7.1m at the beginning of the year. Cash generated from operations 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 €17.5m. Recurring expenditure during the period amounted to €9.5m, including dividends of €4m, capital expenditure of €3m, tax paid of €1.4m and pension deficit payments of €1.5m. Non-recurring investment expenditure in the period amounted to €13.1m, comprising €7.7m on acquisitions including a melon farming business in Guatemala and a one third stake in the Van Wylick distribution business in Germany, deferred consideration payments of €2.2m on prior year acquisitions and €3.2m

by way of loans to suppliers to part fund their expansion and development. Cash balances are expected to reduce further during the second half of the year. The Group anticipates making further deferred consideration payments in respect of prior year acquisitions of up to €8.5m before the end of the year. In addition, the Group's US melon business sees a significant annual seasonal investment in working capital during the second half of the year.

#### ***Investment in Balmoral International Land plc ('Balmoral')***

In accordance with International Financial Reporting Standards, Fyffes' 40% stake in Balmoral is treated as an investment in an associated company and accounted for under equity accounting rules. Under these rules, Fyffes' carries this investment at €10.6m, representing its share of Balmoral's reported net assets at 30 June 2011. The market value of this investment at that date was €3.7m based on Balmoral's then share price of €0.016. The resulting €6.9m discount to net asset value, which is lower than the €8.5m deficit at 31 December 2010, has not been recognised in Fyffes' balance sheet at 30 June 2011. Balmoral's shareholders have recently approved a corporate reorganisation, including the creation of a new holding company and the cancellation of its listing on the ESM and AIM markets.

#### ***Pension obligations***

The deficit in the Group's defined benefit pension schemes, before deferred tax, reduced from €13.8m at the beginning of the year to €11.2m at 30 June 2011. The €2.4m reduction in asset values in the period was more than offset by a €6.1m reduction in scheme liabilities due to the increase 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 €148.7m at 30 June 2011, from €148.1m at the beginning of the year. Retained profits for the period of €14.3m were largely offset by a €6.9m non-cash loss on retranslation of the Group's Sterling and US Dollar denominated net assets, the €4m 2010 final dividend, the €1.8m set against revaluation reserves in relation to Balmoral's latest property valuation and a €1.3m negative movement in the hedging reserve.

#### **Current trading**

Trading conditions in Continental Europe were less favourable during the summer months, due to excess market supplies, but have improved in recent weeks. Fyffes is maintaining its €20-24m target Adjusted EBITA\* for the full year.

*\* Adjusted EBITA excludes amortisation charges, the Group's 40% share of the results of Balmoral International Land plc and exceptional items (if any).*

**David McCann, Chairman  
on behalf of the Board  
5 September 2011**

**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> 6 months to 30 June 2011 €000	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Audited)</i> Year ended 31 Dec 2010 €000
Revenue including share of joint ventures	<b>458,529</b>	402,636	742,122
Group revenue	<b>370,001</b>	344,235	623,072
Group operating profit	<b>15,018</b>	12,099	19,278
Share of profit of joint ventures (after tax, before amortisation)	<b>1,908</b>	803	2,078
Intangible amortisation	<b>(910)</b>	(1,845)	(4,376)
Share of profit/(loss) of associates after tax (Balmoral)	<b>434</b>	(933)	(8,255)
Operating profit	<b>16,450</b>	10,124	8,725
Net financing (expense)/income – Group	<b>(346)</b>	173	71
Profit before tax	<b>16,104</b>	10,297	8,796
Income tax expense	<b>(1,259)</b>	(911)	(1,531)
Profit for the period	<b>14,845</b>	9,386	7,265
<i>Attributable as follows:</i>			
Equity shareholders	<b>14,320</b>	9,517	7,695
Non-controlling interest	<b>525</b>	(131)	(430)
	<b>14,845</b>	9,386	7,265
<b>Earnings per share</b>			
Basic	<b>4.35</b>	2.75	2.24
Fully diluted	<b>4.34</b>	2.75	2.23
Adjusted fully diluted, excluding Balmoral	<b>4.41</b>	3.38	5.50

