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THIS ANNOUNCEMENT IS BEING MADE PURSUANT TO RULE 2.5 OF THE IRISH TAKEOVER RULES

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

9 December 2016

**RECOMMENDED CASH OFFER**

for

**FYFFES PLC**

by

**SWORDUS IRELAND HOLDING LIMITED**

**A WHOLLY-OWNED SUBSIDIARY OF  
SUMITOMO CORPORATION**

**TO BE IMPLEMENTED BY WAY OF A SCHEME OF ARRANGEMENT UNDER CHAPTER 1 OF PART 9 OF  
THE COMPANIES ACT 2014**

**Summary**

- Sumitomo Corporation (“**Sumitomo**”) and Fyffes plc (“**Fyffes**”) are pleased to announce that they have reached agreement on the terms of a unanimously recommended cash offer by Sumitomo pursuant to which Swordus Ireland Holding Limited (“**Bidco**”), a wholly-owned subsidiary of Sumitomo, will acquire the entire issued and to be issued share capital of Fyffes.
- Under the terms of the Acquisition, Fyffes Shareholders will be entitled to receive:  

<b>for each Fyffes Ordinary Share</b>	<b>€2.23 in cash</b>
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- The Acquisition values the entire issued and to be issued ordinary share capital of Fyffes at approximately **€751,365,470**.
- The Acquisition represents a premium of approximately:
  - 49% to Fyffes’ closing share price of €1.50 on 8 December 2016 (being the last practicable date prior to the publication of this Announcement);
  - 53% to Fyffes’ volume weighted average share price of approximately €1.46 over the 30 trading day period ending 8 December 2016;
  - 52% to Fyffes’ volume weighted average share price of approximately €1.47 over the 90 trading day period ending 8 December 2016; and

- 37% to Fyffes' all-time high share price<sup>1</sup> of €1.62, which occurred on 22 April 2016.

In addition, Fyffes Shareholders will be paid a final dividend in respect of calendar year 2016 by Fyffes of €0.02 per share in cash, bringing the total amount to be received by Fyffes shareholders to €2.25 per Fyffes Ordinary Share in cash. The final dividend will be paid to Fyffes Shareholders on the earlier of the Effective Date or 1 May 2017.

- Commenting on the Acquisition, Hirohiko Imura, Representative Director, Managing Executive Officer of Sumitomo, said:

“Sumitomo Corporation has long admired Fyffes for its outstanding track record and market leading position, and we are delighted that the Fyffes Directors have unanimously agreed to recommend our offer to shareholders. We believe that our offer represents a great reward for Fyffes' shareholders. We are grateful that the McCann family has provided an irrevocable commitment of support and is entrusting us to continue with them the rich Fyffes heritage. Sumitomo will provide Fyffes with experience, support and investment to continue to build on the tremendous Fyffes skills and experience and reach greater potential.

We have significant experience in the produce sector and look forward to working with Fyffes' executive directors, senior management and employees, customers and other stakeholders to strengthen Fyffes' already impressive market position through continued investment. We look forward to working with the Fyffes team to further develop the business over the longer-term and to expanding into new markets to better serve customers.”

- Commenting on the Acquisition, David McCann, Chairman of Fyffes said:

“We believe this transaction represents a compelling proposition for our shareholders and crystallises the substantial value created in recent years through the various strategic developments and the strong operating performance of our Group. Our employees, customers, suppliers and joint venture partners will benefit from Fyffes being part of an enlarged group with greater scale, reach and resources to broaden and accelerate delivery of Fyffes' strategic objectives. We look forward to working with the Sumitomo team to develop and enhance our Group's strategy and to build on its long track record of successful growth”.

- The Sumitomo Board believes that Fyffes' strong position as an international grower, importer and distributor of high quality produce in complementary markets makes it a natural fit with Sumitomo's organisation. The Sumitomo Board intends to work with Fyffes management and employees to grow and expand its various produce offerings, expand into new geographies, and accelerate the execution of its strategy.
- It is intended that the Acquisition will be implemented by means of a High Court sanctioned scheme of arrangement under Chapter 1 of Part 9 of the Act (or, if Sumitomo elects, subject to the terms of the Transaction Agreement and with the consent of the Panel, a Takeover Offer). The Acquisition is conditional on, among other things, (i) the approval by Fyffes Shareholders of the Scheme Meeting Resolution and the EGM Resolutions and (ii) the sanction of the Scheme and the confirmation of the Reduction of Capital, by the High Court.
- Having taken into account the relevant factors and applicable risks, the Fyffes Board, who has been so advised by Lazard and Davy Corporate Finance, financial advisers to Fyffes, consider the terms of the Acquisition as set out in this Announcement to be fair and reasonable. In providing such advice, Lazard and Davy Corporate Finance have taken into account the commercial assessments of the Fyffes Directors. Accordingly the Fyffes Board unanimously recommends that Fyffes Shareholders vote in favour of the Acquisition and all of the Resolutions, as they intend to do in respect of their own beneficial holdings of in

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<sup>1</sup> Since the first trading date following the effective date of the demerger of Fyffes' general produce and distribution business (effective on 30 December 2006).

aggregate, 3,948,981 Fyffes Ordinary Shares which represent in aggregate, approximately 1.20% of the existing issued share capital of Fyffes as at the last practicable date before this Announcement being 8 December 2016.

- In addition, Sumitomo and Bidco have received irrevocable undertakings to vote in favour of each of the Resolutions required to implement the Acquisition from certain other Fyffes Shareholders in respect of an aggregate of 80,719,612 Fyffes Ordinary Shares representing approximately 24.47% of the issued share capital of Fyffes. Sumitomo has received these irrevocable undertakings from Balkan Investment Company and its related companies, The Article 6 Marital Trust under the First Amended and Restated Jerry Zucker Revocable Trust, dated April 2, 2007 and Farringdon, an institutional investor.
- Sumitomo and Bidco have also received a commitment from Farringdon in respect of 5,100,000 Fyffes Ordinary Shares, representing approximately 1.55% of the issued share capital of Fyffes, over which Farringdon has a contract for difference, to request that the counterparty to the contract for difference delivers the relevant Fyffes Ordinary Shares to Farringdon and, if such shares are so delivered, to vote in favour of the Scheme in respect of such Fyffes Ordinary Shares.
- In aggregate therefore, irrevocable undertakings and other commitments to vote in favour of the Scheme have been received by Sumitomo and Bidco over, in aggregate, 89,768,593 Fyffes Ordinary Shares, representing approximately 27.21% of the issued share capital of Fyffes. Further details of the irrevocable undertakings and other commitments are set out below in paragraph 6 of this Announcement, including the circumstances in which the irrevocable undertakings and other commitments cease to be binding.
- The Scheme Document, which will contain, amongst other things, further information about the Acquisition, notices convening the Scheme Meeting and the Extraordinary General Meeting, the expected timetable for Completion and action to be taken by Fyffes Shareholders, will be published as soon as practicable and, in any event, within 28 days of this Announcement. It is anticipated that the Scheme will, subject to obtaining the necessary anti-trust approvals, be declared effective in the first quarter of 2017.

### **About Sumitomo Corporation**

Sumitomo is a leading global trading company with 109 locations in 66 countries. The entire Sumitomo Corporation group consists of over 800 companies and more than 65,000 personnel, creating a publicly traded company with a market capitalisation of c.US\$15 billion with c.US\$8 billion in cash on balance sheet as at fiscal year end on 31 March 2016. Sumitomo has been active in the banana industry since the 1960s and is the market leader in Asia with a fully integrated business model with interests ranging from plantation operations in the Philippines to retail distribution across the Asian region. Currently, the Sumitomo Group imports approximately 30% of the bananas into the Japanese market.

### **About Fyffes plc**

Fyffes is a leading international grower, importer and distributor of top quality, healthy produce. With annual turnover in excess of €1.2 billion it is headquartered in Dublin, Ireland with operations in Europe, the US, Canada, Central America and South America and Asia. Fyffes activities include the production, procurement, shipping, ripening, distribution and marketing of bananas, pineapples, melons and mushrooms. It markets its produce under a variety of very well-known brands including Fyffes®, Sol®, Turbana®, Hoya®, Highline® and All Seasons® and employs in excess of 17,000 people worldwide.

**This summary should be read in conjunction with the full text of the following Announcement and its appendices.**

The Conditions to, and certain further terms of, the Acquisition are set out in Appendix III to this Announcement and the Acquisition is subject to further terms to be set out in the Scheme Document. Appendix I to this Announcement contains certain sources of information and bases of calculation contained in this Announcement. Certain terms used in this Announcement are defined in Appendix II to this Announcement.

This Announcement contains inside information and has been issued pursuant to Article 2.1(b) of Commission Implementing Regulation (EU) 2016/1055. The date and time of this Announcement is the same as the date and time that it has been communicated to the media.

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**Statements required by the Takeover Rules**

The Sumitomo Directors and the Bidco Directors accept responsibility for the information contained in this Announcement other than that relating to Fyffes, the Fyffes Group and the Fyffes Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the Sumitomo Directors and the Bidco Directors (who, in each case, have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fyffes Directors accept responsibility for the information contained in this Announcement relating to Fyffes, the Fyffes Group and the Fyffes Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the Fyffes Directors (who have taken all reasonable care to ensure such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

J.P. Morgan Securities LLC, together with its affiliate J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove and which is authorised and regulated in the United Kingdom by the Financial Conduct Authority) ("J.P. Morgan"), is acting as

financial adviser exclusively for Sumitomo and no one else in connection with the Acquisition and the matters set out in this Announcement and will not regard any other person as its client in relation to the matters in this Announcement and will not be responsible to anyone other than Sumitomo for providing the protections afforded to clients of J.P. Morgan or its affiliates, nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to herein.

Lazard & Co., Limited (“Lazard”), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as financial adviser to Fyffes and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Fyffes for providing the protections afforded to clients of Lazard nor for providing advice in connection with the matters referred to in this Announcement. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this Announcement, any statement contained herein or otherwise.

Davy Corporate Finance, which is authorised and regulated by the Central Bank of Ireland, is acting exclusively for Fyffes and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Fyffes for providing the protections afforded to clients of Davy Corporate Finance, or for providing advice in connection with the matters referred to in this Announcement.

This Announcement is for information purposes only and is not intended to, and does not, constitute or form any part of any offer or invitation, or the solicitation of an offer, to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the Takeover Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the Takeover Offer Document).

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement has been prepared for the purpose of complying with the laws of Ireland and the Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of Ireland.

