



**TOTAL PRODUCE PLC  
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012**

**TOTAL PRODUCE RECORDS STRONG PERFORMANCE IN FIRST HALF OF 2012**

- Revenue \* up 5.0% to €1.4 billion
- Adjusted EBITDA \* up 10.0% to €36.7m
- Adjusted EBITA \* up 10.7% to €29.0m
- Adjusted profit before tax \* up 6.2% to €25.1m
- Adjusted earnings per share \* up 6.7% to 4.48 cent
- Interim dividend increased by 5.0% to 0.567 cent per share

\* As defined overleaf

**Commenting on the results, Carl McCann, Chairman, said:**

*“Total Produce has delivered a strong performance for the first half of 2012 with a 6.7% increase in adjusted earnings per share to 4.48 cent assisted by the positive contribution of acquisitions in the past 12 months.*

*We are pleased to report that the Group has concluded over €20m of investments in the first half of 2012. The largest investment was the acquisition of 50% of Frankort & Koning in the Netherlands. The Group has increased its shareholding in Capespan Group Limited, the leading South African produce company to 25.3%. We continue to actively pursue further investment opportunities.*

*The Group is raising the interim dividend by 5.0% to 0.567 cent per share and we are pleased to announce that we are increasing our full year earnings per share target towards the upper end of the range between 7.0 and 8.0 cent per share.”*

**4 September 2012**

*Any forward-looking statements made in this press release have been made in good faith based on the information available as of the date of this press release and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in these statements, and the Company undertakes no obligation to update any such statements whether as a result of new information, future events, or otherwise. Total Produce’s Annual Report contains and identifies important factors that could cause these developments or the Company’s actual results to differ materially from those expressed or implied in these forward-looking statements.*

**For further information, please contact:**

**Brian Bell, Wilson Hartnell PR – Tel: +353-1-669-0030**

**TOTAL PRODUCE PLC INTERIM RESULTS FOR THE  
SIX MONTHS ENDED 30 JUNE 2012**

	<b>2012</b>	2011	
	<b>€million</b>	€million	% change
Total revenue <sup>(i)</sup>	<b>1,399</b>	1,333	+5.0%
Group revenue	<b>1,214</b>	1,211	+ 0.2%
Adjusted EBITDA <sup>(ii)</sup>	<b>36.7</b>	33.4 *	+10.0%
Adjusted EBITA <sup>(iii)</sup>	<b>29.0</b>	26.2	+10.7%
Operating profit	<b>23.8</b>	23.8	-
Adjusted profit before tax <sup>(iv)</sup>	<b>25.1</b>	23.7	+6.2%
Profit before tax	<b>20.4</b>	21.7	(6.0%)
	<b>Euro cent</b>	Euro cent	% change
Adjusted earnings per share <sup>(v)</sup>	<b>4.48</b>	4.20	+ 6.7%
Basic and diluted earnings per share	<b>3.73</b>	4.12	(9.5%)
Interim dividend per share	<b>0.567</b>	0.540	+5.0%

(i) *Total revenue includes the Group's share of revenue of joint ventures & associates.*

(ii) *Adjusted EBITDA is earnings before interest, tax, depreciation, acquisition related intangible asset amortisation charges, acquisition related costs and exceptional items. It also excludes the Group's share of these items within joint ventures and associates.*

(iii) *Adjusted EBITA is earnings before interest, tax, acquisition related intangible asset amortisation charges, acquisition related costs and exceptional items. It also excludes the Group's share of these items within joint ventures and associates.*

(iv) *Adjusted profit before tax excludes acquisition related intangible amortisation charges, acquisition related costs and exceptional items. It also excludes the Group's share of these items within joint ventures and associates.*

(v) *Adjusted earnings per share excludes acquisition related intangible asset amortisation charges, acquisition related costs, exceptional items and related tax. It also excludes the Group's share of these items within joint ventures and associates.*

\* 2011 interim adjusted EBITDA restated to treat the Group's share of joint ventures & associates depreciation within the calculation

## Summary of Results

Total Produce (the 'Group') has recorded adjusted earnings per share <sup>(1)</sup> growth for the six month period ended 30 June 2012 of 6.7% to 4.48 cent (2011: 4.20 cent) which reflects a positive start to the year.

Revenue <sup>(2)</sup> grew 5.0% to €1.40 billion (2011: €1.33 billion) with adjusted EBITA <sup>(3)</sup> up 10.7% to €9.0m (2011: €6.2m). The results were assisted by the contribution of acquisitions completed in the past twelve months partially offset by the divestment of the Group's 50% interest in Capespan International Holdings Limited ('Capespan Europe'). The effect of currency translation had a marginally positive impact on the reported results due to the strength of Sterling against the Euro in the period. The overall result reflects the strength and broad base of the Group's operations despite weaker conditions in certain Eurozone locations.

