



Fyffes plc Preliminary Results 2010

Fyffes' 2010 results ahead of expectations

	2010 €	2009 €	Change %
Total revenue (incl share of joint ventures)	742.1m	726.8m	+2.1%
Group revenue (excl share of joint ventures)	623.1m	598.1m	+4.2%
Earnings before interest, tax and amortisation *	21.3m	20.7m	+2.8%
Profit before tax *	21.3m	21.2m	+0.2%
Fully diluted earnings per share **	5.50 cent	5.19 cent	+6.0%
Net funds – cash less bank debt/finance leases	37.1m	36.6m	
Final dividend	1.2 cent	1.1 cent	+9.1%

* 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 an increase in its adjusted EBITA for 2010 to €21.3m, ahead of previous expectations. Adjusted earnings per share for the year increased by 6%. In the context of the exceptionally difficult trading conditions which persisted in the banana category for much of the first half of the year, this result represents a very satisfactory outcome for 2010. Fyffes is proposing a 9.1% increase in its final dividend for 2010.

Trading conditions in the first two months of 2011 have been satisfactory. The Group is maintaining its current target EBITA range for the year of €17m-€22m.”

2 March 2011

For further information, please view the 2010 results slide presentation at 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 2.1% higher in 2010 at €742.1m. Group Revenue amounted to €623.1m in the year, up 4.2% on 2009, due mainly to an increase in activity and volumes in the Group's US melon business. Revenue in the banana category increased modestly, mainly due to the benefit of a more favourable average exchange rate on translation of sales in the UK market. Banana volumes were broadly unchanged year on year.

Operating profit

Adjusted EBITA for 2010 amounted to €21.3m, up 2.8% on the previous year. Adjusted EBITA is operating profit for Fyffes' tropical produce activities, excluding its 40% share of Balmoral's results, exceptional items and amortisation of intangible assets, and before interest and tax (including the equivalent share of EBITA of its joint ventures). The calculation of Adjusted EBITA is set out in note 2 of the accompanying financial information. The key drivers of performance in the Group's tropical produce operations 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.

As previously indicated, the Group's performance in the banana category in 2010 was adversely affected by the difficult market conditions which persisted for much of the first half of the year. A combination of the prolonged period of exceptionally cold weather throughout Europe during the first three months of the year and excess market supplies during much of the first half resulted in a significant reduction in operating profits in the category. Banana profits were also significantly impacted by adverse exchange rates as a result of the relative strength of the US Dollar against the Euro and Sterling during 2010. In addition, the Group's key input costs including fruit, shipping and fuel were all again higher in 2010, offset by the reduction in import duty. Market conditions improved during the second half of the year as import volumes reduced. The Group achieved necessary increases in selling prices in its key markets in the second half of the year, although this was insufficient to offset the shortfall in profits in the first half.

As expected, the Group produced a small profit in the pineapple category, slightly ahead of the previous year. The result was impacted by the anticipated significant development costs incurred in the farming operation in Panama, which was acquired in May 2009. This work is now largely complete. The result in the pineapple category was also adversely impacted by the unfavourable exchange rates noted above. Trading conditions were broadly satisfactory in Europe during 2010 and Fyffes achieved an increase in profits on its marketing activities there.

Fyffes' US melon business made significant progress in 2010. Expanded production activities in Central America enabled it to extend its import season. In addition, it commenced supplying its customers on a year round basis through sourcing domestically produced fruit in the US. This resulted in a 25% increase in revenues year on year. The business remained very focused on its cost base and as a result achieved a strong increase in profits in the year.

Fyffes' 40% share of the after tax losses of Balmoral International Land plc amounted to €3.3m in 2010, reflecting the impact of the most recent independent external valuation of its property portfolio. Fyffes' share of the reduction in Balmoral's net assets amounted to €2.1m, €3.8m of which has been written-off against revaluation reserves in Fyffes' balance sheet.

The total operating profit for the Group, which is the Adjusted EBITA of €21.3m less the Group's share of Balmoral's result, exceptional items, amortisation charges and the Group's share of joint ventures interest and tax, amounted to €3.7m for the year, compared to a loss of €1.8m in 2009.