#### **Cautionary Statement Regarding Forward-Looking Statements**

This Announcement contains certain forward-looking statements with respect to Sumitomo and Fyffes. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “believe”, “will”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Sumitomo Group or the Fyffes Group; and (iii) the effects of government regulation on the business of the Sumitomo Group or the Fyffes Group.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to Sumitomo or Fyffes or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither Sumitomo nor Fyffes undertake any obligation to update publicly or revise forward-looking or other statements contained in this Announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

#### **Disclosure requirements of the Takeover Rules**

Under the provisions of Rule 8.3 of the Takeover Rules, if any person is, or becomes, “interested” (directly or indirectly) in, 1% or more of any class of “relevant securities” of Fyffes, all “dealings” in any “relevant securities” of Fyffes (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by not later than 3:30 pm (Irish time) on the “business” day in Dublin following the date of the relevant transaction. This requirement will continue until the date on which the “offer period” ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an “interest” in “relevant securities” of Fyffes, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Rules.

Under the provisions of Rule 8.1 of the Takeover Rules, all “dealings” in “relevant securities” of Fyffes by Sumitomo or Bidco, or by any party Acting in Concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the business day in Dublin following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, can be found on the Irish Takeover Panel's website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel's website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie) or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

### **No profit forecasts, estimates or asset valuations**

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share, for Sumitomo, Bidco or Fyffes, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Sumitomo, Bidco or Fyffes, respectively. No statement in this Announcement constitutes an asset valuation.

### **Right to switch to a Takeover Offer**

Sumitomo reserves the right to elect, subject to the terms of the Transaction Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Fyffes as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Appendix III to this Announcement and in the Transaction Agreement.

### **Publication on website**

Pursuant to Rule 2.6(c) of the Takeover Rules, this Announcement will be made available to Sumitomo's employees on Sumitomo's website ([www.sumitomocorp.co.jp](http://www.sumitomocorp.co.jp)) and Fyffes employees on Fyffes' website ([www.Fyffes.com](http://www.Fyffes.com)).

Neither the content of this website nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this Announcement.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **General**

The laws of the relevant jurisdictions may affect the availability of the Acquisition to persons who are not resident in Ireland or the United Kingdom. Persons who are not resident in Ireland or the United Kingdom, or who are subject to laws of any jurisdiction other than Ireland or the United Kingdom, should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility and liability for the violation of such restrictions by any person.

The Acquisition will not be made available, directly or indirectly, in a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance from within a Restricted Jurisdiction.

The release, publication or distribution of this Announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this Announcement and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Sumitomo, Bidco and Fyffes disclaim any responsibility or liability for the violations of any such restrictions by any person.



- 37% to Fyffes' all-time high share price<sup>2</sup> of €1.62, which occurred on 22 April 2016.

In addition, Fyffes Shareholders will be paid a final dividend in respect of calendar year 2016 by Fyffes of €0.02 per share in cash, bringing the total amount to be received by Fyffes shareholders to €2.25 per Fyffes Ordinary Share in cash. The final dividend will be paid to Fyffes Shareholders on the earlier of the Effective Date or 1 May 2017.

In consideration of these payments, Fyffes Ordinary Shares will be cancelled and Fyffes will issue new Fyffes Ordinary Shares to Bidco.

The sources and bases of information contained in this Announcement to calculate the implied value of the Acquisition, are set out in Appendix I.

### **3. Fyffes Background to and Reasons for Recommending the Acquisition**

From the origins of the business in the late 19th century, Fyffes has developed its position as one of the world's leading producers, importers and distributors of tropical and other produce. With an infrastructure that reaches across the globe, Fyffes is one of a small number of international players in a fragmented industry. For over 125 years, the Fyffes Group's focus has been to:

- bring the world the best fresh produce;
- inspire people to feel excitement about its brands & products; and
- make a positive difference for its growers, people, customers and environment.

In pursuit of these objectives, Fyffes has applied its resources and management expertise in developing its business both organically and through a number of acquisitions and alliances.

In the five years between 8 December 2011 and 8 December 2016, Fyffes has delivered a total shareholder return of 354%, versus a corresponding return of 160% for the Ireland ISEQ index. This reflects the successful strategic development and strong operating and financial performance of the company over this period.

Whilst the Fyffes Board believes that Fyffes is in a strong position in its business development and continues to believe in the standalone prospects of the Company, the Acquisition represents an attractive premium in cash and crystallises the substantial long term value potential of Fyffes today.

The Fyffes Board notes that the Acquisition represents a significant premium, in cash, of approximately 49% to Fyffes' closing share price of €1.50 on 8 December 2016 (being the last practicable date prior to the publication of this Announcement); 53% to Fyffes' volume weighted average share price of approximately €1.46 over the 30 trading day period ending 8 December 2016; 52% to Fyffes' volume weighted average share price of approximately €1.47 over the 90 trading day period ending 8 December 2016; and 37% to Fyffes' all-time high share price<sup>3</sup> of €1.62, which occurred on 22 April 2016.

The strong performance of Fyffes in recent years is due in no small measure to the commitment, skill and dedication of its personnel across the world. The Fyffes Board believes that Fyffes' employees will benefit from new

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<sup>2</sup> Since the first trading date following the effective date of the demerger of Fyffes' general produce and distribution business (effective on 30 December 2006).

<sup>3</sup> Since the first trading date following the effective date of the demerger of Fyffes' general produce and distribution business (effective on 30 December 2006).



opportunities which will derive from being part of an enlarged group with the enhanced scale, reach and resources that Sumitomo brings. Fyffes and Sumitomo will work together to ensure that Fyffes continues to deliver outstanding service to its customers. Additionally, it is expected that the opportunities for Fyffes' suppliers and joint venture partners will also be enhanced through the combination with Sumitomo.

#### **4. Fyffes Recommendation**

Having taken into account the relevant factors and applicable risks, the Fyffes Board who have been so advised by Lazard and Davy Corporate Finance, financial advisers to Fyffes, consider the terms of the Acquisition as set out in this Announcement to be fair and reasonable. In providing such advice, Lazard and Davy Corporate Finance have taken into account the commercial assessments of the Fyffes Directors. Accordingly, the Fyffes Board unanimously recommends that Fyffes Shareholders vote in favour of the Acquisition and all of the Resolutions, as they intend to do in respect of their own beneficial holdings of, in aggregate, 3,948,981 Fyffes Ordinary Shares, which represent, in aggregate, approximately 1.20% of the existing issued share capital of Fyffes as at 8 December 2016 (being the last practicable date prior to the release of this Announcement).

In considering the recommendation of the Fyffes Board, you should be aware that certain directors and executive officers of Fyffes and their families will have additional interests in the proposed Acquisition in addition to the interests they might have as named shareholders.

Balkan Investment Company and certain of its Subsidiaries have entered into an irrevocable undertaking, reflecting its agreement to vote all Fyffes Ordinary Shares beneficially owned by it in favour of the Scheme at the Scheme Meeting and to vote in favour of the additional proposals being presented at the EGM. Balkan Investment Company is the McCann family investment vehicle.

In addition, an affiliate of The InterTech Group, Inc. has also entered into an irrevocable undertaking reflecting its agreement to vote all Fyffes Ordinary Shares beneficially owned by it in favour of the Scheme at the Scheme Meeting and to vote in favour of the additional proposals being presented at the EGM. One of the Fyffes Directors, Mr. R B Johnston, is Chief Strategy Officer with the US based business The InterTech Group, Inc. A private investment fund connected with the main shareholder of The InterTech Group, Inc., The Article 6 Marital Trust created under the First Amended and Restated Jerry Zucker Revocable Trust, currently owns certain Fyffes Ordinary Shares as described in paragraph 6 of this Announcement, which are the subject of the irrevocable undertaking.

As of the date of this Announcement, these shareholders hold Fyffes Ordinary Shares representing approximately 23.6% of Fyffes Ordinary Shares outstanding.

#### **5. Sumitomo Background to and Rationale for the Acquisition**

The Acquisition will further enhance Sumitomo's position as one of the most globally diverse companies across sectors, while expanding the global reach of its produce division into new regions and end-markets. Sumitomo believes that this combination creates a compelling platform to further penetrate existing markets, as well as providing access to new markets to expand the reach of Fyffes' distribution.

As a result of the Acquisition, the enlarged Sumitomo will have enhanced scale and portfolio diversity, providing it with a substantially greater ability to deliver a wider scope of produce more efficiently to its customers around the world.

Sumitomo has been active in the banana industry since the 1960s and is the market leader in Asia with a fully integrated business model with interests ranging from plantation operations in the Philippines to retail distribution across the Asian region. Fyffes' range of global activities that include the production, procurement, shipping, ripening, distribution and marketing of bananas, pineapples, melons and mushrooms is highly complementary to Sumitomo's worldwide operations and further diversifies its product portfolio within the produce division.

As a result, Sumitomo believes this Acquisition accelerates long-term growth opportunities across platforms, products, and markets and creates value for its shareholders. Sumitomo expects the combined company to maintain a disciplined capital allocation policy and strong balance sheet.

The Sumitomo Board intends to work with Fyffes management and employees to grow and expand its various produce offerings, expand into new geographies, and accelerate the execution of its strategy.

Sumitomo believes the Acquisition is financially compelling, and has the unanimous approval and support of its Board and senior executive team. Sumitomo is committed to executing the Acquisition on an expedited basis.

## 6. Irrevocable Commitments

Sumitomo and Bidco have received irrevocable undertakings from each of the Fyffes Directors to vote in favour of the Scheme at the Scheme Meeting and each of the EGM Resolutions to be proposed at the Extraordinary General Meeting in respect of their own beneficial holdings of, in aggregate, 3,948,981 Fyffes Ordinary Shares, which represent, in aggregate, approximately 1.20% of the issued share capital of Fyffes as at 8 December 2016 (being the last practicable date prior to the release of this Announcement).

In addition, Sumitomo and Bidco have received irrevocable undertakings to vote in favour of the Scheme at the Scheme Meeting and each of the EGM Resolutions to be proposed at the Extraordinary General Meeting from the following Fyffes Shareholders:

Holder (as at 8 December 2016)	Number of Fyffes Ordinary Shares	% of Fyffes Issued Ordinary Shares in Issue (Excl. Treasury Shares)
The Article 6 Marital Trust created under the First Amended and Restated Jerry Zucker Revocable Trust	39,034,612	11.83%
Balkan Investment Company (and related companies)	38,905,000	11.79%
Farringdon Capital Management	2,780,000	0.84%

In addition, Sumitomo and Bidco have received a commitment from Farringdon, an institutional investor, in respect of 5,100,000 Fyffes Ordinary Shares, representing approximately 1.55% of the issued share capital of Fyffes, over which Farringdon has a contract for difference, to request that the counterparty to the contract for difference delivers the relevant Fyffes Ordinary Shares to Farringdon and, if such shares are so delivered, to vote in favour of the Scheme in respect of such Fyffes Ordinary Shares.

Therefore, in aggregate with the irrevocable undertakings received from the Fyffes Directors, Sumitomo and Bidco have received irrevocable undertakings and other commitments that represent approximately 27.21% of the issued share capital of Fyffes on 8 December 2016 (being the last practicable date prior to the release of this Announcement).