Operating profit before exceptional items increased 5.6% to €3.5m (2011: €2.2m). The Group recognised an exceptional profit of €0.3m in the period relating to the profit on the divestment of the Group's 50% joint venture investment in Capespan Europe. This compares to a profit on disposal of €1.6m in the comparative period following the disposal of the Group's South African Farm investments. The result including these exceptional items was an operating profit of €3.8m similar to the comparative period in 2011.

Statutory profit before tax in the period was €0.4m (2011: €1.7m) with the decrease due primarily to lower exceptional gains and higher acquisition related intangible asset amortisation in the period. Excluding these items, adjusted profit before tax <sup>(4)</sup> increased by 6.2% to €5.1m (2011: €3.7m).

The Group continues to be very cash generative, with operating cashflows of €0.6m for the six month period (2011: €19.9m) before seasonal working capital outflows.

The Group has concluded a number of investments in the first half of 2012 for a total consideration of over €20m. The primary investment was the acquisition of a 50% interest in Frankort & Koning Beheer Venlo BV and subsidiaries ('Frankort & Koning'), a leading European Fresh Produce distributor with principal operations in the Netherlands, Germany and Poland. As part of the Group's divestment of its 50% interest in Capespan Europe, the Group has increased its effective shareholding in Capespan Group Limited, the leading South African Produce Company, to 25.3%. Further details on these investments are outlined below within development activity.

The Group is pleased to report a 5.0% increase in its interim dividend to 0.567 cent per share (2011: 0.540 cent per share).

## Operating Review

The table below details a segmental breakdown of the Group's revenue and adjusted EBITA for the six months ended 30 June 2012. Segment performance is evaluated based on revenue and adjusted EBITA.

	<i>(Unaudited)</i> 6 months to 30 June 2012		<i>(Unaudited)</i> 6 months to 30 June 2011	
	Segmental revenue €000	Adjusted EBITA €000	Segmental revenue €000	Adjusted EBITA €000
Eurozone Fresh Produce	652,668	10,410	658,510	13,022
Northern Europe Fresh Produce	327,364	10,755	319,854	8,962
UK Fresh Produce	252,917	3,969	256,422	3,529
Rest of World Fresh Produce	137,200	3,510	79,982	2,230
Inter-segment revenue	(22,739)	-	(21,167)	-
<b>Total Fresh Produce Distribution</b>	<b>1,347,410</b>	<b>28,644</b>	1,293,601	27,743
Healthfoods & Consumer Products Distribution	52,054	1,819	39,479	(134)
Unallocated costs	-	(1,505)	-	(1,447)
<b>Third party revenue and adjusted EBITA</b>	<b>1,399,464</b>	<b>28,958</b>	1,333,080	26,162

### Fresh Produce Division

The Group's core Fresh Produce Division is involved in the growing, sourcing, importing, packaging, marketing and distribution of hundreds of lines of fresh fruits, vegetables and flowers. This division is split into four distinct reporting segments.

Revenue in the division increased by 4.2% in the period to €1,347m (2011: €1,294m) with adjusted EBITA increasing 3.2% to €28.6m (2011: €27.7m). Net EBITA margins in the Fresh Produce Division at 2.13% were in line with comparative period. The results were assisted by acquisitions in the past twelve months offset to a certain extent by the divestment of the Group's 50% interest in Capespan Europe.

Trading conditions overall were satisfactory with a strong performance in Northern Europe offset by weaker conditions in certain Eurozone locations. The effect of currency translation had a marginally positive impact on the reported results in the period due to the strength of the average Sterling to Euro rate with the average Swedish Krona to Euro rate in line with the comparative period. On a like-for-like basis excluding impact of acquisitions, divestments and currency translation, volumes were marginally up but were held back by average price decreases leading to a marginal drop in revenue.

Further information on each reporting segment follows.

#### ***Eurozone Fresh Produce***

Revenue in the Eurozone division decreased marginally by 0.9% in the period to €653m (2011: €659m). Increased revenue as a result of the completion of the Frankort & Koning acquisition in March 2012 was offset by the effect of the divestment of the Continental European division of Capespan Europe in January 2012. Excluding the effect of acquisitions and divestments, volume increases were held back by average price decreases leading to a marginal drop in revenue on a like-for-like basis. Adjusted EBITA decreased 20.1% to €10.4m (2011: €13.0m) due to weaker trading conditions in certain Eurozone locations.