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

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2011</b> <b>€000</b>	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2010</b> <b>€000</b>	<i>(Audited)</i> <b>Year ended</b> <b>31 Dec 2010</b> <b>€000</b>
Profit for the period	<b>14,845</b>	9,386	7,265
Movement on translation of net equity investments	<b>(6,911)</b>	9,182	5,443
Share of foreign currency movement recognised in associated undertaking	<b>(15)</b>	399	(14)
Loss in associated undertaking set against revaluation reserves	<b>(1,837)</b>	(1,667)	(3,815)
Effective portion of cashflow hedges	<b>(1,467)</b>	4,494	(873)
Deferred tax on effective portion of cashflow hedges	<b>183</b>	(562)	109
Actuarial gain/(loss) recognised on defined benefit pension schemes	<b>578</b>	(2,685)	601
Deferred tax movements related to pension schemes	<b>(170)</b>	715	(257)
Share of actuarial (loss) on joint ventures pension schemes	<b>(351)</b>	(1,875)	(2,314)
Deferred tax movement related to joint ventures pension schemes	<b>98</b>	526	648
<b>Total comprehensive income</b>	<b>4,953</b>	17,913	6,793
<i>Attributable as follows:</i>			
Equity shareholders	<b>4,428</b>	18,044	7,223
Non-controlling interest	<b>525</b>	(131)	(430)
	<b>4,953</b>	17,913	6,793

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

	<b>Share capital €000</b>	<b>Share premium €000</b>	<b>Other reserves (Note 8) €000</b>	<b>Retained earnings €000</b>	<b>Shareholders' funds €000</b>	<b>Non-controlling interest €000</b>	<b>Total equity €000</b>
<b>Half year ended 30 June 2011</b>							
Balance at beginning of period	21,693	98,999	53,553	(26,144)	148,101	878	148,979
Profit for the period	-	-	-	14,320	14,320	525	14,845
Translation of net equity investments incl joint ventures and associates	-	-	(6,926)	-	(6,926)	-	(6,926)
Loss in associated undertaking set against revaluation reserves	-	-	(1,837)	-	(1,837)	-	(1,837)
Effective portion of cashflow hedges net of deferred tax	-	-	(1,284)	-	(1,284)	-	(1,284)
Actuarial gain recognised on defined benefit pension schemes net of deferred tax	-	-	-	408	408	-	408
Share of actuarial (loss) on joint ventures pension schemes net of deferred tax	-	-	-	(253)	(253)	-	(253)
Share options exercised	8	-	-	-	8	-	8
Share based payments	-	-	81	-	81	-	81
Dividends paid to equity shareholders	-	-	-	(3,955)	(3,955)	-	(3,955)
<b>Total at end of period</b>	<b>21,701</b>	<b>98,999</b>	<b>43,587</b>	<b>(15,624)</b>	<b>148,663</b>	<b>1,403</b>	<b>150,066</b>

	<b>Share capital €000</b>	<b>Share premium €000</b>	<b>Other reserves (Note 8) €000</b>	<b>Retained earnings €000</b>	<b>Shareholders' funds €000</b>	<b>Non-controlling interest €000</b>	<b>Total equity €000</b>
<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>

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

	<b>Share capital €000</b>	<b>Share premium €000</b>	<b>Other reserves (Note 8) €000</b>	<b>Retained earnings €000</b>	<b>Shareholders' funds €000</b>	<b>Non- controlling interest €000</b>	<b>Total equity €000</b>
<b>Full year ended 31 December 2010</b>							
Balance at beginning of year	21,863	98,999	49,344	(18,519)	151,687	2,070	153,757
Profit/(loss) for the year	-	-	-	7,695	7,695	(430)	7,265
Translation of net equity investments incl joint ventures and associates	-	-	5,429	-	5,429	-	5,429
Loss in associated undertaking set against revaluation reserves	-	-	(3,815)	-	(3,815)	-	(3,815)
Effective portion of cashflow hedges net of deferred tax	-	-	(764)	-	(764)	-	(764)
Actuarial gain recognised on defined benefit pension schemes net of deferred tax	-	-	-	344	344	-	344
Share of actuarial (loss) on joint ventures pension schemes net of deferred tax	-	-	-	(1,666)	(1,666)	-	(1,666)
Share options exercised	66	-	-	-	66	-	66
Share based payments	-	-	163	-	163	-	163
Dividends to non-controlling interest	-	-	-	-	-	(762)	(762)
Own shares acquired	-	-	(5,336)	-	(5,336)	-	(5,336)
Cancellation of treasury shares	(236)	-	8,532	(8,296)	-	-	-
Dividends paid to equity shareholders	-	-	-	(5,702)	(5,702)	-	(5,702)
<b>Total at end of year</b>	<b>21,693</b>	<b>98,999</b>	<b>53,553</b>	<b>(26,144)</b>	<b>148,101</b>	<b>878</b>	<b>148,979</b>