Financial income

Net interest income in the Group's subsidiary companies in 2010 amounted to €0.1m, compared to €0.6m in the previous year. Excluding non-cash interest costs on discounting deferred acquisition consideration and other provisions, interest earned on the Group's net cash balances amounted to €0.5m, a return of 1.6%, reflecting lower average interest rates. The Group's share of the net interest expense of its joint ventures was €0.1m in 2010, similar to the previous year.

Profit before tax

Adjusted profit before tax for 2010 amounted to €1.3m, €0.1m up on the previous year reflecting the increase in adjusted EBITA and the reduction in net interest income. As set out in note 2 of the accompanying financial information, adjusted profit before tax excludes the Group's share of Balmoral's result, exceptional items, 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, excluding these adjustments, amounted to €8.8m compared to a loss of €1.2m in 2009.

Taxation

An analysis of the tax charge for the year is set out in note 4 of the accompanying financial information. The underlying tax charge in 2010 was €2.8m compared to €2.7m in the previous year, equivalent to a rate of 13% (2009: 12.9%), when applied to the Group's Adjusted Profit before Tax. The underlying tax charge excludes the tax impact of exceptional items and deferred tax credits related to the amortisation of intangible assets and includes the Group's share of tax of its joint ventures. This underlying rate is used for the purposes of calculating adjusted earnings per share. The 2010 income statement shows a tax charge of €1.5m, before these adjustments, compared to a credit of €1.3m in the previous year.

Minority interest

A minority interest credit of €0.4m arose in 2010, reflecting losses in one non-wholly owned subsidiary, compared to a charge of €0.5m in the previous year.

Earnings per share

Adjusted fully diluted earnings per share amounted to €5.50 cent in 2010, up 6% on the previous year. This increase reflects the higher profits, the lower minority interest charge and the positive impact of the repurchase of shares late in the year. The calculation of adjusted earnings per share is set out in note 5 of the accompanying financial information. It excludes the Group's share of Balmoral's result, exceptional items and the amortisation of intangible assets. The fully diluted earnings per share after Balmoral and exceptional items amounted to €2.23 cent in 2010, compared to a loss of €0.03 cent in the previous year.

Dividend and share buyback

In November 2010, the Group repurchased 17m Fyffes shares in the market at a cost of €5.3m. With dividends paid in the year of €5.7m, Fyffes returned total cash of €11m to shareholders in 2010, compared to €5.4m in the previous year.

Taking into account the Group's financial position and other investment opportunities, the Board may from time to time repurchase further Fyffes plc shares in the market.

The Board is proposing to pay a final dividend for 2010 of 1.2 cent per share, an increase of 9.1%. Subject to shareholder approval at the forthcoming AGM, this dividend, which will be subject to Irish withholding tax rules, will be paid on 18 May 2011 to shareholders on the register on 15 April 2011. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 31 December 2010. Total dividends in respect of 2010 will amount to 1.75 cent, up 6.1% on the previous year and equivalent to a payout ratio of 31.8% based on adjusted earnings per share. This represents a yield in excess of 4% based on Fyffes' current share price.

Balance sheet

Investment in Balmoral International Land plc ('Balmoral') – formerly Blackrock

In accordance with International Financial Reporting Standards, Fyffes' 40% investment 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 €2m, representing its share of Balmoral's reported net assets at 31 December 2010. This reflects a further significant reduction in its net asset value and is based on up-to-date independent professional valuations of its property portfolio. The market value of this investment at 31 December 2010 was €3.5m, based on its then share price of €0.015 per share. As in previous years, the resulting discount to net asset value of €3.5m, which has narrowed considerably from €47.6m in 2008 and €13.6m in 2009, has not been

recognised in Fyffes' balance sheet at 31 December 2010. This valuation gap has fallen further in 2011 and is now €5.9m based on Balmoral's current share price.

Pension obligations

The deficit in the Group's defined benefit pension schemes, before deferred tax, decreased from €4.5m at the beginning of the year to €3.8m at the end of the year. The value of the assets in the various schemes increased by €12.1m (+12.3%) in 2010 while liabilities increased by €1.4m due to a reduction in long term bond rates. The schemes are closed to new entrants.