### ***Northern Europe Fresh Produce***

Reported revenue in the Group's Northern European business increased by 2% to €27m (2011: €20m). Adjusted EBITA increased by 20.0% to €10.8m (2011: €9.0m). In the prior period, reorganisation costs were incurred in completing the move to the new state-of-the-art distribution facility in Sweden.

### ***UK Fresh Produce***

Reported revenue in the Group's UK division has decreased by 1.4% in the period to €53m (2011: €56m). The results have been impacted by the divestment of the UK division of Capespan Europe in January 2012. This has been largely offset by the contribution of bolt-on acquisitions in the second half of 2011 and the positive impact on the reported results of the strengthening of Sterling in the period. Revenue on a like-for-like basis excluding the effect of acquisitions, divestments and currency translation was down 2.0% due to a decline in average prices with volumes stable.

Adjusted EBITA has increased by €0.5m to €4.0m (2011: €3.5m) with the contribution of bolt-on acquisitions in the second half of 2011, lower rationalisation costs in the period and the benefit of currency translation partly offset by the divestment of the UK division of Capespan Europe.

### ***Rest of World Fresh Produce***

This segment includes a number of fresh produce businesses in Eastern Europe, Asia and South Africa. The Group increased its investment in Capespan South Africa from 15.6% to 20.2% in the second half of 2011 and accordingly has accounted for its investment as an associate from July 2011 onwards, recording its share of revenues and after tax profits. As outlined earlier, in January 2012 the Group increased its investment in Capespan South Africa to an effective interest of 25.3% relating to the Group's divestment of its shareholding in Capespan Europe.

Primarily as a result of the Capespan South Africa transaction, reported revenue increased from €80m to €137m in the six months ended 30 June 2012 with adjusted EBITA increasing from €2.2m to €3.5m.

### **Healthfoods & Consumer Products Distribution Division**

This division is a full service distribution and marketing partner to the healthfoods, pharmacy, grocery and domestic consumer products sectors. This segment distributes to retail and wholesale outlets in Ireland and the United Kingdom.

Revenue in this division increased by 32% in the period to €2.1m (2011: €9.5m), with a net adjusted EBITA of €1.8m (2011: loss of €0.1m). The results were assisted by the positive contribution from acquisitions completed in the second half of 2011.

## Financial Review

### *Exceptional Items*

On 9 January 2012, the Group sold its 50% shareholding in the European fruit distribution business of Capespan Europe to Capespan South Africa for a total consideration of €13.0m satisfied by 20 million additional shares in Capespan South Africa (valued at €4.5m) and €8.5m in cash. A profit of €0.3m was recognised on the disposal of this investment. In the comparative period in 2011, there was an exceptional gain of €1.6m relating to the sale of the Group's joint venture interest in Rapiprop, a South African farming operation. See Note 5 of the accompanying financial information for further details of both items.

### *Net Financial Expense*

Net financial expense for the period was €3.3m (2011: €2.1m). Included within finance income in the comparative period was €0.4m of dividend income from Capespan South Africa. From July 2011 onwards, as a result of equity accounting for Capespan Group Limited, this dividend income is no longer recognised as finance income in the Group income statement. Excluding this finance income, the net finance expense increased by €0.8m in the period due to higher average debt in the period as a result of significant acquisition expenditure in the previous twelve months and higher cost of funds on Group facilities.

The Group's share of the net interest expense of joint ventures and associates in the period was €0.5m (2011: €0.4m). Net interest cover for the period was 8.6 times based on adjusted EBITA.

### *Profit Before Tax*

Statutory profit before tax in the period was €20.4m (2011: €21.7m) with the decrease due primarily to lower exceptional gains and higher acquisition related intangible asset amortisation in the period. Excluding exceptional items, acquisition related intangible asset amortisation and acquisition related costs, adjusted profit before tax<sup>(4)</sup> increased by 6.2% to €25.1m (2011: 23.7m).

### *Non-Controlling Interests*

The non-controlling interests' share of after tax profits in the period was €3.3m (2011: €3.1m). The increase on prior period was due to the non-controlling interests' share of after tax profits of acquisitions made in the second half of 2011 offset by lower after tax profits on a number of the Group's non-wholly owned subsidiaries in the Eurozone.