The irrevocable undertakings received from each of the Fyffes Directors and from the Balkan Investment Company will cease to have effect on the earlier to occur of (i) the Scheme becoming effective; (ii) the Acquisition not completing by 30 June 2017 provided that Clause 10.1.2 of the Transaction Agreement has not become effective, in which case the date shall be 15 May 2017; or (iii) the Acquisition lapsing or being withdrawn.

The irrevocable undertaking received from The Article 6 Marital Trust under the First Amended and Restated Jerry Zucker Revocable Trust, dated April 2, 2007 will cease to have effect on the earlier to occur of (i) the Scheme becoming effective; (ii) the Acquisition not completing by 30 June 2017; or (iii) the Acquisition lapsing or being withdrawn or any of the commercial terms of the Acquisition, including but not limited to, the value offered per Fyffes Share, are revised downwards; or (iv) a public announcement of a firm intention (under Rule 2.5 of the

Takeover Rules) by a third party to make an offer which exceeds the Consideration by 10% or more per Fyffes Ordinary Share in cash, unless Sumitomo or Bidco announce an improvement to the terms of the Acquisition within five Business Days of the announcement of such higher competing offer such that the terms of the Acquisition, including, but not limited to, the value offered per Fyffes Share, are at least as favourable as those under the third party's competing takeover offer.

The irrevocable commitment and the other commitment from Farringdon will each cease to have effect if (i) the Scheme Document has not been posted within 28 days after this Announcement (or within such longer period as Bidco and Fyffes, with the consent of the Panel, determine), (ii) the Acquisition has not become effective by 28 February 2017 (iii) Farringdon is required to withdraw its undertaking by any court or competent regulator; or (iv) a third party announces an offer the value of which exceeds the Consideration by 10% or more per Fyffes Ordinary Share.

## **7. Information on Sumitomo and Bidco**

Sumitomo Corporation is a leading globally integrated trading company with 109 locations in 66 countries. The entire Sumitomo Group consists of over 800 companies and more than 65,000 personnel. Sumitomo Corporation is publicly listed on four Japanese stock exchanges and is a constituent of the TOPIX and Nikkei 225 stock indices, with a current market capitalisation of c.US\$15 billion. Sumitomo Corporation held c.US\$8 billion in cash on balance sheet as at fiscal year end on 31 March 2016. With its global network of companies in various industries and sincere trust from consumers, Sumitomo Corporation engages in multifaceted business activities by making the most of its integrated corporate strength. These business activities include sales of a variety of products and services within Japan, import and export, trilateral trade, and domestic and international business investment.

Sumitomo Corporation has a lengthy track record in the growing and import of bananas in Asia. Sumitomo has been active in the banana industry since the 1960s and is the market leader in Asia with a fully integrated business model with interests ranging from plantation operations in the Philippines to retail distribution across the Asian region. Currently, the Sumitomo Group imports approximately 30% of the bananas into the Japanese market.

Bidco is a wholly-owned subsidiary of Sumitomo. Bidco is Irish incorporated, has been incorporated solely for the purposes of effecting the Acquisition and has only entered into certain agreements in connection with the Acquisition, details of which are contained in paragraphs 6 and 13 of this Announcement.

## **8. Information on Fyffes**

Fyffes is a leading international grower, importer and distributor of top quality, healthy produce. With annual turnover in excess of €1.2 billion it is headquartered in Dublin, Ireland with operations in Europe, the US, Canada, Central America and South America and Asia. Fyffes activities include the production, procurement, shipping, ripening, distribution and marketing of bananas, pineapples, melons and mushrooms. It markets its produce under a variety of very well-known brands including Fyffes®, Sol®, Turbana®, Hoya®, Highline® and All Seasons® and employs in excess of 17,000 people worldwide.

## **9. Structure of the Acquisition**

### ***Scheme***

It is intended that the Acquisition will be effected by a High Court-sanctioned scheme of arrangement in accordance with Chapter 1 of Part 9 of the Companies Act 2014. Under the Scheme, all Fyffes Ordinary Shares held by Fyffes Shareholders will be cancelled pursuant to Article 49 of Fyffes' Articles of Association and sections 84 to 86 of the Companies Act 2014 in accordance with the terms of the Scheme. Fyffes will then issue new Fyffes Ordinary Shares to Bidco in place of the Fyffes Ordinary Shares that were cancelled pursuant to the Scheme and the Reduction of Capital and Bidco will pay the Consideration for the Acquisition to the Fyffes Shareholders. In addition, Fyffes Shareholders will be paid a final dividend in respect of calendar year 2016 by Fyffes of €0.02 per share in

cash, bringing the total amount to be received by Fyffes Shareholders to €2.25 per Fyffes Ordinary Share in cash. The final dividend will be paid to Fyffes Shareholders on the earlier of the Effective Date or 1 May 2017.

As a result of these arrangements, Fyffes will become a wholly-owned subsidiary of Bidco.

### ***Application to the High Court to sanction the Scheme***

Once the approvals of the Fyffes Shareholders have been obtained at the Scheme Meeting and the Extraordinary General Meeting, and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the High Court at the Court Hearing.

The Scheme will become Effective in accordance with its terms on delivery to the Registrar of Companies of the Court Order together with the minute required by Section 86 of the Act confirming the Reduction of Capital to take place in connection with the Acquisition and the Reduction of Capital becomes effective upon the registration of the Court Order and minute by the Registrar of Companies. Upon the Scheme becoming Effective, it will be binding on all Fyffes Shareholders, irrespective of whether or not they attended or voted at the Scheme Meeting or Extraordinary General Meeting, or whether they voted in favour of or against the Scheme.

### ***Full details of the Scheme to be set out in the Scheme Document***

The Scheme will be governed by the laws of Ireland. The Scheme will be subject to the applicable requirements of the Takeover Rules and, where relevant, the applicable rules and regulations of the Act.

The Scheme is subject to the satisfaction (or, where applicable, waiver) of the Conditions and the full terms and conditions to be set out in the Scheme Document. Further details of the Scheme will be set out in the Scheme Document, including the expected timetable and the action to be taken by Fyffes Shareholders.

### ***Conditions to the Acquisition***

The Acquisition shall be subject to the Conditions and further terms set out in full in Appendix III to this Announcement and to be set out in the Scheme Document.

### ***Scheme timetable/further information***

A full anticipated timetable will be set out in the Scheme Document.

At this stage, subject to the approval and availability of the High Court (which is subject to change) and obtaining the necessary anti-trust approvals, Sumitomo expects the implementation of the Acquisition to occur in the first quarter of 2017.

## **10. Effect of the Scheme on Fyffes Group Share Schemes**

### ***2007 Share Option Scheme***

Fyffes Options which have vested and are exercisable before, and are outstanding at, the Effective Date will remain exercisable for a period of 30 days following the Effective Date. Unvested Fyffes Options which are outstanding at the Effective Date will accelerate, become exercisable on the Effective Date and remain exercisable for a period of 30 days following the Effective Date. Fyffes Options which are not exercised within the period of 30 days following the Effective Date will lapse.

Fyffes Optionholders will receive details of how they can exercise their options in due course and Fyffes Optionholders may wish to await receipt of these details before taking any action with regard to their Fyffes Options.

## **Other Fyffes Group Share Schemes**

Fyffes Ordinary Shares which are held by participants in the Fyffes STIP, the Fyffes APSS and Fyffes SIP will be subject to the Acquisition. Participants in such plans can expect to receive details from the trustees of such plans setting out how they may give instructions regarding the voting of their Fyffes Ordinary Shares at the Scheme Meeting and the EGM.

### **11. Financing of the Acquisition**

The Consideration payable under the terms of the Acquisition will be funded from a new term facility provided to Sumitomo by Sumitomo Mitsui Banking Corporation, which Sumitomo will make available to Bidco or from existing cash resources of Sumitomo made available to Bidco, further details of which will be set out in the Scheme Document.

J.P. Morgan Limited, financial adviser to Sumitomo, is satisfied that sufficient resources are available to Bidco to satisfy in full the Consideration payable under the terms of the Acquisition.

### **12. Management and Employees**

Sumitomo intends to retain the existing Fyffes management structure post Completion. Sumitomo confirms that, where employees of Fyffes have existing compensation, employment, severance, change of control and similar rights or agreements, including pension rights, under applicable laws, those rights and agreements will be safeguarded following the Scheme becoming Effective.

Sumitomo looks forward to working with Fyffes' employees, customers and other stakeholders to strengthen Fyffes' already impressive market position through continued investment.

The Sumitomo Board intends to work with Fyffes management and employees to grow and expand its various produce offerings, expand into new geographies, and accelerate the execution of its strategy. Sumitomo believes that this is a great opportunity for all of Fyffes' employees to benefit from being part of a larger organisation.

The current non-executive directors of Fyffes will resign from Fyffes on or after the Effective Date.

The parties have agreed certain incentive arrangements in respect of certain key employees as follows:

- certain members of Fyffes management will be eligible for a 2017 year end bonus payment in the same magnitude of the year end bonus paid to the relevant person in 2016;
- executives who participate in the Fyffes STIP will be eligible for a 2017 cash payment that is not less than the value of the 2016 Fyffes STIP payment received by the relevant person in respect of 2016; and
- in recognition of and consideration for completing the Acquisition, a once off bonus pool of €1.5 million will be set aside by Fyffes to be apportioned among certain employees as determined by the Chairman of Fyffes.

Each of the incentive arrangements is conditional on the continued employment of the eligible employee for a certain period of time, provided that in the event of an employee's death (and in the case of the bonus pool, redundancy), a pro-rata portion (or in the case of the bonus pool, the entire amount) of the incentive will be payable. Further details of the incentive arrangements will be set out in the Scheme Document.

### **13. Acquisition Related Arrangements**

#### ***Transaction Agreement***

Sumitomo, Bidco and Fyffes have entered into the Transaction Agreement dated 8 December 2016 which contains certain assurances in relation to the implementation of the Scheme and other matters related to the Acquisition. A summary of the principal terms of the Transaction Agreement will be set out in the Scheme Document.

The Transaction Agreement provides that where the Fyffes Board determines that a Fyffes Superior Proposal has been received, Fyffes shall provide Sumitomo with an opportunity, for a period of three (3) Business Days from the time of the receipt by Sumitomo of notice in writing from Fyffes confirming that the Fyffes Board determines that a Fyffes Superior Proposal has been received together with details of the material terms of such Fyffes Superior Proposal, to increase the value of the Consideration, including an increase in, or modification of, the Distribution and/or the Consideration, such that the Fyffes Superior Proposal would not constitute a Fyffes Superior Proposal.