Net funds

Net funds increased to €37.1m at 31 December 2010 from €36.6m at the beginning of the year. Operating cash generated in the year, excluding depreciation and the contribution from joint ventures, amounted to €26m, slightly up on 2009. Of this, €1m was returned to shareholders through dividends and the repurchase of shares as noted above. Capital expenditure amounted to €7.5m in 2010, including leased assets of €1.4m. Working capital outflows amounted to €3.4m in the year, mainly as a result of a loan advanced to one of the Group's large suppliers. Other significant expenditure in the year included tax payments of €1.4m, pension contributions, including to the MNOFF, in excess of the charge in the income statement, amounting to €1.3m, deferred acquisition consideration paid of €0.9m and dividends of €0.8m paid to minority shareholders.

Shareholders' funds

Shareholders' funds amounted to €48.1m at 31 December 2010, compared to €51.7m at the beginning of the year. The increases from profits in the Group's tropical produce operations of €6m and currency gains of €5.4m on translation of its non-Euro denominated net assets were more than offset by the €2.1m reduction in the carrying value of its investment in Balmoral and the €1m returned to shareholders in dividends and shares repurchased.

Current trading

Selling prices in the banana category have been higher year on year in the first two months of 2011, reflecting the impact of supply constraints due to adverse weather conditions in the main production regions. Costs, particularly fuel prices, have been higher in the year to date. Overall trading conditions have been satisfactory to date in 2011. The Group is maintaining its current target EBITA range for the year of €17m-€22m.

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

**David McCann, Chairman
on behalf of the Board
2 March 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.

Fyffes plc
Summary Group Income Statement for the year ended 31 December 2010

	Pre-exceptional	Balmoral /	Total	Pre-exceptional	Balmoral /	Total
	2010	Exceptional	2010	2009	Exceptional	2009
	€000	€000	€000	€000	€000	€000
Revenue including Group share of joint ventures and associates	<u>742,122</u>	-	<u>742,122</u>	726,772	-	726,772
Group revenue	623,072	-	623,072	598,103	-	598,103
Cost of sales	<u>(552,944)</u>	-	<u>(552,944)</u>	(529,206)	-	(529,206)
Gross profit	70,128	-	70,128	68,897	-	68,897
Distribution expenses	(23,977)	-	(23,977)	(24,813)	-	(24,813)
Administrative expenses	(27,984)	-	(27,984)	(28,695)	729	(27,966)
Other operating (expense)/income	(2,208)	-	(2,208)	(881)	2,118	1,237
Share of profit/(loss) of joint ventures after tax	1,021	-	1,021	3,083	(4,347)	(1,264)
Share of loss of associates after tax – Balmoral International Land plc	-	(8,255)	(8,255)	-	(27,884)	(27,884)
Operating profit/(loss)	<u>16,980</u>	<u>(8,255)</u>	<u>8,725</u>	<u>17,591</u>	<u>(29,384)</u>	<u>(11,793)</u>
Net financial income			<u>71</u>			<u>582</u>
Profit/(loss) before tax			8,796			(11,211)
Income tax (expense)/credit			<u>(1,531)</u>			<u>1,293</u>
Profit/(loss) for the financial year			<u>7,265</u>			<u>(9,918)</u>
<i>Attributable as follows:</i>						
Equity shareholders			7,695			(10,452)
Non-controlling interests			<u>(430)</u>			<u>534</u>
			<u>7,265</u>			<u>(9,918)</u>
Earnings per ordinary share – cent						
Basic			2.24			(3.03)
Fully diluted			2.23			(3.03)
Adjusted fully diluted excluding Balmoral			5.50			5.19

Fyffes plc**Summary Group Statement of Comprehensive Income for the year ended 31 December 2010**

	2010	2009
	€000	€000
Profit/(loss) for year	7,265	(9,918)
Foreign currency translation effects - net equity investments	5,443	(5,081)
Share of foreign currency movement recognised in associated undertaking	(14)	6
Loss in associated undertaking set against revaluation reserves	(3,815)	(8,028)
Effective portion of cash flow hedges	(873)	(13,614)
Deferred tax on effective portion of cash flow hedges	109	1,702
Actuarial gain/(loss) recognised on defined benefit pension schemes	601	(10,395)
Deferred tax movements related to defined benefit pension schemes	(257)	1,565
Share of actuarial loss on joint ventures defined benefit pension schemes	(2,314)	(1,633)
Deferred tax on actuarial losses on joint ventures defined benefit pension schemes	648	457
Total comprehensive income	6,793	(44,939)
<i>Attributable as follows:</i>		
Equity shareholders	7,223	(45,473)
Non-controlling interest	(430)	534
Total comprehensive income	6,793	(44,939)

