

Stock Exchange Announcement

**Fyffes issues Circular regarding Proposed Demerger of its
General Produce and Distribution Business**

and

**Announces Proposed Cancellation of its Listing on the Official Lists and
Admission to trading on the IEX and AIM Markets**

and

New company to be called Total Produce plc

Further to the announcement of 7 September 2006, Fyffes is posting a circular (“the Circular”) today to its shareholders in connection with the proposed demerger of its General Produce and Distribution Business to a newly formed company, Total Produce plc (“Total Produce”).

Assuming approval of the proposals at the extraordinary general meeting (“EGM”), all eligible shareholders on the Fyffes share register at 5pm on Friday 29 December 2006, will ultimately receive one new share in Total Produce for each existing Fyffes share held.

In addition, the Board of Fyffes (“the Board”) today announces its intention to implement the “fast track” admission procedures applicable to companies moving from the Official List of the Irish Stock Exchange (“ISE”) to IEX and from the Official List of the United Kingdom Listing Authority (“UKLA”) to AIM, and to apply for the cancellation of the Fyffes listing on the Official Lists (together the “Commute”). The Commute is not conditional on the demerger proceeding. The Board believes that the Commute is in the best interests of Fyffes and its shareholders as a whole, whether or not the demerger is approved.

The Circular includes notice of an EGM of the company to take place at 10.00am on Tuesday, 5 December 2006 in the Westin Hotel, College Green, Dublin 2.

Financial Rationale

The Board believes that the current market valuation of Fyffes does not adequately reflect the value of the company's component parts. Consequently, it is the Board's belief that the separation of its two operating divisions will facilitate the creation of incremental shareholder value through greater transparency of each division's financial performance. The demerger, together with the Commute, will create two separate listed companies quoted on IEX and AIM allowing shareholders to attribute value more specifically.

Strategic Rationale

Fyffes' two trading businesses, the Tropical Produce Business and the General Produce and Distribution Business, operate within different segments of the distribution chain with separate operational management and facilities.

The Tropical Produce Business and General Produce and Distribution Business have different risk profiles. The Tropical Produce Business has a higher economic risk profile as it acts as principal by sourcing most of its produce on an annual fixed price basis, whilst it markets most of its produce on a shorter term price basis. The General Produce and Distribution Business primarily sources its produce on a daily or weekly basis and therefore is subject to a lower market risk.

The Board believes that the demerger will enable both businesses to pursue independent growth strategies with the Tropical Produce Business continuing to pursue industry consolidation primarily within the Tropical Produce sector and the General Produce and Distribution Business primarily continuing to pursue acquisitions within the General Produce and Distribution sector. The Board also believes that the demerger will enhance management focus as the respective Boards and management of Fyffes and Total Produce will be fully focused on the sector in which they operate and the Board believes that this will help the two businesses to maximise their performance.

Information on the General Produce and Distribution Business

The General Produce and Distribution Business is one of the leading operators within the European fresh produce distribution sector. It operates a total of 66 distribution facilities and 5 ancillary offices throughout Europe with facilities in Ireland, the United Kingdom, Sweden, Denmark, Spain, Italy, Holland, Belgium, France, the Czech Republic and Slovakia. It is primarily involved in the distribution of a broad range of fresh produce to both retail and wholesale customers under a range of brand names on a year round basis. The General Produce and Distribution Business is also one of the leading distributors of southern hemisphere fresh produce in Europe, in particular fresh produce sourced from South Africa. On completion of the demerger, the General Produce and Distribution Business will seek to achieve further growth both organically and by pursuing bolt-on-acquisitions within its sector.

Historical Information of the General Produce and Distribution Business

The table below summarises the trading results of the General Produce and Distribution Business for the three years ended 31 December 2005.

	IRISH GAAP		IFRS	
	Year ended 31 Dec 2003 €000	Year ended 31 Dec 2004 €000	Year ended 31 Dec 2004 €000	Year ended 31 Dec 2005 €000
Turnover	1,538,763	1,744,978	1,547,734	1,676,206
Operating profit including share of joint ventures and associates	28,650*	31,194*	29,617*	32,349*

* after amortisation of intangible assets and joint ventures tax

Fyffes adopted IFRS with effect from 1 January 2005. Further financial information on the General Produce and Distribution Business is set out in Circular.