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

	<i>(Unaudited)</i> 30 June 2011 €000	<i>(Unaudited)</i> 30 June 2010 €000	<i>(Audited)</i> 31 Dec 2010 €000
<b>Non-current assets</b>			
Property, plant and equipment	69,513	73,245	69,894
Goodwill and intangible assets	21,552	17,489	20,853
Other receivables	6,868	442	3,252
Investment in joint ventures	36,332	30,684	31,027
Investment in associate – Balmoral	10,569	21,459	11,987
Equity investments	15	16	15
Biological assets	282	348	313
Deferred tax assets	7,456	7,755	7,719
<b>Total non-current assets</b>	<b>152,587</b>	<b>151,438</b>	<b>145,060</b>
<b>Current assets</b>			
Inventories	22,868	21,353	22,882
Biological assets	203	344	6,671
Trade and other receivables	63,898	73,247	58,676
Hedging instruments	219	6,798	1,659
Corporation tax recoverable	242	132	243
Short term bank deposits	-	271	2,480
Cash and cash equivalents	46,594	42,368	37,560
<b>Total current assets</b>	<b>134,024</b>	<b>144,513</b>	<b>130,171</b>
<b>Total assets</b>	<b>286,611</b>	<b>295,951</b>	<b>275,231</b>
<b>Equity</b>			
Called-up share capital	21,701	21,875	21,693
Share premium	98,999	98,999	98,999
Other reserves	43,587	61,240	53,553
Retained earnings	(15,624)	(16,122)	(26,144)
<b>Total shareholders' equity</b>	<b>148,663</b>	<b>165,992</b>	<b>148,101</b>
<b>Non-controlling interest</b>	<b>1,403</b>	<b>1,939</b>	<b>878</b>
<b>Total equity and non-controlling interest</b>	<b>150,066</b>	<b>167,931</b>	<b>148,979</b>
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	8,557	1,531	850
Other payables	1,665	2,864	1,884
Provisions	11,755	13,923	19,907
Employee benefits	11,169	17,991	13,829
Corporation tax payable	11,333	11,178	12,583
Deferred tax liabilities	3,876	4,033	4,273
<b>Total non-current liabilities</b>	<b>48,355</b>	<b>51,520</b>	<b>53,326</b>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	6,016	4,844	2,103
Trade and other payables	68,372	65,896	66,148
Corporation tax payable	3,538	3,899	2,220
Hedging instruments	740	471	699
Provisions	9,524	1,390	1,756
<b>Total current liabilities</b>	<b>88,190</b>	<b>76,500</b>	<b>72,926</b>
<b>Total liabilities</b>	<b>136,545</b>	<b>128,020</b>	<b>126,252</b>
<b>Total liabilities and equity</b>	<b>286,611</b>	<b>295,951</b>	<b>275,231</b>