Summary statement of movement in equity for the year ended 31 December 2010

	Share Capital €000	Share Premium €000	Other Reserves (Note 9) €000	Retained Earnings €000	Shareholders' Funds €000	Non-controlling Interest €000	Total Equity €000
2010							
Total shareholders' equity at beginning of year	21,863	98,999	49,344	(18,519)	151,687	2,070	153,757
Total comprehensive income	-	-	850	6,373	7,223	(430)	6,793
Share options exercised	66	-	-	-	66	-	66
Acquisition of own shares	-	-	(5,336)	-	(5,336)	-	(5,336)
Cancellation of treasury shares	(236)	-	8,532	(8,296)	-	-	-
Share based payments	-	-	163	-	163	-	163
Dividends paid to non-controlling interests	-	-	-	-	-	(762)	(762)
Dividends paid to equity shareholders	-	-	-	(5,702)	(5,702)	-	(5,702)
Total shareholders' equity at end of year	21,693	98,999	53,553	(26,144)	148,101	878	148,979
2009							
Total shareholders' equity at beginning of year	21,859	98,999	74,979	6,552	202,389	1,536	203,925
Total comprehensive income	-	-	(25,015)	(20,458)	(45,473)	534	(44,939)
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)
Total shareholders' equity at end of year	21,863	98,999	49,344	(18,519)	151,687	2,070	153,757

Fyffes plc
Summary Group Balance Sheet as at 31 December 2010

	2010 €000	2009 €000
Non-current assets		
Property, plant and equipment	69,894	64,192
Goodwill and intangible assets	20,853	16,595
Other receivables	3,252	511
Investments in joint ventures	31,027	32,265
Investments in associate – Balmoral	11,987	24,071
Equity investments	15	15
Biological assets	313	327
Deferred tax assets	7,719	7,038
Total non-current assets	<u>145,060</u>	<u>145,014</u>
Current assets		
Inventory	22,882	18,469
Biological assets	6,671	5,275
Trade and other receivables	58,676	59,182
Hedging instruments	1,659	2,149
Corporation tax recoverable	243	637
Short term bank deposits	2,480	1,814
Cash and cash equivalents	37,560	42,633
Total current assets	<u>130,171</u>	<u>130,159</u>
Total assets	<u>275,231</u>	<u>275,173</u>
Equity		
Called-up share capital	21,693	21,863
Share premium	98,999	98,999
Other reserves	53,553	49,344
Retained earnings	(26,144)	(18,519)
Total shareholders' equity	<u>148,101</u>	<u>151,687</u>
Non-controlling interest	<u>878</u>	<u>2,070</u>
Total equity and non-controlling interest	<u>148,979</u>	<u>153,757</u>
Non-current liabilities		
Interest bearing loans and borrowings	850	660
Employee benefits	13,829	14,514
Other payables	1,884	2,029
Provisions	19,907	13,231
Corporation tax payable	12,583	12,429
Deferred tax liabilities	4,273	3,504
Total non-current liabilities	<u>53,326</u>	<u>46,367</u>
Current liabilities		
Interest bearing loans and borrowings	2,103	7,162
Trade and other payables	66,148	63,327
Provisions	1,756	1,611
Corporation tax payable	2,220	2,633
Hedging instruments	699	316
Total current liabilities	<u>72,926</u>	<u>75,049</u>
Total liabilities	<u>126,252</u>	<u>121,416</u>
Total liabilities and equity	<u>275,231</u>	<u>275,173</u>

Fyffes plc**Summary Group Cash Flow Statement for the year ended 31 December 2010**

	2010	2009
	€000	€000
Cash flows from operating activities	18,858	14,402
Cash flows from investing activities	(5,524)	(3,237)
Cash flows from financing activities	(12,501)	(66,765)
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Net movement in cash and cash equivalents	833	(55,600)
Cash and cash equivalents, including bank overdrafts at start of year	35,721	65,704
Transfer (to)/from short term deposits	(666)	25,512
Translation adjustment on cash and cash equivalents	376	105
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Cash and cash equivalents, including bank overdrafts at end of year	36,264	35,721
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of total net funds