Financial effects of the Demerger

If the demerger had taken place on 31 December 2005, Fyffes' turnover would have been reduced by approximately €1,676 million, and its operating profit would have been lower by approximately €32 million. If the demerger had taken place on 30 June 2006, Fyffes' total net assets at that date would have been reduced by €64 million to €62 million.

It is intended that Total Produce will commence operations on 31 December 2006 with €10 million net debt. Furthermore, in consideration of Fyffes agreeing to transfer its entire interest in the Everfresh Group to Total Produce, the business transfer agreement requires Total Produce to assume the obligation to pay the final consideration to purchase the remaining 40% of the Everfresh Group in May 2007, subject to a maximum payment of €49.6 million. As at 30 June 2006, Fyffes had accrued €35 million in this regard.

Bank Facilities

In connection with the proposed demerger, new credit facilities have been negotiated with a number of banks for Total Produce and Fyffes. In addition to existing debt in certain non wholly owned subsidiaries and joint ventures, Total Produce will have gross facilities amounting to €200 million. No new equity capital is being raised by Total Produce in relation to the demerger. Fyffes will have gross facilities amounting to €100 million and substantial liquid resources.

Ongoing Relationships between Fyffes and Total Produce

On completion of the demerger, Fyffes and Total Produce will operate as separately quoted companies. Fyffes and Total Produce will continue to have trading relationships which will be conducted on an arm's length commercial basis. In this regard, both companies have entered into a number of agreements covering arrangements in relation to supply of tropical produce, trademark usage and transitional services which will become effective upon completion of the demerger.

Pension

The demerger will result in some active members of three of the Group's defined benefit schemes, in Ireland, Holland and the UK, transferring to new defined benefit pension schemes, in their jurisdictions. If implemented, the demerger will also crystallise additional liabilities of STG£7.8 million (approximately €12 million) in respect of a number of subsidiaries which will no longer be adhered to the UK scheme. Fyffes intends to make an additional once-off contribution to the UK scheme to settle this liability on completion of the demerger.

Board Members of Total Produce following the Demerger

It is expected that the board of directors of Total Produce will, with effect from the completion of demerger, comprise the following members:

C P McCann	<i>Executive Chairman</i>
R P Byrne	<i>Chief Executive</i>
J F Gernon	<i>Finance Director</i>
R B Hynes	<i>Non-Executive Director</i>
J J Kennedy	<i>Non-Executive Director</i>

Frank Davis will be appointed as Company Secretary. No further changes are anticipated in relation to the operating management structure as a consequence of the proposed demerger. Jerome Kennedy has indicated his intention to resign as a non executive director of Blackrock International Land plc with effect from 31 December 2006.

Admission of Total Produce Shares to IEX and AIM

It is intended that Total Produce shares will be admitted to trading on the IEX market of the Irish Stock Exchange and the AIM market of the London Stock Exchange. It is expected that Total Produce shares will commence trading on Tuesday, 2 January 2007 and that share certificates will be posted to certified holders by Friday, 5 January 2007.

Information on the Continuing Group

Fyffes will retain the Tropical Produce Business which is primarily involved in the production, procurement, shipping, ripening, distribution and marketing of bananas, pineapples and melons. This fruit is generally procured and shipped from Central and Latin America and is sourced under long term supply contracts with purchase prices agreed annually. The Tropical Produce Business currently markets fruit in Europe and the United States primarily under the Fyffes, Turbana and Nolem brands and is one of the leading importers of bananas into the EU. The acquisition in late 2005 of a 50% shareholding in Turbana Inc also gives the Tropical Produce Business a presence in the United States banana market. From a start-up position four years ago, this Business is one of the leading marketers of supersweet pineapples globally and, following its recent acquisition of 60% of Nolem in Brazil, it is also now one of the leading suppliers of melons in Europe. On completion of the demerger, Fyffes will continue to pursue further industry consolidation in its three key Tropical Produce categories – namely bananas, pineapples and melons.