#### ***Expenses Reimbursement Agreement***

Fyffes has entered into the Expenses Reimbursement Agreement dated 8 December 2016 with Sumitomo, the terms of which have been approved by the Panel. Under the Expenses Reimbursement Agreement, Fyffes has agreed to pay to Sumitomo in certain circumstances an amount equal to all documented, specific and quantifiable third party costs and expenses incurred by Sumitomo, or on its behalf, for the purposes of, in preparation for, or in connection with the Acquisition, including, but not limited to, exploratory work carried out in contemplation of and in connection with the Acquisition, legal, financial and commercial due diligence and engaging advisers to assist in the process. The liability of Fyffes to pay these amounts shall arise only after the date of this Announcement and is limited to a maximum amount equal to 1% of the total value attributable to the entire issued share capital of Fyffes under the Acquisition (excluding, for the avoidance of doubt, any treasury shares and any interest in such share capital of Fyffes held by Sumitomo or any Concert Parties of Sumitomo) as ascribed by the terms of the Acquisition as set out in this Announcement. The amount payable by Fyffes to Sumitomo under such provisions of the Expenses Reimbursement Agreement will exclude (a) any amounts in respect of VAT incurred by Sumitomo attributable to such third party costs other than Irrecoverable VAT incurred by Sumitomo and (b) any amounts paid or payable by Sumitomo in connection with any financing. The circumstances in which such payment will be made are if:

- (a) the Transaction Agreement is terminated:
  - (i) by Sumitomo or Fyffes for the reason that the Fyffes Board or any committee thereof:
    - (A) withdraws (or modifies in any manner adverse to Sumitomo), or proposes publicly to withdraw (or modify in any manner adverse to Sumitomo), the Scheme Recommendation or, if applicable, the recommendation to the holders of the Fyffes Ordinary Shares from the Fyffes Board to accept the Takeover Offer; or
    - (B) approves, recommends, adopts or otherwise declares advisable, or proposes publicly to approve, recommend, adopt or otherwise declare advisable, any Fyffes Alternative Proposal (save that, for the avoidance of doubt, the approval of the Fyffes Board of the registration of any shares acquired as part of a Fyffes Alternative Proposal does not, in and of itself, constitute the approval, recommendation or adoption by the Fyffes Board of a Fyffes Alternative Proposal); and

the Acquisition lapses or is withdrawn (it being understood, for the avoidance of doubt, that (x) "stop, look and listen" communication or (y) the provision by Fyffes to Sumitomo of notice or information in connection with a Fyffes Alternative Proposal or Fyffes Superior Proposal as required or expressly permitted by the Transaction Agreement shall not, in each case, in and of itself, constitute a circumstance referred to in (a)(i)(A) or (B)); or

- (ii) by Fyffes, at any time prior to obtaining the Fyffes Shareholder Approval, in order to enter into any agreement, understanding or arrangement providing for a Fyffes Superior Proposal and the Acquisition lapses or is withdrawn; or
  - (iii) automatically pursuant to clause 5.2.4 of the Transaction Agreement and the Acquisition lapses or is withdrawn.
- (b) all of the following occur:
- (i) prior to the Scheme Meeting, a Fyffes Alternative Proposal is publicly disclosed or any person shall have publicly announced an intention (whether or not conditional) to make a Fyffes Alternative Proposal and, in each case, is not publicly withdrawn without qualification at least three Business Days before the date of the Scheme Meeting (it being understood that, for purposes of this paragraph (b)(i) and (b)(iii) below, references to “25%” and “75%” in the definition of Fyffes Alternative Proposal shall be deemed to refer to “50%”); and
  - (ii) the Transaction Agreement is terminated by either Fyffes or Sumitomo for the reason that the Scheme Meeting or the EGM shall have been completed and the Scheme Meeting Resolution or the EGM Resolutions, as applicable, shall not have been approved by the requisite votes; and
  - (iii) a Fyffes Alternative Proposal is consummated with the person referred to in (i) above, or a definitive agreement providing for such Fyffes Alternative Proposal is entered into with such person, within twelve months after the date of this Announcement which is consummated or a Fyffes Alternative Proposal is consummated with a person who is not connected in any way to the person to referred to in (i) above within twelve months after the date of this Announcement and the value of the consideration offered under such Fyffes Alternative Proposal is at least equal to the consideration offered under the Acquisition; or
- (c) all of the following occur:
- (i) prior to the Scheme Meeting, a Fyffes Alternative Proposal is publicly disclosed or any person shall have publicly announced an intention (whether or not conditional) to make a Fyffes Alternative Proposal and, in each case, not publicly withdrawn at the time the Transaction Agreement is terminated under the circumstances specified in paragraph (c)(ii) (it being understood that, for purposes of this paragraph (c)(i) and (c)(iii) below, references to “25%” and “75%” in the definition of Fyffes Alternative Proposal shall be deemed to refer to “50%”); and
  - (ii) the Transaction Agreement is terminated by Sumitomo for the reason that Fyffes shall have breached or failed to perform in any material respect any of its covenants, obligations, warranties or other agreements contained in the Transaction Agreement, which breach or failure to perform (A) would (1) result in a failure of any of the Conditions to the Acquisition and the Scheme or of the other Conditions to Sumitomo's obligations to effect the Acquisition, or (2) give rise to a termination right under clause 10.1.7 of the Transaction Agreement and (B) is not reasonably capable of being cured by the End Date or, if curable, Sumitomo shall have given Fyffes written notice, delivered at least 30 days prior to such termination, stating Sumitomo's intention to terminate the Transaction Agreement for such reason and the basis for such termination and such breach or failure to perform shall not have been cured within 30 days following the delivery of such written notice; and
  - (iii) a Fyffes Alternative Proposal is consummated with the person referred to in (i) above, or a definitive agreement providing for such Fyffes Alternative Proposal is entered into with such person, within twelve months after the date of this Announcement which is consummated or a Fyffes Alternative Proposal is consummated with a person who is not connected in any way to the person referred to in (i) above within twelve months after the date of this Announcement and the value of the consideration offered under such Fyffes Alternative Proposal is at least equal to the consideration offered under the Acquisition.

Lazard and Davy Corporate Finance, financial advisers to Fyffes, along with the directors of Fyffes, have each confirmed in writing to the Panel that in their respective opinions, in the context of the Note to Rule 21.2 of the

Takeover Rules and the Acquisition, the Expenses Reimbursement Agreement is in the best interests of Fyffes Shareholders.

#### **14. Rule 16.2(b)(i) Approval of Incentive Arrangements for Management and Senior Executives**

The Acquisition will result in the early termination of the Fyffes Group Shares Schemes in a way that will result in participants having to pay more Irish income tax and PRSI than they would have expected to pay if the Acquisition had not occurred. In order to ensure that it will have the resources of the key Fyffes management and senior executives available to it for at least 12 months following Completion in the key integration period, Sumitomo has therefore offered a management incentive and retention proposal which would involve the repayment of certain discharged tax obligations of individual participants in the Fyffes Group Share Schemes by Sumitomo directly (or alternatively Sumitomo will procure that post the Acquisition its wholly owned subsidiary, formerly Fyffes, will make such repayments) to ensure that such employees remaining in service of Fyffes post the Acquisition do not receive lower net remuneration than they would have received if Fyffes had remained an independent company.

The payments will be made in two tranches over a period of 12 months with the first such tranche being paid no earlier than 6 months after Completion and the balance to be paid no earlier than 12 months after Completion. Both such payments will be made subject to the relevant employees remaining employed by Fyffes at the time of payment. No payment will be made if an employee resigns or is dismissed for cause before a tranche is to be paid. If an employee to whom the first 50% payment of the Management Incentive Payment has been paid resigns or is dismissed for cause within 12 months of Completion, the employee concerned shall be required to repay to Fyffes the Management Incentive Payment received by that employee. An employee will be entitled to the Management Incentive Payment if he or she is made redundant or ceases to be employed on account of ill-health/death. If an employee eligible for the Management Incentive Payment is made redundant or leaves employment due to ill health on or after Completion but prior to either of the payment dates, then the amount remaining outstanding at that time shall be paid to the employee on the last day of their employment. For the avoidance of doubt, if prior to the first anniversary of the Completion an employee resigns or is dismissed for cause after receipt of the first tranche of the payment, that payment will be subject to clawback from the relevant employee and the second tranche will not be payable.

Further details of the incentive arrangements will be set out in the Scheme Document. For the arrangements to be implemented it will be necessary for an ordinary resolution to be approved at the EGM under Rule 16.2(b)(i) of the Takeover Rules. Any Fyffes Shareholders participating in the arrangements outlined above will not be eligible to vote on this resolution.

#### **15. Delisting and Cancellation of Trading of Fyffes Ordinary Shares**

An application will be made to the London Stock Exchange and the Irish Stock Exchange prior to the Effective Date to cancel the admission of the Fyffes Ordinary Shares to trading on AIM and ESM respectively, with effect from shortly after the Effective Date, subject to and following the Scheme becoming effective.

It is intended that dealing in Fyffes Ordinary Shares on AIM and ESM will be suspended on or around the Effective Date.

Following the Effective Date, it is intended that Fyffes will be re-registered as a private company limited by shares.

#### **16. Interests and Short Positions in Fyffes**

As at the close of business on 8 December 2016 (being the last practicable date prior to the release of this Announcement), none of Sumitomo, Bidco or, so far as Sumitomo is aware, any person Acting in Concert with Sumitomo:

- (a) had an interest in relevant securities of Fyffes;
- (b) had any short position in relevant securities of Fyffes;



- (c) had received an irrevocable commitment or letter of intent to accept the terms of the Acquisition in respect of relevant securities of Fyffes; or
- (d) had borrowed or lent any Fyffes Ordinary Shares.

Furthermore, no arrangement to which Rule 8.7 of the Takeover Rules applies exists between Sumitomo, Bidco or Fyffes or a person Acting in Concert with Sumitomo, Bidco or Fyffes in relation to Fyffes Ordinary Shares. For these purposes, an “arrangement to which Rule 8.7 of the Takeover Rules applies” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, between two or more persons relating to relevant securities which is or may be an inducement to one or more of such persons to deal or refrain from dealing in such securities.

In the interests of confidentiality, Sumitomo and Bidco have made only limited enquiries in respect of certain parties who may be deemed by the Panel to be Acting in Concert with them for the purposes of the Acquisition. Further enquiries will be made to the extent necessary as soon as practicable following the date of this Announcement and any disclosure in respect of such parties will be included in the Scheme Document.

## **17. Rule 2.10 Disclosure**

In accordance with Rule 2.10 of the Takeover Rules, Fyffes confirms that as at the close of business on 8 December 2016, being the last practicable date before this Announcement, it had 329,933,807 Fyffes Ordinary Shares in issue with voting rights, with 31,075,000 Fyffes Ordinary Shares held in Treasury. The ISIN for the Fyffes Ordinary Shares is IE0003295239.