## Summary Group Cash Flow Statement

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2011</b> <b>€000</b>	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2010</b> <b>€000</b>	<i>(Audited)</i> <b>Year ended</b> <b>31 Dec 2010</b> <b>€000</b>
Cash flows from operating activities	<b>11,544</b>	6,301	18,858
Cash flows from investing activities	<b>(10,896)</b>	(3,002)	(5,524)
Cash flows from financing activities	<b>1,839</b>	(3,725)	(12,501)
Net movement in cash and cash equivalents	<b>2,487</b>	(426)	833
Cash and cash equivalents, including bank overdrafts at start of period	<b>36,264</b>	35,721	35,721
Transfer from/(to) short term deposits	<b>2,480</b>	1,543	(666)
Effect of foreign exchange movements on cash and cash equivalents	<b>299</b>	1,228	376
Cash and cash equivalents, including bank overdrafts at end of period	<b>41,530</b>	38,066	36,264
<b>Reconciliation of total net funds</b>			
Increase in cash and cash equivalents	<b>2,487</b>	(426)	833
Net (increase)/decrease in debt	<b>(6,112)</b>	(207)	51
Acquisition of subsidiary – net debt acquired	<b>(2,123)</b>	-	-
Capital element of finance lease payments	<b>326</b>	143	716
New finance leases	<b>(121)</b>	(919)	(1,444)
Foreign exchange movement	<b>477</b>	1,048	306
Movement in net funds	<b>(5,066)</b>	(361)	462
Net funds at start of period	<b>37,087</b>	36,625	36,625
Net funds at the end of period	<b>32,021</b>	36,264	37,087

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

The condensed consolidated interim financial statements of the Group for the half year ended 30 June 2011 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 2010, updated for any revisions required by new accounting standards, have been annexed to the 2011 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 2010, 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 1 September 2011.

*New accounting standards*

The following new accounting standards became effective for the first time in 2011 but had no material impact on the results or the financial position of the Group in the six month period ended 30 June 2011:

- Improvements to IFRS's (2010);
- IAS 24 Revised – Related Party Disclosures;
- Amendment to IAS 32 – Financial Instruments: Presentation – Classification of Rights Issues;
- Amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement; and
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.

**2. Adjusted profit before tax and EBITA**

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2011</b> <b>€000</b>	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2010</b> <b>€000</b>	<i>(Audited)</i> <b>Year ended</b> <b>31 Dec 2010</b> <b>€000</b>
Profit before tax per income statement	<b>16,104</b>	10,297	8,796
<i>Adjustments</i>			
Group share of tax charge/(credit) of joint ventures	<b>747</b>	211	(132)
Share of (profit)/loss after tax of Balmoral International Land plc	<b>(434)</b>	933	8,255
Amortisation of intangible assets	<b>910</b>	1,845	4,376
Adjusted profit before tax	<b>17,327</b>	13,286	21,295
<i>Exclude</i>			
Financial expense/(income) – Group	<b>346</b>	(173)	(71)
Financial expense – share of joint ventures	<b>71</b>	31	72
<b>Adjusted EBITA</b>	<b>17,744</b>	13,144	21,296

Fyffes believes that adjusted profit before tax, adjusted EBITA and adjusted earnings per share (note 4 below) are the appropriate measures of the underlying performance of the Group, excluding exceptional items and amortisation charges.

### 3. Taxation

	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Audited)</i> Year ended 31 Dec 2010 €000
Tax charge per income statement	1,259	911	1,531
Group share of tax charge/(credit) of its joint ventures netted in profit before tax	747	211	(132)
Total tax charge	2,006	1,122	1,399
<i>Adjustments</i>			
Deferred tax credit relating to amortisation of intangibles	247	565	1,369
Tax charge on underlying activities	2,253	1,687	2,768

Including the Group's share of the tax charge of its joint ventures of €0.7m, which is netted in operating profit in accordance with IFRS, the total tax charge for the period amounted to €2m (2010 first half: €1.1m).

Adjusting for deferred tax credits related to the amortisation of intangible assets, the underlying tax charge for the period was €2.3m (2010 first half: €1.7m), equivalent to a rate of 13% (2010 first half: 12.7%) 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 2010 was a charge of €2.8m, equal to a rate of 13%.