Fyffes will continue to own 40% of Blackrock International Land plc, the quoted property company which was formed and listed on IEX and AIM following the demerger of Fyffes' property undertaking in May of this year.

Board Members of Fyffes following completion of the Demerger

Following completion of the demerger, it is expected that the Board will comprise the following members:

D V McCann	<i>Executive Chairman</i>
J P Tolan	<i>Chief Executive</i>
C Bos	<i>Chief Operating Officer</i>
T G Murphy	<i>Finance Director</i>
J D McCourt	<i>Non-Executive Director</i>
W M Walsh	<i>Non-Executive Director</i>
G B Scanlan	<i>Non-Executive Director</i>
Dr P F deV Clüver	<i>Non-Executive Director</i>
R B Hynes	<i>Non-Executive Director</i>

Rose Hynes will remain on the Board until 30 April 2007. Seamus Keenan will remain Company Secretary.

Background to and reasons for the Commute

After careful consideration, the Board has concluded that IEX and AIM are the most appropriate markets for the Fyffes shares. It is the Board's view that the regulatory regime attaching to IEX and AIM companies is better matched to the circumstances of Fyffes, whether or not the demerger is approved, than the regime attaching to larger companies on the Official Lists.

Implementation of the Commute

The listings of Fyffes shares on the Official Lists are, subject to shareholder approval, expected to be cancelled at 8.00am on Wednesday, 10 January 2007, and it is expected that the admission of Fyffes Shares to IEX and to AIM will become effective at the start of trading in each market on Wednesday, 10 January 2007, immediately following cancellation of the Listing.

Following its admission to IEX and AIM, Fyffes will be subject to the regulatory and disciplinary controls of IEX and of AIM as constituent markets of the Irish Stock Exchange and the London Stock Exchange respectively. Fyffes shares will continue to be eligible for inclusion on the ISEQ Index and be traded on the XETRA platform in Ireland. In the UK, Fyffes shares will continue to be traded on SEAQ and will also be eligible for inclusion in the FTSE AIM Index. Trading in Fyffes shares following the transfer to IEX and AIM may be conducted in the same way as prior to the Commute.

Extraordinary General Meeting

Because of the scale of these proposals, the approval of Fyffes' shareholders is required. Accordingly, an EGM has been scheduled to take place at 10.00am on Tuesday, 5 December 2006 in the Westin Hotel, College Green, Dublin 2.

The Board, which has been so advised by Davy in its capacity as financial advisor to Fyffes, considers the proposed bonus issue, demerger and Commute to be in the best interests of Fyffes and its shareholders as a whole and is recommending that shareholders vote in favour of the resolutions as set out in the Notice of EGM in the Circular. In providing advice to the Board, Davy has relied upon the Board's commercial assessments of the proposed bonus issue and demerger of Fyffes General Produce and Distribution Business.

Document availability

Copies of the Circular have been submitted to the Irish Stock Exchange and the UK Listing Authority and are available for inspection at:

Company Announcements Office Irish Stock Exchange 28 Anglesea Street Dublin 2 Ireland	Document Viewing Facility of the UK Listing Authority Financial Services Authority 25 The North Colonnade Canary Wharf London E14 5HS United Kingdom
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The Circular is also available on the Fyffes website, www.fyffes.com. Shareholders are recommended to read the whole of the Circular and not rely solely on the summarised information contained in this announcement.

Commenting on the proposed demerger, Fyffes Chairman, Carl McCann, said:

"The Board believes that the proposed demerger of Fyffes' General Produce and Distribution Business to Total Produce plc has the potential to significantly increase shareholder value. The experienced management teams in Fyffes and Total Produce remain ambitious to grow their businesses further, both organically and through acquisitions and alliances."

Fyffes plc
10 November 2006

For further information, please contact:

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Davy is acting exclusively for the company and no one else in connection with the proposed bonus issue, demerger and Commute (the "Proposals") and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Proposals.