At that date there were outstanding Fyffes Options to subscribe for 10,612,000 Fyffes Ordinary Shares which have been granted by Fyffes.

## **18. General**

The Acquisition and the Scheme will be made subject to the Conditions and the further terms and conditions to be set out in the Scheme Document. The Scheme Document will include full details of the Acquisition and will be accompanied by the appropriate forms of proxy and forms of direction.

Lazard, Davy Corporate Finance and J.P. Morgan have each given and not withdrawn their consent to the publication of this Announcement with the inclusion herein of the references to their names in the form and context in which they appear.

The Scheme Document and the forms of proxy and forms of direction will be despatched to Fyffes Shareholders as soon as practicable and, in any event, (save with the consent of the Panel) within 28 days of this Announcement. The Scheme Document will include full details of the Acquisition, together with the expected timetable, and will specify the necessary action to be taken by Fyffes Shareholders in order to vote in favour of the Scheme at the Scheme Meeting and the EGM Resolutions.

The Acquisition will be governed by the laws of Ireland and will be subject to the requirements of the Takeover Rules and applicable Law. This Announcement is being made pursuant to Rule 2.5 of the Takeover Rules.

Appendix I to this Announcement contains further details of the sources of information and bases of calculations set out in this Announcement; Appendix II to this Announcement contains definitions of certain expressions used in this Announcement; Appendix III to this Announcement contains the Conditions of the Acquisition and the Scheme.

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**Statements required by the Takeover Rules**

The Sumitomo Directors and the Bidco Directors accept responsibility for the information contained in this Announcement other than that relating to Fyffes, the Fyffes Group and the Fyffes Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the Sumitomo Directors and the Bidco Directors (who, in each case, have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Fyffes Directors accept responsibility for the information contained in this Announcement relating to Fyffes, the Fyffes Group and the Fyffes Directors and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the Fyffes Directors (who have taken all reasonable care to ensure such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

J.P. Morgan Securities LLC, together with its affiliate J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove and which is authorised and regulated in the United Kingdom by the Financial Conduct Authority), is acting as financial adviser exclusively for Sumitomo and no one else in connection with the Acquisition and the matters set out in this Announcement and will not regard any other person as its client in relation to the matters in this Announcement and will not be responsible to anyone other than Sumitomo for providing the protections afforded to clients of J.P. Morgan or its affiliates, nor for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to herein.

Lazard & Co., Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively as financial adviser to Fyffes and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone

other than Fyffes for providing the protections afforded to clients of Lazard nor for providing advice in connection with the matters referred to in this Announcement. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this Announcement, any statement contained herein or otherwise.

Davy Corporate Finance, which is authorised and regulated by the Central Bank of Ireland, is acting exclusively for Fyffes and no one else in connection with the matters referred to in this Announcement and will not be responsible to anyone other than Fyffes for providing the protections afforded to clients of Davy Corporate Finance, or for providing advice in connection with the matters referred to in this Announcement.

This Announcement is for information purposes only and is not intended to, and does not, constitute or form any part of any offer or invitation, or the solicitation of an offer, to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. The Acquisition will be made solely by means of the Scheme Document (or, if applicable, the Takeover Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition, should be made only on the basis of the information contained in the Scheme Document (or, if applicable, the Takeover Offer Document).

This Announcement does not constitute a prospectus or a prospectus equivalent document.

This Announcement has been prepared for the purpose of complying with the laws of Ireland and the Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside of Ireland.

#### **Cautionary Statement Regarding Forward-Looking Statements**

This Announcement contains certain forward-looking statements with respect to Sumitomo and Fyffes. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “believe”, “will”, “may”, “would”, “could” or “should” or other words of similar meaning or the negative thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Sumitomo Group or the Fyffes Group; and (iii) the effects of government regulation on the business of the Sumitomo Group or the Fyffes Group

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to Sumitomo or Fyffes or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Neither Sumitomo nor Fyffes undertake any obligation to update publicly or revise forward-looking or other statements contained in this Announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

#### **Disclosure requirements of the Takeover Rules**

Under the provisions of Rule 8.3 of the Takeover Rules, if any person is, or becomes, “interested” (directly or indirectly) in, 1% or more of any class of “relevant securities” of Fyffes, all “dealings” in any “relevant securities” of Fyffes (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by not later than 3:30 pm (Irish time) on the “business” day following the date of the relevant transaction. This requirement will continue until the date on which the “offer period” ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an “interest” in “relevant securities” of Fyffes, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Rules.

Under the provisions of Rule 8.1 of the Takeover Rules, all “dealings” in “relevant securities” of Fyffes by Sumitomo or Bidco, or by any party Acting in Concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, can be found on the Irish Takeover Panel's website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie).

“Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel's website at [www.irishtakeoverpanel.ie](http://www.irishtakeoverpanel.ie) or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

### **No profit forecasts, estimates or asset valuations**

No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share, for Sumitomo, Bidco or Fyffes, respectively for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Sumitomo, Bidco or Fyffes, respectively. No statement in this Announcement constitutes an asset valuation.

### **Right to switch to a Takeover Offer**

Sumitomo reserves the right to elect, subject to the terms of the Transaction Agreement and with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Fyffes as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Appendix III to this Announcement and in the Transaction Agreement.

### **Publication on website**

Pursuant to Rule 2.6(c) of the Takeover Rules, this Announcement will be made available to Sumitomo's employees on Sumitomo's website ([www.sumitomocorp.co.jp](http://www.sumitomocorp.co.jp)) and Fyffes employees on Fyffes' website ([www.Fyffes.com](http://www.Fyffes.com)).

Neither the content of this website nor the content of any other website accessible from hyperlinks on such website is incorporated into, or forms part of, this Announcement.

### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **General**

The laws of the relevant jurisdictions may affect the availability of the Acquisition to persons who are not resident in Ireland or the United Kingdom. Persons who are not resident in Ireland or the United Kingdom, or who are subject to laws of any jurisdiction other than Ireland or the United Kingdom, should inform themselves about, and observe, any applicable legal or regulatory requirements. Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility and liability for the violation of such restrictions by any person.

The Acquisition will not be made available, directly or indirectly, in a Restricted Jurisdiction, and the Acquisition will not be capable of acceptance from within a Restricted Jurisdiction.

The release, publication or distribution of this Announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this Announcement and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, Sumitomo, Bidco and Fyffes disclaim any responsibility or liability for the violations of any such restrictions by any person.

## APPENDIX I

### SOURCES AND BASES OF INFORMATION

In this Announcement, unless otherwise stated or the context otherwise requires, the basis of calculation and sources of information are as described below.

- a) The financial information relating to Fyffes is extracted from the 2015 Annual Report.
- b) The value of the Acquisition is based upon the cash Consideration due under the terms of the Acquisition and on the basis of the issued and to be issued share capital of Fyffes referred to in paragraph (c) below.
- c) The issued and to be issued share capital of Fyffes is calculated on the basis of:
  - i. the number of issued Fyffes Ordinary Shares as at the close of business on 8 December 2016 (being the last practicable date prior to the release of this Announcement), being 329,933,807 Fyffes Ordinary Shares (excluding shares in Treasury); and
  - ii. any further Fyffes Ordinary Shares which may be issued on or after the date of this Announcement or granted prior to the Effective Date on the exercise of Fyffes Options, which options have been granted or are expected to be granted on or before the Effective Date, amounting in aggregate up to 10,612,000 Fyffes Ordinary Shares.
- d) Unless otherwise stated, all prices for Fyffes Ordinary Shares are the Closing Price for the relevant dates.
- e) The prices of Fyffes Ordinary Shares used for the premium calculations are:
  - i. €1.50, being Fyffes' closing share price on 8 December 2016 (the last practicable date prior to the publication of this Announcement);
  - ii. approximately €1.46, being Fyffes' volume weighted average share price over the 30 trading day period ending 8 December 2016;
  - iii. approximately €1.47, being Fyffes' volume weighted average share price over the 90 trading day period ending 8 December 2016; and
  - iv. €1.62, being Fyffes' all-time high share price<sup>4</sup>, which occurred on 22 April 2016.
- f) The volume weighted average Closing Price per Fyffes Ordinary Share for the 30 and 90 trading day periods to 8 December 2016 is derived from data provided by FactSet.

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<sup>4</sup> Since the first trading date following the effective date of the demerger of Fyffes' general produce and distribution business (effective on 30 December 2006).

## APPENDIX II

### DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

**“2007 Share Option Scheme”** or **“Fyffes Share Option Scheme”** means the Fyffes 2007 Share Option Scheme;

**“2015 Annual Report”** means the annual report and financial statements of Fyffes for the year ended 31 December 2015;

**“Acquisition”** means the proposed acquisition by Bidco of Fyffes by means of the Scheme or the Takeover Offer (and any such Scheme or Takeover Offer as it may be revised, amended or extended from time to time) pursuant to the Transaction Agreement (whether by way of the Scheme or the Takeover Offer in accordance with the terms of the Transaction Agreement) (including the payment by Bidco of the aggregate Consideration pursuant to the Scheme or the Takeover Offer), as described in this Announcement and provided for in the Transaction Agreement;

**“Act”** means the Companies Act 2014, as amended;

**“Acting in Concert”** has the meaning given to that term in the Irish Takeover Panel Act 1997, as amended;

**“AIM”** means the Alternative Investment Market of the London Stock Exchange plc;

**“AIM Rules”**, means the AIM Rules published by the London Stock Exchange plc as in force from time to time;

**“Announcement”** means this announcement, made in accordance with Rule 2.5 of the Takeover Rules, dated 9 December 2016, including its summary and appendices;

**“Antitrust Law”** means any federal, state or foreign Law designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation or restraint of trade;

**“Antitrust Order”** means any legislative, administrative or judicial action, decree, judgment, injunction, decision or other order (whether temporary, preliminary or permanent) that restricts, prevents or prohibits the consummation of the Acquisition or any other transactions contemplated by the Transaction Agreement under any Antitrust Law;

**“Balkan Investment Company”** means Balkan Investment Unlimited Company, a company incorporated in Ireland, having its registered office at 1, Stokes Place, St. Stephen's Green, Dublin 2, D02 DE03;

**“Bidco”** means Swordus Ireland Holding Limited, a private limited liability company incorporated in Ireland, having its registered office as A&L Goodbody, 25-28 North Wall Quay, Dublin 1, D01 H104, Ireland;

**“Bidco Directors”** means the members of the board of directors of Bidco;

**“Business Day”** means any day, other than a Saturday, Sunday or public holiday in Dublin, London or Tokyo;

**“Clearances”** means all consents, clearances, permissions and waivers that need to be obtained all applications and filings that need to be made and all waiting periods that may need to have expired, from or under the Laws, regulations or practices applied by any Relevant Authority in connection with the implementation of the Scheme and/or the Acquisition and, in each case, that constitute Conditions and any reference to Conditions having been “satisfied” shall be construed as meaning that the foregoing have been obtained, or where appropriate, made or expired in accordance with the relevant Condition;