### *Adjusted and Basic Earnings per Share*

Adjusted earnings per share for the six months ended 30 June 2012 increased 6.7% to 4.48 cent per share (2011: 4.20 cent). Management believe that adjusted earnings per share excluding exceptional items, amortisation of acquisition related intangible assets, acquisition related costs and related tax on these items gives a fair reflection of the underlying trading performance of the Group. Basic earnings per share after these non-trading items amounted to 3.73 cent (2011: 4.12 cent).

## Cash Flow

Net debt at 30 June 2012 was €4.6m compared to €65.6m at 30 June 2011 and €75.6m at 31 December 2011. At 30 June 2012, the Group had available cash balances of €78.1m and interest bearing borrowings (including overdrafts) of €72.7m. Net debt to annualised adjusted EBITDA is 1.5 times and interest is covered 8.6 times by adjusted EBITA.

The Group generated €20.6m (2011: €19.9m) in operating cash flows in the first six months of 2012 before seasonal working capital outflows of €28.0m (2011: €24.5m). Cash outflows on maintenance capital expenditure, net of disposals, were €3.8m (2011: €3.5m). Dividends received from joint ventures & associates increased to €2.5m (2011: €1.5m).

Cash outflows on acquisitions of subsidiaries, investment in joint ventures and associates and acquisitions of non-controlling interests was €7.8m in the period. Expenditure (including leases) on development capital expenditure of €0.6m was down on expenditure of €7.7m in the comparative period which primarily related to the construction of an enlarged distribution facility in Sweden. As highlighted earlier, the Group sold its investment in Capespan Europe and received cash proceeds of €8.5m in the period. The final 2012 dividend of €4.5m (2011: €4.1m) was paid in the period.

There was a negative impact of €2.1m on translation of foreign currency net debt into Euro at 30 June 2012 due primarily to the stronger Sterling and Swedish Krona exchange rates at the period end compared to the rates prevailing at 31 December 2011.

	<i>(Unaudited)</i> <b>6 months to 30 June 2012</b> €million	<i>(Unaudited)</i> 6 months to 30 June 2011 €million	<i>(Audited)</i> Year ended 31 Dec 2011 €million
<b>Adjusted EBITDA</b>	<b>36.7</b>	33.4*	59.7
Deduct adjusted EBITDA of joint ventures & associates	<b>(5.4)</b>	(4.0)	(7.5)
Net interest and tax paid	<b>(8.4)</b>	(7.6)	(16.5)
Other	<b>(2.3)</b>	(1.9)	(4.5)
<b>Operating cash flows before working capital movements</b>	<b>20.6</b>	19.9	31.2
Working capital movements	<b>(28.0)</b>	(24.5)	(7.7)
<b>Operating cash flows</b>	<b>(7.4)</b>	(4.6)	23.5
Maintenance capital expenditure net of disposal proceeds	<b>(3.8)</b>	(3.5)	(7.5)
Dividends received from joint ventures & associates	<b>2.5</b>	1.5	1.8
Dividends paid to non-controlling interests	<b>(3.3)</b>	(3.1)	(4.9)
<b>Free cash flow</b>	<b>(12.0)</b>	(9.7)	12.9
Disposal of a joint venture interest	<b>8.5</b>	4.2	4.2
Acquisition payments (subsidiaries, joint ventures & associates, non-controlling interests)	<b>(7.8)</b>	(1.3)	(15.1)
Deferred consideration payments and other	<b>(0.5)</b>	(0.5)	(14.0)
Development capital expenditure (including finance leases)	<b>(0.6)</b>	(7.7)	(8.6)
Dividends paid to equity shareholders	<b>(4.5)</b>	(4.1)	(5.9)
<b>Total net debt movement in period</b>	<b>(16.9)</b>	(19.1)	(26.5)
Net debt at beginning of period	<b>(75.6)</b>	(47.9)	(47.9)
Foreign currency translation	<b>(2.1)</b>	1.4	(1.2)
<b>Net debt at end of period</b>	<b>(94.6)</b>	(65.6)	(75.6)

\* 2011 interim adjusted EBITDA restated to treat the Group's share of joint ventures and associates depreciation within the calculation

## **Defined Benefit Pension Obligations**

The net liability of the Group's defined benefit pension schemes (net of deferred tax) increased to €20.1m at 30 June 2012 from €4.8m at 31 December 2011. The increase in the liability is due to a significant decrease in the discount rates underlying the calculations of the present value of scheme obligations partially offset by increased return on pension scheme assets and a decrease in the long term inflation assumption.

## **Shareholders' Equity**

The balance sheet has further strengthened in the six month period ended 30 June 2012 with shareholders' equity increasing by €5.4m to €82.1m. The increase was due to earnings in the period of €12.3m attributable to equity shareholders and gains on the retranslation of the net assets of foreign currency denominated operations offset by actuarial losses on employee defined benefit pension schemes and the payment of the final 2011 dividend to equity shareholders of the Company.