#### 4. Earnings per share

	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Audited)</i> Year ended 31 Dec 2010 €000
Profit attributable to equity shareholders	<b>14,320</b>	9,517	7,695
	<b>No. of shares '000</b>	<b>No. of shares '000</b>	<b>No. of shares '000</b>
Weighted average number of ordinary shares outstanding	<b>361,624</b>	364,589	364,599
Deduct: weighted average own shares held	<b>(32,075)</b>	(19,022)	(20,843)
Weighted average number of shares for calculation of basic earnings per share	<b>329,549</b>	345,567	343,756
Weighted average number of options with dilutive effect	<b>71</b>	980	880
Weighted average number of shares for calculation of fully diluted earnings per share	<b>329,620</b>	346,547	344,636
	<b>€Cent</b>	<b>€Cent</b>	<b>€Cent</b>
Basic earnings per share	<b>4.35</b>	2.75	2.24
Fully diluted earnings per share	<b>4.34</b>	2.75	2.23
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<i>Calculation of adjusted earnings per share</i>			
Profit attributable to equity shareholders	<b>14,320</b>	9,517	7,695
<i>Adjustments</i>			
Share of Balmoral result	<b>(434)</b>	933	8,255
Amortisation of intangible assets	<b>910</b>	1,845	4,376
Deferred tax credit relating to amortisation of intangibles	<b>(247)</b>	(565)	(1,369)
Earnings for calculation of adjusted fully diluted earnings per share	<b>14,549</b>	11,730	18,957
	<b>€Cent</b>	<b>€Cent</b>	<b>€Cent</b>
Adjusted fully diluted earnings per share	<b>4.41</b>	3.38	5.50

Adjusted fully diluted earnings per share excludes the Group's share of Balmoral International Land plc'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.

## 5. Employee post employment benefits

	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Audited)</i> Year ended 31 Dec 2010 €000
(Deficit) at beginning of period	<b>(13,829)</b>	(14,514)	(14,514)
Current/past service cost less finance income recognised in income statement	<b>(802)</b>	(928)	(1,670)
Actuarial gain/(loss) recognised in statement of comprehensive income	<b>578</b>	(2,685)	601
Employer contributions to schemes	<b>2,302</b>	1,141	2,291
Exchange movement	<b>582</b>	(1,005)	(537)
	<b>(11,169)</b>	(17,991)	(13,829)
Related deferred tax asset	<b>3,853</b>	5,652	4,248
Net (deficit) after deferred tax	<b>(7,316)</b>	(12,339)	(9,581)

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 gain/(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*.

## 6. Dividends paid to equity shareholders

	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Audited)</i> Year ended 31 Dec 2010 €000
<i>Cash dividends paid on Ordinary €6 cent shares</i>			
Final dividend for 2010 of 1.20 cent	<b>3,955</b>	-	-
Interim dividend for 2010 of 0.55 cent	-	-	1,901
Final dividend for 2009 of 1.10 cent	-	3,801	3,801
Total cash dividends paid in the period	<b>3,955</b>	3,801	5,702

The final dividend for 2010 of 1.2 cent per share, approved by the shareholders at the Annual General Meeting on 12 May 2011, gave rise to a distribution of €4m in the period.

The directors have proposed an interim dividend for 2011 of €0.605 cent per share (2010: €0.55 cent per share), an increase of 10%. This dividend, which will be subject to Irish withholding tax rules, will be paid on 19 October 2011 to shareholders on the register at 16 September 2011. In accordance with company law and IFRS, this dividend has not been provided in the balance sheet at 30 June 2011.

At 30 June 2011 and 31 December 2010, the company and subsidiary companies held 32,075,000 Fyffes plc ordinary shares (30 June 2010: 19,021,610). The right to dividends on these shares has been waived and they are excluded from the calculation of earnings per share.

## 7. Notes supporting cash flow statement

### 7.1 Cash flows from operating activities

	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Audited)</i> Year ended 31 Dec 2010 €000
Profit for the period	14,845	9,386	7,265
Income tax expense	1,259	911	1,531
Tax (paid)	(1,373)	(950)	(1,376)
Depreciation of property, plant and equipment	2,904	2,799	5,631
Reduction in MNO PF liability net of payments	(458)	(258)	(967)
Contributions to defined benefit pension schemes less charge	(1,500)	(213)	(621)
Net interest received less net interest in income statement	438	95	213
Amortisation of intangible assets	910	1,845	4,376
Share of (profits) of joint ventures (after tax, before amortisation)	(1,908)	(803)	(2,078)
Share of (profit)/loss of Balmoral International Land plc	(434)	933	8,255
Movement in working capital	(3,157)	(7,460)	(3,417)
Other	18	16	46
	<hr/>	<hr/>	<hr/>
Cash flows from operating activities	11,544	6,301	18,858