**“Closing Price”** means the closing price for a Fyffes Ordinary Share at the close of business on the day to which the price relates, derived from Bloomberg for that day;

**“Completion”** means the completion of the Scheme in accordance with the terms and conditions of the Transaction Agreement;

**“Concert Parties”** means such persons as are deemed to be Acting in Concert with Sumitomo or Fyffes (as the context so requires) pursuant to Rule 3.3 of Part A of the Takeover Rules;

**“Conditions”** means the conditions to the Scheme and the Acquisition set out in Appendix III of this Announcement and **“Condition”** means any one of them;

**“Consideration”** means the €2.23 per Fyffes Ordinary Share to be made pursuant to the Scheme to Fyffes Shareholders;

**“Court Hearing”** means the hearing by the High Court of the Petition to sanction the Scheme under Chapter 1 of Part 9 of the Act;

**“Court Order”** means the order or orders of the High Court sanctioning the Scheme under Chapter 1 of Part 9 of the Act and confirming the Reduction of Capital;

**“Disclosed”** means the information disclosed by or on behalf of Fyffes (i) in the 2015 Annual Report; (ii) in this Announcement, (iii) in any other public announcement, by or on behalf of Fyffes (in each case) prior to the date of this Announcement; or (iv) as otherwise fairly disclosed to Sumitomo (or its respective officers, employees, agents or advisors) prior to the date of this Announcement (including the information disclosed in the data room made available by Fyffes to Sumitomo prior to the date of this Announcement);

**“Distribution”** means the Fyffes final dividend in respect of calendar year 2016 of €0.02 per share in cash;

**“EC Merger Regulation”** means Council Regulation (EC) No. 139/2004;

**“EEA”** means European Economic Area;

**“Effective”** means in the context of the Acquisition: (i) if the Acquisition is implemented by way of a Scheme, the Scheme having become effective in accordance with its terms, upon the delivery to the Registrar of Companies of the Court Order together with the minute required by Section 86 of the Act confirming the Reduction of Capital and such Reduction of Capital having become effective upon the registration of the Court Order and minute by the Registrar of Companies; or (ii) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or become unconditional in all respects in accordance with the requirements of the Takeover Rules;

**“Effective Date”** means the date on which either the Scheme becomes Effective or, if Sumitomo elects and the Panel consents to implement the Acquisition by way of a Takeover Offer, the Takeover Offer becomes Effective;

**“Effective Time”** means the time on the Effective Date at which the Court Order is delivered to and a copy of the minute required by Section 86 of the Act are registered by the Registrar of Companies or, as the case may be, the Takeover Offer becomes or is declared unconditional in all respects;

**“EGM Resolutions”** means the resolutions to be proposed at the EGM for the purposes of approving and implementing the Scheme, the Reduction of Capital, changes to the articles of association of Fyffes and such other matters as Fyffes reasonably determines to be necessary for the purposes of implementing the Acquisition as have been approved by Sumitomo or, subject to the consent of Sumitomo (such consent not to be unreasonably withheld, conditioned or delayed), desirable for the purposes of implementing the Acquisition, but excluding the Management Incentive Resolution;

**“End Date”** means 30 June 2017 unless Fyffes shall have terminated the Transaction Agreement in accordance with Clause 10.1.2 of the Transaction Agreement because Clearances have not been obtained by 15 May 2017, in which case the date shall be the date of such termination;

**“ESM”** means the Enterprise Securities Market operated by the Irish Stock Exchange;

**“ESM Rules”** means the ESM Rules for companies published by the Irish Stock Exchange, as amended from time to time;

“**EU**” means the European Union;

“**Expenses Reimbursement Agreement**” means the expenses reimbursement agreement dated on or about 8 December 2016 between Sumitomo and Fyffes, the terms of which have been approved by the Panel;

“**Extraordinary General Meeting**” or “**EGM**” means the extraordinary general meeting of the Fyffes Shareholders (and any adjournment thereof) to be convened in connection with the Scheme, expected to be convened as soon as the preceding Scheme Meeting shall have been concluded or adjourned (it being understood that if the Scheme Meeting is adjourned, the EGM shall be correspondingly adjourned);

“**Farringdon**” means Farringdon Capital Management;

“**Fyffes**” means Fyffes plc, a company incorporated in Ireland with registered number 73342 having its registered office at 29 North Anne Street, Dublin 7, Ireland;

“**Fyffes Alternative Proposal**” means any *bona fide* proposal or *bona fide* offer made by any person (other than a proposal or offer by Sumitomo or any person Acting in Concert with Sumitomo pursuant to Rule 2.5 of the Takeover Rules) for (i) the acquisition of Fyffes by scheme of arrangement, takeover offer or business combination transaction; (ii) the acquisition by any person of 25% or more of the assets of Fyffes and its Subsidiaries, taken as a whole, measured by either book value or fair market value (including equity securities of Fyffes’ Subsidiaries); (iii) the acquisition by any person (or the stockholders of any person) of 25% or more of the outstanding Fyffes Ordinary Shares; or (iv) any merger, business combination, consolidation, share exchange, takeover, scheme of arrangement, recapitalisation or similar transaction involving Fyffes as a result of which the holders of Fyffes Ordinary Shares immediately prior to such transaction do not, in the aggregate, own at least 75% of the outstanding voting power of the surviving or resulting entity in such transaction immediately after consummation thereof;

“**Fyffes APSS**” means the Fyffes Approved Profit Sharing Scheme;

“**Fyffes Board**” means the board of directors of Fyffes;

“**Fyffes Change of Recommendation**” has the meaning given to that term in Clause 5.2.6 of the Transaction Agreement;

“**Fyffes Directors**” means the members of the Fyffes Board;

“**Fyffes Employees**” means the employees of Fyffes or any Subsidiary of Fyffes who remain employed after the Effective Time;

“**Fyffes Group**” means Fyffes, any Subsidiary of Fyffes, any Holding Company of Fyffes and any Subsidiary of any such Holding Company;

“**Fyffes Group Share Schemes**” means the Fyffes Group 2007 Share Option Scheme, Fyffes STIP, the Fyffes APSS and Fyffes SIP;

“**Fyffes Options**” means the outstanding options both vested and unvested to subscribe for Fyffes Ordinary Shares pursuant to the 2007 Share Option Scheme which, as at the date of the Transaction Agreement, are as set out in the options schedule in schedule 2 of the Transaction Agreement;

“**Fyffes Ordinary Shares**” means the ordinary shares of €0.06 each in the capital of Fyffes;

“**Fyffes Shareholder Approval**” means (i) the approval of the Scheme by a majority in number of the Fyffes Shareholders representing three-fourths (75%) or more in value of the Fyffes Ordinary Shares held by such holders, present and voting either in person or by proxy, at the Scheme Meeting (or at any adjournment of such meeting) and (ii) the EGM Resolutions being duly passed by the requisite majorities of Fyffes Shareholders;

“**Fyffes Shareholders**” means the holders of Fyffes Ordinary Shares;



“**Fyffes SIP**” means the Fyffes Share Incentive Plan;

“**Fyffes STIP**” means the Fyffes Short Term Incentive Plan;

“**Fyffes Superior Proposal**” means a written Fyffes Alternative Proposal made by any person that the Fyffes Board determines in good faith (after consultation with Fyffes’ financial advisors and outside legal counsel) that it should be recommended to the Fyffes Shareholders in preference to the transactions contemplated by the Transaction Agreement, taking into account (i) any revision to the terms of the transactions contemplated by the Transaction Agreement proposed by Sumitomo in respect of such Fyffes Alternative Proposal in accordance with Clause 5.2.4 of the Transaction Agreement and (ii) such financial, regulatory, legal and other aspects of such proposal as the Fyffes Board considers to be appropriate (it being understood that, for purposes of the definition of “Fyffes Superior Proposal”, references to “25%” in the definition of Fyffes Alternative Proposal shall be deemed to refer to “75%” and references to “75%” in the definition of Fyffes Alternative Proposal shall be deemed to refer to “25%”);

“**Group**” in relation to any body corporate, means any bodies corporate which are holding companies or wholly owned subsidiaries (as such terms are defined in the Act) or subsidiary undertakings (as such terms are defined in the Act) of it or of any such holding company;

“**High Court**” means the High Court of Ireland;

“**Holding Company**” has the meaning given to that term by Section 8 of the Act;

“**Indebtedness**” means the outstanding principal amount of, accrued and unpaid interest on, and other payment obligations arising under any borrowing or guarantee owed to any bank or credit institution or payable under any bond or transferable security;

“**Ireland**” means Ireland excluding Northern Ireland and the word “Irish” shall be construed accordingly;

“**Irish Stock Exchange**” means The Irish Stock Exchange plc;

“**Irrecoverable VAT**” means in relation to any person, any amount in respect of VAT which that person (or a member of the same VAT Group as that person) has incurred and in respect of which neither that person nor any other member of the same VAT Group as that person is entitled to a refund (by way of credit or repayment) from any relevant Tax Authority pursuant to and determined in accordance with Section 59 of the Value Added Tax Consolidation Act 2010 and any regulations made under that Act;

“**ISIN**” means International Securities Identification Number;

“**J.P. Morgan**” means J.P. Morgan Securities LLC, together with its affiliate J.P. Morgan Limited;

“**Law**” means any federal, state, provincial, territorial, local, foreign or supranational law, statute, ordinance, rule, regulation and also any judgment, order, injunction, decree, agency requirement, license or permit of any Relevant Authority;

“**Lazard**” means Lazard & Co., Limited;

“**London Stock Exchange**” means the London Stock Exchange plc;

“**Management Incentive Payment**” means the management and senior executive incentive arrangement described in paragraph 14 of this Announcement, the payment of which is subject to the passing of the Management Incentive Resolution;

“**Management Incentive Resolution**” means the ordinary resolution of Fyffes to be proposed at the EGM for the purpose of approving the Management Incentive Payment;

“**Northern Ireland**” means the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone on the island of Ireland;

“**Panel**” means the Irish Takeover Panel;

“**Petition**” means the petition to the High Court seeking the Court Order;

“**Reduction of Capital**” means the reduction of the share capital of Fyffes by the cancellation of the Fyffes Ordinary Shares, to be effected as part of the Scheme under Sections 84 to 86 of the Act;

“**Registrar of Companies**” means the Registrar of Companies in Dublin, Ireland;

“**Relevant Authority**” means any federal commission, board, body, bureau, or other regulatory authority or agency, including courts and other judicial bodies, or any competition, anti-trust or supervisory body or other governmental, regulatory agency or body or securities exchange including and instrumentality or entity designed to act for or on behalf of any of the foregoing, in each case, in any jurisdiction;