Increase/(decrease) in cash and cash equivalents	833	(55,600)
Net decrease in debt	51	61,048
Acquisition of subsidiary – net debt acquired	-	(1,719)
Capital element of finance lease payments	716	369
New finance leases	(1,444)	-
Translation adjustment	306	300
	<hr/>	<hr/>
Movement in net funds	462	4,398
Net funds at the beginning of the year	36,625	32,227
	<hr/>	<hr/>
Net funds at the end of the year	37,087	36,625
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Fyffes plc**Notes to Preliminary Results for the year ended 31 December 2010****1. Basis of preparation**

This preliminary financial information has been derived from the Group's consolidated financial statements for the year ended 31 December 2010 which have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU Commission and the accounting policies set out in the Group's 2009 annual report except as otherwise set out below.

The Group applied the revised accounting standards IFRS 3 – Business Combinations and IAS 27 – Separate and consolidated financial statements, for the first time in 2010. The application of these revised standards had no impact on earnings per share in 2010.

The comparative financial information for the year ended 31 December 2009 presented in this preliminary results announcement represents an abbreviated version of the Group's statutory financial statements for that year, on which an unqualified audit report was issued and which have been filed with the Companies Registration Office in Dublin.

2. Adjusted profit before tax and EBITA

	2010	2009
	€000	€000
Profit/(loss) before tax per income statement	8,796	(11,211)
<i>Adjustments</i>		
Exceptional items (see note 3 below)	-	1,500
Group share of tax (credit) of joint ventures	(132)	(284)
Amortisation of intangibles including share of joint ventures	4,376	3,360
Group share of loss of Balmoral International Land plc	8,255	27,884
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Adjusted profit before tax – tropical produce activities	21,295	21,249
<i>Exclude</i>		
Financial (income) – Group	(71)	(582)
Financial expense – share of joint ventures	72	52
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Adjusted EBITA – tropical produce activities	21,296	20,719
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Fyffes believes that adjusted profit before tax and adjusted earnings per share (note 5 below) are the appropriate measures of the underlying performance of the Group, excluding exceptional items, amortisation charges and the Group's share of Balmoral's results. Similarly, adjusted earnings before interest, tax, exceptional items, amortisation and Balmoral (Adjusted EBITA) is a more indicative reflection of the underlying operating result of Fyffes' tropical produce activities. It is the basis on which the Chief Operating Decision Maker of the Group reviews performance. Financial income and expense, income taxes and certain corporate costs are managed centrally.

3. Exceptional items

	2010	2009
	€000	€000
Merchant Navy Officers Pension Fund (MNOPF)	-	(3,774)
Cessation of Brazilian melon joint venture	-	(1,596)
Costs of EU Competition investigation including share of costs in joint venture	-	297
Recycling of currency reserves on liquidation of subsidiaries & termination of joint ventures	-	7,488
Gain in joint venture on disposal of property	-	529
Onerous shipping contract provision in joint venture	-	(4,444)
Total exceptional items per income statement	-	(1,500)

In 2009, the Group recognised an exceptional gain as a result of the recycling through the income statement of cumulative currency gains of €7.5m on disposal, liquidation and termination of non-trading businesses. The Group's share of an onerous shipping contract provision in its Geest joint venture amounted to €4.4m in 2009. The Group also recognised a gain of €0.5m on disposal by Geest of one of its properties. The Group incurred costs in 2009 of €1.6m as a result of the cessation of activities in its former Brazilian melon joint venture. The net tax impact of these exceptional items in 2009 was a credit of €3.2m.

4. Corporation tax

	2010	2009
	€000	€000
Tax charge/(credit) per income statement	1,531	(1,293)
Group share of tax (credit) of its joint ventures netted in profit before tax	(132)	(284)
Total tax charge/(credit)	1,399	(1,577)
<i>Adjustments</i>		
Deferred tax on amortisation of intangibles (including share of joint ventures)	1,369	1,087
Tax impact of exceptional items	-	3,225
Tax charge on underlying activities	2,768	2,735

Including the Group's share of the tax (credit) of its joint ventures, amounting to €0.1m (2009: credit of €0.3m), which is netted in operating profit in accordance with IFRS, the total tax charge for the year amounted to €1.4m (2009: credit of €1.6m). Excluding the impact of deferred tax credits related to the amortisation of intangibles and the tax effect of exceptional items, the underlying tax charge for the Group for the year was €2.8m (2009: charge of €2.7m), equivalent to a rate of 13% (2009: 12.9%) when applied to the Group's adjusted profit before tax.