## **Development Activity**

In the six month period ended 30 June 2012, the Group invested over €20m in the business, including estimated deferred consideration of up to €9.0m payable on the achievement of future profit targets.

On 9 January 2012, the Group completed the divestment of its 50% joint venture interest in Capespan Europe to Capespan South Africa for €13.0m satisfied by an exchange of 20 million additional shares in Capespan South Africa (valued at €4.5m) and €8.5m in cash. This transaction increased the Group's effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce previously owned 50% each of Capespan Europe. As noted in Note 5 of the accompanying financial information a profit of €0.3m was recognised on the sale of Capespan Europe and disclosed as an exceptional item in the income statement in the period.

On 13 March 2012, the Group completed the acquisition of a 50% shareholding in Frankort & Koning Beheer Venlo BV and subsidiaries ('Frankort & Koning'). Headquartered in Venlo, the Netherlands, Frankort & Koning have operations principally in the Netherlands, Germany and Poland. An initial consideration of €6.0m was paid on completion with additional consideration of up to €9.0m payable in several tranches over the next number of years contingent on meeting future profit targets.

In addition to the activity detailed above, the Group invested in a number of other subsidiary business interests and new and existing joint ventures in the period. The Group continues to actively pursue further investment opportunities in both new and existing markets.

## **Share Buyback**

Under the authority granted at the AGM in 2012, the Group is permitted to purchase up to 10% of its issued share capital in the market if the appropriate opportunity arises at a price which would not exceed 105% of the average price over the previous five trading days. The Group continues to consider exercising its authority should the appropriate opportunity arise.

## **Dividends**

The Board has declared an interim dividend of 0.567 cent per share, representing a 5.0% increase on the 2011 interim dividend of 0.540 cent per share. This dividend will be paid on the 19 October 2012 to shareholders on the register at 21 September 2012 and is subject to dividend withholding tax. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 30 June 2012.



## Outlook

Total Produce has delivered a strong performance for the first half of 2012 with a 6.7% increase in adjusted earnings per share to 4.48 cent assisted by the positive contribution of acquisitions in the past 12 months.

We are pleased to report that the Group has concluded over €20m of investments in the first half of 2012. The largest investment was the acquisition of 50% of Frankort & Koning in the Netherlands. The Group has increased its shareholding in Capespan Group Limited, the leading South African produce company to 25.3%. We continue to actively pursue further investment opportunities.

The Group is raising the interim dividend by 5.0% to 0.567 cent per share and we are pleased to announce that we are increasing our full year earnings per share target towards the upper end of the range of between 7.0 and 8.0 cent per share.

**Carl McCann, Chairman**  
**On behalf of the Board**  
**4 September 2012**

- (1) *Adjusted earnings per share excludes acquisition related intangible asset amortisation, acquisition related costs, exceptional items and related tax. It also excludes the Group's share of these items within joint ventures & associates. This calculation is set out in Note 6 of the accompanying financial information.*
- (2) *Revenue including Group's share of revenue of joint ventures & associates.*
- (3) *Adjusted EBITA is earnings before interest, tax, acquisition related intangible asset amortisation, acquisition related costs and exceptional items. It also excludes the Group's share of these items within joint ventures & associates. This calculation is set out in Note 4 of the accompanying financial information.*
- (4) *Adjusted profit before tax excludes acquisition related intangible asset amortisation, acquisition related costs, exceptional items and related tax. It also excludes the Group's share of these items with joint ventures & associates. This calculation is set out in Note 4 of the accompanying financial information.*

**Copies of this announcement will be available from the Company's registered office at Charles McCann Building, Rampart Road, Dundalk, Co. Louth, Ireland and on our website at [www.totalproduce.com](http://www.totalproduce.com).**