### 7.2 Cash flows from investing activities

	€000	€000	€000
Acquisition of subsidiaries net of cash acquired	(1,497)	-	-
Acquisition of and investment in joint ventures	(4,119)	-	-
Deferred consideration payments	(2,240)	(852)	(886)
Acquisition of property, plant and equipment	(3,247)	(3,381)	(6,036)
Proceeds on disposal of property, plant and equipment	207	114	282
Dividend income from joint ventures	-	1,117	1,116
	<hr/>	<hr/>	<hr/>
Cash flows from investing activities	(10,896)	(3,002)	(5,524)

### 7.3 Cash flows from financing activities

	€000	€000	€000
Proceeds from issue of shares (including premium)	8	12	66
Net proceeds from/(repayment of) borrowings	6,112	207	(51)
Capital element of lease payments	(326)	(143)	(716)
Dividends paid to non-controlling interest	-	-	(762)
Purchase of own shares	-	-	(5,336)
Dividends paid to equity shareholders	(3,955)	(3,801)	(5,702)
	<hr/>	<hr/>	<hr/>
Cash flows from financing activities	1,839	(3,725)	(12,501)

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

	Opening 1 Jan 2011 €000	Cash flow €000	Acquisitions & disposals €000	Non-cash movement €000	Translation €000	Closing 30 June 2011 €000
Short term bank deposits	2,480	(2,480)	-	-	-	-
Bank balances	22,703	(16,060)	-	-	607	7,250
Call deposits	14,857	24,791	-	-	(304)	39,344
Cash & cash equivalents per balance sheet	37,560	8,731	-	-	303	46,594
Overdrafts	(1,296)	(3,764)	-	-	(4)	(5,064)
Cash & cash equivalents per cash flow statement	36,264	4,967	-	-	299	41,530
Bank loans – current	(51)	114	(304)	(330)	9	(562)
Bank loans – non current	(307)	(6,226)	(1,819)	330	80	(7,942)
Finance leases	(1,299)	326	-	(121)	89	(1,005)
<b>Total net funds</b>	<b>37,087</b>	<b>(3,299)</b>	<b>(2,123)</b>	<b>(121)</b>	<b>477</b>	<b>32,021</b>

## 8. Reconciliation of other reserves

	Capital Reserves €000	Share Options Reserve €000	Currency Translation Reserve €000	Revaluation Reserve €000	Treasury Shares Reserve €000	Hedging Reserve €000	Total Other Reserves €000
<b>Half year ended 30 June 2011</b>							
Balance at beginning of period	71,932	1,392	(8,199)	8,318	(20,730)	840	53,553
Total comprehensive income	-	-	(6,926)	(1,837)	-	(1,284)	(10,047)
Currency movements in revaluation reserves	-	-	71	(71)	-	-	-
Share based payments	-	81	-	-	-	-	81
<b>Total at end of period</b>	<b>71,932</b>	<b>1,473</b>	<b>(15,054)</b>	<b>6,410</b>	<b>(20,730)</b>	<b>(444)</b>	<b>43,587</b>
<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
Total comprehensive income	-	-	9,581	(1,667)	-	3,932	11,846
Currency movements in revaluation reserves	-	-	(128)	128	-	-	-
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>Full year ended 31 December 2010</b>							
Balance at beginning of year	71,696	1,229	(13,522)	12,027	(23,690)	1,604	49,344
Total comprehensive income	-	-	5,429	(3,815)	-	(764)	850
Currency movements in revaluation reserves	-	-	(106)	106	-	-	-
Acquisition of own shares	-	-	-	-	(5,336)	-	(5,336)
Cancellation of treasury shares	236	-	-	-	8,296	-	8,532
Share based payments	-	163	-	-	-	-	163
<b>Total at end of year</b>	<b>71,932</b>	<b>1,392</b>	<b>(8,199)</b>	<b>8,318</b>	<b>(20,730)</b>	<b>840</b>	<b>53,553</b>