5. Earnings per share

	2010 €000	2009 €000
Profit/(loss) for financial year attributable to equity shareholders	<u>7,695</u>	(10,452)
	'000	'000
Issued ordinary shares at start of year	364,391	364,319
Effect of own shares held	(20,843)	(19,022)
Effect of shares issued	<u>208</u>	15
Weighted average number of shares for basic earnings per share calculation	343,756	345,312
Weighted average number of options with dilutive effect	<u>880</u>	1,085
Weighted average number of shares for fully diluted earnings per share calculation	<u>344,636</u>	346,397
Basic earnings/(loss) per share - €cent	<u>2.24</u>	(3.03)
Diluted earnings/(loss) per share - €cent	<u>2.23</u>	(3.03)

Adjusted fully diluted earnings per share

	2010 €000	2010 €cent	2009 €000	2009 €cent
Profit/(loss) for financial year attributable to equity shareholders	7,695	2.24	(10,452)	(3.03)
<i>Adjustments</i>				
Cessation of Brazilian melon joint venture	-	-	1,596	0.46
Costs of EU Competition investigation	-	-	(297)	(0.09)
Currency gains on liquidation of subsidiaries & termination of joint ventures	-	-	(7,488)	(2.17)
Merchant Navy Officers Pension Fund (MNOFP)	-	-	3,774	1.09
Gain in joint venture on disposal of property	-	-	(529)	(0.15)
Onerous shipping contract provision in joint venture	-	-	4,444	1.29
Amortisation charge	4,376	1.27	3,360	0.97
Share of loss of Balmoral International Land plc	8,255	2.40	27,884	8.08
Tax impact of exceptional items and amortisation charges	(1,369)	(0.40)	(4,312)	(1.24)
Impact on earnings of dilutive share options	-	(0.01)	-	(0.02)
Adjusted fully diluted earnings	<u>18,957</u>	<u>5.50</u>	17,980	5.19

Adjusted fully diluted earnings per share is calculated to exclude the Group's share of the results of Balmoral International Land plc, exceptional items, intangible amortisation, related tax credits/charges, and the impact of share options with a dilutive effect.

6. Employee post employment benefits

	2010 €000	2009 €000
(Liability) at beginning of year	(14,514)	(9,985)
Current/past service cost less finance income recognised in income statement	(1,670)	(1,637)
Actuarial gain/(loss) recognised in statement of comprehensive income	601	(10,395)
Employer contributions to schemes	2,291	7,941
Foreign exchange movement	(537)	(438)
	<hr/>	<hr/>
(Liability) at end of year	(13,829)	(14,514)
Related deferred tax asset	4,248	4,937
	<hr/>	<hr/>
Net (liability) after deferred tax	(9,581)	(9,577)

The table above summarises the movements during the year in 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 the finance income on scheme assets. The actuarial (loss)/gain is recognised in the Statement of Comprehensive Income, in accordance with the amendment to IAS 19 *Actuarial Gains and Losses, Group Plans and Disclosures*.

7. Dividends and share buy back

	2010 €000	2009 €000
<i>Dividends paid on Ordinary €0.06 shares</i>		
Interim dividend for 2010 of €0.55 cent (2009: €0.55 cent)	1,901	1,899
Final dividend for 2009 of €1.1 cent (2008: €1 cent)	3,801	3,453
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Total cash dividends paid in the year	5,702	5,352

The directors have proposed a final dividend for 2010, subject to shareholder approval at the AGM of 1.2 cent per share. In accordance with IFRS, this dividend has not been provided for in the balance sheet at 31 December 2010.