# Total Produce plc

## Condensed Group Income Statement

for the half year ended 30 June 2012

	<i>(Unaudited)</i> 6 months to 30 June 2012 Pre- exceptional €000	<i>(Unaudited)</i> 6 months to 30 June 2012 Exceptional items €000	<i>(Unaudited)</i> 6 months to 30 June 2012 Total €000	<i>(Unaudited)</i> 6 months to 30 June 2011 Pre- exceptional €000	<i>(Unaudited)</i> 6 months to 30 June 2011 Exceptional items €000	<i>(Unaudited)</i> 6 months to 30 June 2011 Total €000	<i>(Audited)</i> Year ended 31 Dec 2011 Pre- exceptional €000	<i>(Audited)</i> Year ended 31 Dec 2011 Exceptional items €000	<i>(Audited)</i> Year ended 31 Dec 2011 Total €000
Revenue, including Group share of joint ventures & associates	1,399,464	–	1,399,464	1,333,080	–	1,333,080	2,526,577	–	2,526,577
Group revenue	1,213,604	–	1,213,604	1,211,449	–	1,211,449	2,284,478	–	2,284,478
Cost of sales	(1,052,111)	–	(1,052,111)	(1,052,994)	–	(1,052,994)	(1,964,162)	–	(1,964,162)
<b>Gross profit</b>	<b>161,493</b>	–	<b>161,493</b>	158,455	–	158,455	320,316	–	320,316
Operating expenses	(140,239)	303	(139,936)	(138,021)	1,612	(136,409)	(287,346)	2,712	(284,634)
Share of profit of joint ventures and associates	2,209	–	2,209	1,775	–	1,775	3,442	–	3,442
<b>Operating profit</b>	<b>23,463</b>	<b>303</b>	<b>23,766</b>	22,209	1,612	23,821	36,412	2,712	39,124
Net financial expense	(3,348)	–	(3,348)	(2,098)	–	(2,098)	(4,748)	–	(4,748)
<b>Profit before tax</b>	<b>20,115</b>	<b>303</b>	<b>20,418</b>	20,111	1,612	21,723	31,664	2,712	34,376
Income tax (expense)/credit	(4,787)	–	(4,787)	(5,012)	–	(5,012)	(7,298)	663	(6,635)
<b>Profit for the period</b>	<b>15,328</b>	<b>303</b>	<b>15,631</b>	15,099	1,612	16,711	24,366	3,375	27,741
<i>Attributable to:</i>									
Equity holders of the parent			12,317			13,607			23,466
Non-controlling interests			3,314			3,104			4,275
			<u>15,631</u>			<u>16,711</u>			<u>27,741</u>
<b>Earnings per ordinary share</b>									
Basic			3.73 cent			4.12 cent			7.11 cent
Fully diluted			3.73 cent			4.12 cent			7.11 cent

**Total Produce plc**  
**Condensed Group Statement of Comprehensive Income**  
*for the half year ended 30 June 2012*

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2012</b> <b>€000</b>	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
<b>Profit for the period</b>	<b>15,631</b>	16,711	27,741
<b>Other comprehensive income:</b>			
Foreign currency translation effects:			
-foreign currency net investments - subsidiaries	<b>3,515</b>	(2,497)	2,196
-foreign currency net investments – joint ventures & associates	<b>268</b>	(899)	14
-foreign currency borrowings designated as net investment hedges	<b>(1,584)</b>	1,323	(1,380)
-foreign currency losses/(gains) reclassified to income statement on disposal of joint venture investment	<b>1,489</b>	(528)	(528)
Revaluation gains on property, plant and equipment, net (Losses)/gains on re-measuring available-for-sale financial assets, net	–	–	1,350
Reclassification of revaluation gains to income statement upon available-for-sale investment becoming an associate	–	–	(4,055)
Actuarial (losses)/gains on defined benefit pension schemes	<b>(7,216)</b>	865	(10,883)
Effective portion of cash flow hedges, net	<b>(18)</b>	13	25
Deferred tax on items taken directly to other comprehensive income	<b>958</b>	(568)	1,654
Share of joint ventures & and associates actuarial gains on defined benefit pension scheme	–	–	80
Share of joint ventures & associates effective portion of cash flow hedges, net	–	–	9
Share of joint ventures & and associates deferred tax on items taken directly to other comprehensive income	–	–	23
<b>Other comprehensive income for the period</b>	<b>(2,588)</b>	(2,318)	(9,467)
<b>Total comprehensive income for the period</b>	<b>13,043</b>	14,393	18,274
<i>Attributable to:</i>			
Equity holders of the parent	<b>9,740</b>	11,296	13,926
Non-controlling interests	<b>3,303</b>	3,097	4,348
	<b>13,043</b>	14,393	18,274