“**Resolutions**” means collectively, the Scheme Meeting Resolution and the EGM Resolutions, which will be set out in the Scheme Document;

“**Restricted Jurisdiction**” means any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available in that jurisdiction;

“**Sanction Date**” has the meaning set out in Appendix III, paragraph 2.3;

“**Scheme**” or “**Scheme of Arrangement**” means the proposed scheme of arrangement pursuant to Chapter 1 of Part 9 of the Act and the Reduction of Capital to effect the proposed scheme of arrangement pursuant to the Transaction Agreement, in such terms and form as Sumitomo, Fyffes and Bidco, acting reasonably, mutually agree, including any revision thereof as may be agreed between Sumitomo, Fyffes and Bidco in writing;

“**Scheme Document**” means a document (including any amendments or supplements thereto) to be distributed to Fyffes Shareholders, amongst others, which shall contain, inter alia; (i) the Scheme (ii) the notice or notices of the Scheme Meeting and EGM (iii) an explanatory statement as required by Section 452 of the Act with respect to the Scheme, (iv) such other information as may be required or necessary pursuant to the Act, the ESM Rules, the AIM Rules and the Takeover Rules or required by the Panel and (v) such other information as Fyffes and Sumitomo shall agree;

“**Scheme Meeting**” means the meeting or meetings of the Fyffes Shareholders (and any adjournment thereof) convened by order of the High Court or by the Fyffes Board pursuant to Sections 449 to 455 of the Act to consider and, if thought fit, approve the Scheme (with or without amendment);

“**Scheme Meeting Resolution**” means the resolution to be proposed at the Scheme Meeting for the purposes of approving and implementing the Scheme;

“**Scheme Recommendation**” means the unanimous recommendation of the Fyffes Board that Fyffes Shareholders vote in favour of the Resolutions (or if Sumitomo effects the Acquisition as a Takeover Offer, the recommendation of the Fyffes Board that Fyffes Shareholders accept the Takeover Offer);

“**Subsidiary**” means in relation to any person, any corporation, partnership, association, trust or other form of legal entity of which such person directly or indirectly owns securities or other equity interests representing more than 50% of the aggregate voting power;

“**Sumitomo**” means Sumitomo Corporation, a company limited by shares, incorporated and domiciled in Japan having its registered office and principal place of business at 1-8-11 Harumi, Chuo-ku, Tokyo 104-8610, Japan;

“**Sumitomo Board**” means the board of directors of Sumitomo;

“**Sumitomo Directors**” means the members of the Sumitomo Board;

**“Sumitomo Group”** means Sumitomo, any Subsidiary of Sumitomo (including Bidco), any Holding Company of Sumitomo and any Subsidiary of any such Holding Company;

**“Takeover Offer”** means an offer for the entire issued and to be issued share capital of Fyffes (other than any Fyffes Ordinary Shares held by Sumitomo or any member of the Sumitomo Group, if any), not being a Scheme, including any amendment or revision thereto, the full terms of which would be set out in the Takeover Offer Document or (as the case may be) any revised offer document(s);

**“Takeover Offer Document”**, means, if following the date of the Transaction Agreement, Sumitomo elects to implement the Acquisition by way of Takeover Offer in accordance with Clause 3.6 of the Transaction Agreement, the document to be despatched to Fyffes Shareholders and others by Bidco or Sumitomo (or such other entity as it may elect) containing, amongst other things, the Takeover Offer, the Conditions (save insofar as not appropriate in the case of a Takeover Offer) and certain information about Sumitomo, Bidco and Fyffes and, where the context so admits, includes any form of acceptance, election, notice or other document reasonably required in connection with the Takeover Offer;

**“Takeover Rules”** means the Irish Takeover Panel Act 1997, Takeover Rules 2013;

**“The First Amended and Restated Jerry Zucker Revocable Trust”** means the Article 6 of Marital Trust created under the First Amended and Restated Jerry Zucker Revocable Trust dated 2 April 2007;

**“Transaction Agreement”** means the Transaction Agreement dated 8 December 2016 between Sumitomo, Bidco and Fyffes in relation to the implementation of the Scheme and the Acquisition;

**“VAT”** means any tax imposed by any member state of the European Community in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC) and any tax similar to or replacing same; and

**“Voting Record Time”** means the time and date to be specified as the voting record time for the Scheme Meeting (or any adjournment thereof) in the Scheme Document.

All amounts contained within this document referred to by “EUR” and/or “€” refer to Euro and all amounts contained within this document referred to by “US\$” refers to United States Dollars.

Any references to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Any reference to any legislation is to Irish legislation unless specified otherwise.

Words importing the singular shall include the plural and vice versa and words supporting the masculine shall include the feminine or neuter gender.

All times referred to in this Announcement are Irish times unless otherwise stated.

## APPENDIX III

### CONDITIONS OF THE ACQUISITION AND THE SCHEME

The Acquisition and the Scheme will comply with the Takeover Rules, the Act and where relevant, the AIM Rules and the ESM Rules, and will be subject to the terms and conditions set out in this Announcement and to be set out in the Scheme Document. The Acquisition and the Scheme are governed by the Laws of Ireland.

The Acquisition and the Scheme will be subject to the following conditions:

1. The Acquisition will be conditional upon the Scheme becoming effective and unconditional by not later than the End Date (or such earlier date as may be specified by the Panel, or such later date as Fyffes may, with (if required) the consent of the Panel, agree and (if required) the High Court may allow).
2. The Scheme will be conditional upon:
  - 2.1. the approval of the Scheme by a majority in number of the Fyffes Shareholders representing at least three-fourths (75%) in value of the Fyffes Ordinary Shares, at the Voting Record Time, held by such holders, present and voting either in person or by proxy, at the Scheme Meeting (or at any adjournment of such meeting) held no later than the End Date;
  - 2.2. the EGM Resolutions being duly passed by the requisite majority of Fyffes Shareholders at the Extraordinary General Meeting (or at any adjournment of such meeting) held no later than the End Date;
  - 2.3. the sanction by the High Court (with or without material modification), but subject to any such modification being acceptable to each of Sumitomo and Fyffes of the Scheme pursuant to Chapter 1 of Part 9 of the Act and the confirmation of the Reduction of Capital on or before the End Date (the date on which the condition in this paragraph 2.3 is satisfied, the “**Sanction Date**”); and
  - 2.4. office copies of the Court Order and the minute required by Section 86 of the Act in respect of the Reduction of Capital being delivered for registration to the Registrar of Companies and registration of the Court Order and minute confirming the Reduction of Capital by the Registrar of Companies.
3. Sumitomo and Fyffes have agreed that, subject to paragraph 7 of this Appendix III, the Acquisition will also be conditional upon the following matters having been satisfied or waived on or before the Sanction Date:
  - 3.1. to the extent that the Acquisition or its implementation constitutes a concentration within the scope of the EC Merger Regulation or is otherwise a concentration that is subject to the EC Merger Regulation, the European Commission deciding that it does not intend to initiate any proceedings under Article 6(1)(c) of the EC Merger Regulation in respect of the Acquisition or to refer the Acquisition (or any aspect of the Acquisition) to a competent authority of an EEA member state under Article 9(1) of the EC Merger Regulation or otherwise deciding that the Acquisition is compatible with the common market pursuant to Article 6(1)(b) of the EC Merger Regulation;
  - 3.2. all required Clearances shall have been obtained and remain in full force and effect and all applicable waiting periods shall have expired, lapsed or been terminated (as appropriate), in each case in connection with the Acquisition under relevant antitrust, competition or foreign investment laws.

#### **General Regulatory and Anti-Trust / Competition**

- 3.3. no (i) Law, (ii) injunction, restraint or prohibition by any court of competent jurisdiction or (iii) injunction, order, prohibition under any Antitrust Law or Antitrust Order by any Relevant Authority

shall have been enacted or entered and shall continue to be in effect which would or would reasonably be expected to (in any case to an extent or in a manner which is material in the context of, and adverse to, the Acquisition):

- 3.3.1. make the Acquisition or its implementation, or the acquisition or proposed acquisition by Bidco or any member of the Sumitomo Group of any shares or other securities in, or control or management of, Fyffes, or any of the material assets of Fyffes, void, illegal or unenforceable under the laws of any jurisdiction or otherwise, directly or indirectly, prevent, materially restrain, revoke, prohibit, materially restrict or materially delay the same or impose material additional or different conditions or obligations with respect thereto;
- 3.3.2. result in a material delay in the ability of Bidco, or render Bidco unable, to acquire some or all of the Fyffes Ordinary Shares or result in or affect any divestiture of, or requirement to hold separate (including by establishing a trust or otherwise), or agree to restrict in any material respect its ownership or operation of, any material portion of the business or assets of Fyffes, or to enter into any material adverse settlement or consent decree, or agree to any material adverse undertaking, with respect to any material portion of the business or assets of Fyffes;
- 3.3.3. impose any limitation on or result in a material delay in the ability of Bidco or any member of the Sumitomo Group to acquire, or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership of shares, Fyffes Ordinary Shares, (or the equivalent) in, or to exercise voting or management control over, Fyffes or any material member of the Fyffes Group or on the ability of any member of the Fyffes Group to hold or exercise effectively, directly or indirectly, rights of ownership of shares (or the equivalent) in, or to exercise rights of voting or management control over, any material member of the Fyffes Group;
- 3.3.4. require any member of the Sumitomo Group or any material member of the Fyffes Group to sell, divest, hold separate, or otherwise dispose of all or any material part of their respective businesses, operations, product lines or assets or property or to prevent or materially delay any of the above;
- 3.3.5. require the divestiture by any member of the Sumitomo Group or by any material member of the Fyffes Group of all or any material part of their respective businesses, assets or property or impose any material limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their material assets or material properties (or any part thereof);
- 3.3.6. require any member of the Sumitomo Group or any member of the Fyffes Group to acquire or offer to acquire any shares or other securities (or the equivalent) in, or any interest in any asset owned by, any member of the Fyffes Group or owned by any third party where the cost of doing so would be material in value terms in the context of the Fyffes Group taken as a whole;
- 3.3.7. require, prevent or delay any divestiture, by any member of the Sumitomo Group of any Fyffes Ordinary Shares or any other securities (or the equivalent) in Fyffes;
- 3.3.8. except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Fyffes Group taken as a whole, impose any limitation on the ability of Sumitomo or any member of its group to integrate or co-ordinate its business, or any part of it, with the businesses of any member of the Fyffes Group;

- 3.3.9. result in any material member of the Fyffes Group ceasing to be able to carry on business in any jurisdiction in which it currently operates;
- 3.3.10. require any member of the Fyffes Group to relinquish, terminate or amend in any material way any material contract to which any member of the Fyffes Group or the Sumitomo Group is a party;
- 3.3.11. cause any member of the Fyffes Group to cease to be entitled to any material authorisation, order, recognition, grant, consent, clearance, confirmation, licence, permission or approval used by it in the carrying on of its business in any jurisdiction in which it currently operates; or
- 3.3.12. otherwise adversely affect the business, operations, profits, assets, liabilities, financial or trading position of any material member of the Fyffes Group;