On 17 November 2010, the Company purchased 17m Fyffes Ordinary €0.06 cent shares in the market at an aggregate cost of €5.3m. On the same date, it cancelled 3,946,610 Ordinary €0.06 shares previously held as treasury shares. At 31 December 2010, the Company and subsidiary companies held 32,075,000 Fyffes plc Ordinary shares (2009: 19,021,000). 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

	2010 €000	2009 €000
Profit/(loss) for the year	7,265	(9,918)
<i>Adjustments for</i>		
Depreciation of property, plant and equipment	5,631	4,993
Net (gain)/loss on disposal of property, plant and equipment	(117)	45
Impairment of property, plant and equipment	-	1,923
Cessation of melon joint venture	-	287
Cumulative currency gains on liquidated subsidiaries and terminated joint venture	-	(7,488)
Onerous contract provision in joint venture	-	4,444
Gain on disposal of property by joint venture	-	(529)
Amortisation of intangible assets – subsidiaries	3,319	2,005
Equity settled compensation	163	119
Defined benefit pension scheme expense	1,670	1,637
Contributions paid to defined benefit pension schemes	(2,291)	(7,941)
(Reduction)/increase in MNOF liability	(225)	3,774
Payments in connection with MNOF	(742)	(510)
Share of (profit) of joint ventures before exceptional items (incl amortisation charge)	(1,021)	(3,083)
Share of loss of Balmoral International Land plc	8,255	27,884
EU Competition investigation costs incurred by joint venture	-	(297)
Movement in working capital	(3,417)	(1,155)
Gain on disposal of investments	-	(1)
Income tax charge/(credit) per income statement	1,531	(1,293)
Income tax (paid)	(1,376)	(2,000)
Net interest income	(71)	(582)
Net interest received	284	2,088
Cash flows from operating activities	<u>18,858</u>	<u>14,402</u>

8.2 Cash flows from investing activities

	2010 €000	2009 €000
Acquisition of subsidiaries (net of cash acquired)	-	(1,326)
Loans repaid by joint ventures	-	4,029
Dividends paid by joint ventures	1,116	4,194
Payment of deferred acquisition consideration	(886)	-
Acquisition of property, plant and equipment	(6,036)	(10,356)
Proceeds from disposal of property, plant and equipment	282	220
Proceeds from disposal of investments	-	2
Cash flows from investing activities	<u>(5,524)</u>	<u>(3,237)</u>

8.3 Cash flows from financing activities

	2010 €000	2009 €000
Proceeds from issue of shares (including premium)	66	4
Purchase of own shares	(5,336)	-
Net (reduction) in borrowings	(51)	(61,048)
Capital element of lease payments	(716)	(369)
Dividends paid to non-controlling interests	(762)	-
Dividends paid to equity shareholders	(5,702)	(5,352)
	<u>(12,501)</u>	<u>(66,765)</u>
Cash flows from financing activities	<u>(12,501)</u>	<u>(66,765)</u>

8.4 Analysis of movement in net funds in the year

	Opening 1 Jan 2010 €000	Cash flow €000	Non cash movement €000	Translation €000	Closing 31 Dec 2010 €000
Short term bank deposits	1,814	666	-	-	<u>2,480</u>
Bank balances	7,486	14,831	-	386	<u>22,703</u>
Call deposits	35,147	(20,290)	-	-	<u>14,857</u>
Cash & cash equivalents per balance sheet	42,633	(5,459)	-	386	<u>37,560</u>
Overdrafts	(6,912)	5,626	-	(10)	<u>(1,296)</u>
Cash & cash equivalents per cash flow statement	35,721	167	-	376	<u>36,264</u>
Bank loans – current	(30)	(18)	-	(3)	<u>(51)</u>
Bank loans – non current	(352)	69	-	(24)	<u>(307)</u>
Finance leases	(528)	716	(1,444)	(43)	<u>(1,299)</u>
Total net funds	<u>36,625</u>	<u>1,600</u>	<u>(1,444)</u>	<u>306</u>	<u>37,087</u>

9. 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
2010							
Total 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
Total at end of year	71,932	1,392	(8,199)	8,318	(20,730)	840	53,553
2009							
Total at beginning of year	71,696	1,110	(9,059)	21,406	(23,690)	13,516	74,979
Total comprehensive income	-	-	(5,075)	(8,028)	-	(11,912)	(25,015)
Currency movements in revaluation reserves	-	-	612	(612)	-	-	-
Realised revaluation reserves	-	-	-	(739)	-	-	(739)
Share based payments	-	119	-	-	-	-	119
Total at end of year	71,696	1,229	(13,522)	12,027	(23,690)	1,604	49,344