**Total Produce plc**  
**Condensed Group Balance Sheet**  
*as at 30 June 2012*

	<i>(Unaudited)</i> <b>30 June 2012</b> €000	<i>(Unaudited)</i> 30 June 2011 €000	<i>(Audited)</i> 31 Dec 2011 €000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	134,829	134,945	135,644
Investment property	11,084	12,880	10,881
Goodwill and intangible assets	152,091	136,585	152,493
Investments in joint ventures and associates	59,045	30,831	40,212
Other financial assets	637	9,651	647
Other receivables	5,563	3,286	4,290
Deferred tax assets	7,488	5,359	6,903
Employee benefits	–	2,769	–
<b>Total non-current assets</b>	<b>370,737</b>	<b>336,306</b>	<b>351,070</b>
<b>Current assets</b>			
Inventories	44,217	42,550	39,098
Trade and other receivables	326,783	295,855	268,126
Corporation tax receivable	966	562	2,075
Derivative financial instruments	873	211	57
Cash and cash equivalents	78,103	89,596	90,087
<b>Total current assets (excluding non-current assets classified as held for sale)</b>	<b>450,942</b>	<b>428,774</b>	<b>399,443</b>
Non-current assets classified as held for sale	–	–	11,064
<b>Total current assets</b>	<b>450,942</b>	<b>428,774</b>	<b>410,507</b>
<b>Total assets</b>	<b>821,679</b>	<b>765,080</b>	<b>761,577</b>
<b>Equity</b>			
Share capital	3,519	3,519	3,519
Share premium	252,574	252,574	252,574
Other reserves	(112,748)	(118,554)	(116,460)
Retained earnings	38,776	38,415	37,066
<b>Total equity attributable to equity holders of the parent</b>	<b>182,121</b>	<b>175,954</b>	<b>176,699</b>
Non-controlling interests	60,117	58,130	60,041
<b>Total equity</b>	<b>242,238</b>	<b>234,084</b>	<b>236,740</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	146,840	95,637	140,586
Deferred government grants	1,444	1,372	1,569
Other payables	2,580	2,857	2,582
Provisions	15,872	4,495	10,809
Corporation tax payable	7,754	8,110	7,754
Deferred tax liabilities	16,433	17,203	17,100
Employee benefits	24,080	10,625	18,058
<b>Total non-current liabilities</b>	<b>215,003</b>	<b>140,299</b>	<b>198,458</b>
<b>Current liabilities</b>			
Interest-bearing loans and borrowings	25,857	59,590	25,054
Trade and other payables	332,107	312,740	295,728
Provisions	3,396	14,737	1,634
Derivative financial instruments	691	290	309
Corporation tax payable	2,387	3,340	3,654
<b>Total current liabilities</b>	<b>364,438</b>	<b>390,697</b>	<b>326,379</b>
<b>Total liabilities</b>	<b>579,441</b>	<b>530,996</b>	<b>524,837</b>
<b>Total liabilities and equity</b>	<b>821,679</b>	<b>765,080</b>	<b>761,577</b>

**Total Produce plc**  
**Condensed Group Statement of Changes in Equity**  
*for the half year ended 30 June 2012*

For the half year ended 30 June 2012 (Unaudited)

As at 1 January 2012

**Comprehensive income**

Profit for the period

**Other comprehensive income:**

Foreign currency translation effects

Actuarial losses on defined benefit pension schemes, net

Effective portion of cash flow hedges, net

Deferred tax on items taken directly to other comprehensive income

Total other comprehensive income

**Total comprehensive income**

**Transactions with equity holders of the parent :**

Contribution by non-controlling interests

Dividends

Share-based payment transactions

**Total transactions with equity holders of the parent**

As at 30 June 2012

	<i>Attributable to equity holders of the parent</i>									<i>Non-controlling interest</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Share premium</i>	<i>Currency translation reserve</i>	<i>Revaluation reserve</i>	<i>De-merger Reserve</i>	<i>Own shares reserve</i>	<i>Other equity reserves</i>	<i>Retained earnings</i>	<i>Total</i>		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
As at 1 January 2012	3,519	252,574	(5,808)	19,296	(122,521)	(8,580)	1,153	37,066	176,699	60,041	236,740
<b>Comprehensive income</b>											
Profit for the period	–	–	–	–	–	–	–	12,317	12,317	3,314	15,631
<b>Other comprehensive income:</b>											
Foreign currency translation effects	–	–	3,585	–	–	–	–	–	3,585	103	3,688
Actuarial losses on defined benefit pension schemes, net	–	–	–	–	–	–	–	(7,093)	(7,093)	(123)	(7,216)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	(13)	–	(13)	(5)	(18)
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	4	940	944	14	958
Total other comprehensive income	–	–	3,585	–	–	–	(9)	(6,153)	(2,577)	(11)	(2,588)
<b>Total comprehensive income</b>	–	–	3,585	–	–	–	(9)	6,164	9,740	3,303	13,043
<b>Transactions with equity holders of the parent :</b>											
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	57	57
Dividends	–	–	–	–	–	–	–	(4,454)	(4,454)	(3,284)	(7,738)
Share-based payment transactions	–	–	–	–	–	–	136	–	136	–	136
<b>Total transactions with equity holders of the parent</b>	–	–	–	–	–	–	136	(4,454)	(4,318)	(3,227)	(7,545)
As at 30 June 2012	3,519	252,574	(2,223)	19,296	(122,521)	(8,580)	1,280	38,776	182,121	60,117	242,238