**Certain matters arising as a result of any Arrangement, Agreement etc.**

- 3.4. except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, authorisation, franchise, facility, lease or other instrument to which any member of the Fyffes Group is a party or by or to which any such member or any of its respective assets may be bound, entitled or subject and which, in consequence of the Acquisition or the proposed acquisition by any member of the Sumitomo Group of any shares or other securities (or the equivalent) in or control of Fyffes or any member of the Fyffes Group or because of a change in the control or management of any member of Fyffes or otherwise, would or would be reasonably expected to result in, in any such case to an extent which is material in value terms in the context of the Fyffes Group taken as a whole:
  - 3.4.1. any monies borrowed by, or any other indebtedness or liability (actual or contingent) of, or any grant available to any member of the Fyffes Group becoming payable, or becoming capable of being declared, repayable immediately or prior to their or its stated maturity, or the ability of any such member to borrow monies or incur any indebtedness being or becoming capable of being withdrawn or inhibited;
  - 3.4.2. the creation, save in the ordinary course of business, or enforcement of any mortgage, charge or other security interest wherever existing or having arisen over the whole or any part of the business, property or assets of any member of the Fyffes Group or any such mortgage, charge or other security interest becoming enforceable;
  - 3.4.3. the rights, liabilities, obligations, interests or business of any member of the Fyffes Group under any such arrangement, agreement, licence, permit, authorisation, franchise, facility, lease or other instrument or the rights, liabilities, obligations or interests or business of any member of the Fyffes Group in or with any other firm or company or body or person (or any agreement/arrangement or arrangements relating to any such business or interests) being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - 3.4.4. any material assets or interests of, or any asset the use of which is enjoyed by, any member of the Fyffes Group being or falling to be disposed of or charged or ceasing to be available to any member of the Fyffes Group or any right arising under which any such asset or interest would be required to be disposed of or charged or would cease to be available to any member of the Fyffes Group otherwise than in the ordinary course of business;

- 3.4.5. any member of the Fyffes Group ceasing to be able to carry on business in any jurisdiction in which it currently operates;
- 3.4.6. the value of, or the financial or trading position of any member of the Fyffes Group being prejudiced or adversely affected;
- 3.4.7. the creation or acceleration of any liability or liabilities (actual or contingent) by any member of the Fyffes Group other than the creation of trade creditors or other liabilities incurred in the ordinary course of business;
- 3.4.8. any material liability of any member of the Fyffes Group to make any severance, termination, bonus or other payment to any of the directors or other officers;

**Certain events occurring after the date of this Announcement**

- 3.5. except as Disclosed, and save as permitted in accordance with the terms of the Transaction Agreement, no member of the Fyffes Group having since 31 December 2015:
  - 3.5.1. save as between Fyffes and wholly owned Subsidiaries of Fyffes and save for the issue of Fyffes Ordinary Shares on the exercise of options granted under Fyffes Share Option Scheme issued, granted, conferred, or awarded or agreed to issue, grant, confer or award or authorised or proposed the issue of additional shares of any class, or any rights or securities convertible into or exchangeable for shares, or rights, warrants or options to subscribe for or acquire any such shares, securities or convertible securities;
  - 3.5.2. recommended, announced, declared, paid or made or proposed to recommend, announce, declare, pay or make any bonus issue, dividend or other distribution (whether in cash or otherwise) save for any dividend declared prior to the Effective Date by any wholly owned Subsidiary of Fyffes;
  - 3.5.3. save for transactions between Fyffes and its wholly owned Subsidiaries or between such wholly-owned Subsidiaries, merged with or demerged or acquired any body corporate, partnership or business or acquired or disposed of, or transferred, mortgaged or charged or created any security interest over, any material assets or any right, title or interest in any material asset (including shares and trade investments) or authorised, proposed or announced any intention to do so in each case which is material in the context of the Fyffes Group taken as a whole;
  - 3.5.4. save as between Fyffes and its wholly owned Subsidiaries or between such wholly owned Subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary and usual course of carrying out its current banking activities;
  - 3.5.5. issued, authorised or proposed the issue of any loan capital or debentures, or (save as between Fyffes and its wholly owned Subsidiaries or between such wholly owned Subsidiaries) incurred or increased any indebtedness or contingent liability over and above existing facilities currently available to the Fyffes Group and/or any member of the Fyffes Group, in any such case otherwise than in a manner which is materially consistent with the business of the Fyffes Group being conducted in the ordinary and usual course;
  - 3.5.6. entered into or varied or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary and usual course of business) which is of a long term, unusual or onerous nature, or magnitude which is, in any such case, material

- in the context of the Fyffes Group taken as a whole or which would be materially restrictive on the business of any material member of the Fyffes Group or the Sumitomo Group;
- 3.5.7. except in the ordinary and usual course of business, entered into or materially improved, or made any offer (which remains open for acceptance) to enter into or improve, the terms of the employment contract with any director of Fyffes or any person occupying one of the senior executive positions in the Fyffes Group;
  - 3.5.8. except in the ordinary and usual course of business, proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Fyffes Group, which in any such case would be material in the context of the incentive schemes operated by the Fyffes Group;
  - 3.5.9. made or agreed or consented to any significant change to the terms of the trust deeds (including the termination or partial termination of the trusts) constituting the pension schemes established for its directors, employees or their dependants or the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis on which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to any change to the trustees involving the appointment of a trust corporation, or causing any employee of the Fyffes Group to cease to be a member of any pension scheme by withdrawing as a participating employer in such pension scheme, or unlawfully terminating the employment of any active member of a pension scheme, or making any employee member of the Fyffes Group redundant, or exercising any discretion under the provisions governing such pension scheme, which in any such case would be material in the context of the pension schemes operated by Fyffes Group;
  - 3.5.10. save as between Fyffes and wholly owned Subsidiaries of Fyffes, purchased, redeemed or repaid or proposed the purchase, redemption or repayment of any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph 3.5.1 above, made any other change to any part of its share capital to an extent which (other than in the case of Fyffes) is material in the context of the Fyffes Group taken as a whole;
  - 3.5.11. waived or compromised any claim otherwise than in the ordinary and usual course of business which is material in the context of the Fyffes Group taken as a whole;
  - 3.5.12. (except where the consequences thereof would not be material (in value terms or otherwise) in the context of the Fyffes Group taken as a whole) and save for voluntary solvent liquidations, taken or proposed any corporate action or had any legal proceedings instituted or threatened against it in respect of its winding-up, dissolution, examination or reorganisation or for the appointment of a receiver, examiner, administrator, administrative receiver, trustee or similar officer of all or any part of its assets or revenues, or (A) any analogous proceedings in any jurisdiction, or (B) appointed any analogous person in any jurisdiction;
  - 3.5.13. altered the provisions of the memorandum and articles of association of any member of the Fyffes Group the effect of which is material in the context of the Fyffes Group taken as a whole; or



- 3.5.14. been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Fyffes Group taken as a whole;

#### **No Litigation, Regulatory or Similar**

- 3.6. except as Disclosed since 31 December 2015:

- 3.6.1. no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced, implemented or instituted by or against or remaining outstanding against or in respect of any member of the Fyffes Group or to which any member of the Fyffes Group is or may become a party (whether as plaintiff or defendant or otherwise) and no enquiry or investigation by or complaint or reference to any Relevant Authority against or in respect of any member of the Fyffes Group having been threatened, announced or instituted or remaining outstanding which, in any such case, might be reasonably likely to adversely affect any member of the Fyffes Group to an extent which is material to the Fyffes Group taken as a whole;
- 3.6.2. no contingent or other liability having arisen or being likely to arise or having become apparent to Sumitomo which is or would be likely to adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Fyffes Group to an extent which is material to the Fyffes Group taken as a whole; and
- 3.6.3. no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence, consent, permit or authorisation held by any member of the Fyffes Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and likely to adversely affect the Fyffes Group taken as a whole;

#### **No Discovery of Certain Matters**

- 3.7. save as Disclosed, no member of the Fyffes Group being in default under the terms or conditions of any facility or agreement or arrangement for the provision of loans, credit or drawdown facilities, or of any security, surety or guarantee in respect of any facility or agreement or arrangement for the provision of loans, credit or drawdown facilities to any member of the Fyffes Group (save where such default is not or would not be material (in value terms or otherwise) in the context of the Fyffes Group taken as a whole).

#### **No change in Capital or Indebtedness**

- 3.8. no options have been granted and remain unexercised under the Fyffes Share Option Scheme other than those Disclosed; or
  - 3.9. the aggregate outstanding Indebtedness of Fyffes and its wholly owned Subsidiaries is not greater than the total amount available to the Fyffes Group under its existing available facilities.
- 4. The Acquisition will be conditional on their having been no adverse change in the business, assets, financial or trading position, profits or prospects of any member of the Fyffes Group which is material in the context of the Fyffes Group taken as a whole, except as Disclosed.

5. Subject to the requirements of the Panel, Sumitomo reserve the right (but shall be under no obligation) to waive (to the extent permitted by applicable Law), in whole or in part, all or any of the conditions in paragraph 3.
6. If Sumitomo is required to make an offer for Fyffes Ordinary Shares under the provisions of Rule 9 of the Takeover Rules, Sumitomo may make such alterations to any of the conditions set out in paragraphs 1, 2, 3, and 4 above as are necessary to comply with the provisions of that rule.
7. Sumitomo reserves the right, subject to the prior written approval of the Panel, to effect the Acquisition by way of a Takeover Offer in the circumstances described in and subject to the terms of Clause 3.6 of the Transaction Agreement. Without limiting Clause 3.6 of the Transaction Agreement, in such event, such offer will be implemented on terms and conditions that are at least as favourable to the Fyffes Shareholders (except for an acceptance condition set at 80 per cent of the nominal value of the Fyffes Ordinary Shares to which such an offer relates and which are not already in the beneficial ownership of Sumitomo so far as applicable) as those which would apply in relation to the Scheme.
8. As required by Rule 12(b)(i) of the Takeover Rules, to the extent that the Acquisition would give rise to a concentration with a Community dimension within the scope of the EC Merger Regulation, the Scheme shall, except as otherwise approved by the Panel, lapse if the European Commission initiates proceedings in respect of that concentration under Article 6(1)(c) of the EC Merger Regulation or refers the concentration to a competent authority of a Member State under Article 9(1) of the EC Merger Regulation prior to the date of the Scheme Meeting.
9. Sumitomo and Bidco reserve the right for one or more of its Subsidiaries from time to time to implement the Acquisition with the prior written approval of the Panel.