**Total Produce plc**  
**Condensed Group Statement of Changes in Equity**  
*for the half year ended 30 June 2012 (Continued)*

	<i>Attributable to equity holders of the parent</i>									<i>Non-controlling interest</i>	<i>Total equity</i>
	<i>Share capital</i>	<i>Share premium</i>	<i>Currency translation reserve</i>	<i>Revaluation reserve</i>	<i>De-merger Reserve</i>	<i>Own shares reserve</i>	<i>Other equity reserves</i>	<i>Retained earnings</i>	<i>Total</i>		
<b>For the half year ended 30 June 2011 (Unaudited)</b>											
As at 1 January 2011	3,519	252,574	(6,005)	17,938	(122,521)	(8,580)	3,054	28,621	168,600	57,999	226,599
<b>Comprehensive income:</b>											
Profit for the period	–	–	–	–	–	–	–	13,607	13,607	3,104	16,711
<b>Other comprehensive income:</b>											
Foreign currency translation effects	–	–	(2,594)	–	–	–	–	–	(2,594)	(7)	(2,601)
Losses on re-measuring available-for-sale financial assets, net	–	–	–	–	–	–	(27)	–	(27)	–	(27)
Actuarial gains on defined benefit pension schemes, net	–	–	–	–	–	–	–	843	843	22	865
Effective portion of cash flow hedges, net	–	–	–	–	–	–	43	–	43	(30)	13
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	(20)	(556)	(576)	8	(568)
<b>Total other comprehensive income</b>	–	–	(2,594)	–	–	–	(4)	287	(2,311)	(7)	(2,318)
<b>Total comprehensive income</b>	–	–	(2,594)	–	–	–	(4)	13,894	11,296	3,097	14,393
<b>Transactions with equity holders of the parent :</b>											
Non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	–	130	130
Dividends	–	–	–	–	–	–	–	(4,100)	(4,100)	(3,096)	(7,196)
Share-based payment transactions	–	–	–	–	–	–	158	–	158	–	158
<b>Total transactions with equity holders of the parent</b>	–	–	–	–	–	–	158	(4,100)	(3,942)	(2,966)	(6,908)
<b>As at 30 June 2011</b>	<b>3,519</b>	<b>252,574</b>	<b>(8,599)</b>	<b>17,938</b>	<b>(122,521)</b>	<b>(8,580)</b>	<b>3,208</b>	<b>38,415</b>	<b>175,954</b>	<b>58,130</b>	<b>234,084</b>

**Total Produce plc**  
**Condensed Group Statement of Changes in Equity**

for the half year ended 30 June 2012 (Continued)

For the year ended 31 December 2011 (Audited)  
As at 1 January 2011

**Comprehensive income**

Profit for the year

**Other comprehensive income:**

Foreign currency translation effects

Revaluation gains on property, plant and equipment, net

Gains on re-measuring available-for-sale financial assets, net

Reclassification of revaluation gains to income statement

upon available-for-sale investment becoming an associate

Actuarial losses on defined benefit pension schemes, net

Effective portion of cash flow hedges, net

Deferred tax on items taken directly to other comprehensive income

Share of joint ventures & associates actuarial gain on defined benefit pension scheme

Share of joint ventures & associates gain on re-measuring available-for-sale financial assets

Share of joint ventures & associates deferred tax on items taken directly to other comprehensive income

Total other comprehensive income

**Total comprehensive income**

**Transactions with equity holders of the parent**

Non-controlling interests arising on acquisition

Buyout of non-controlling interests arising on acquisition

Dividends

Share-based payment transactions

**Total transactions with equity holders of the parent**

As at 31 December 2011

	Attributable to equity holders of the parent									Non-controlling interests €000	Total equity €000
	Share capital €000	Share premium €000	Currency translation reserve €000	Revaluation reserve €000	De-merger Reserve €000	Own shares reserve €000	Other equity reserves €000	Retained earnings €000	Total €000		
As at 1 January 2011	3,519	252,574	(6,005)	17,938	(122,521)	(8,580)	3,054	28,621	168,600	57,999	226,599
<b>Comprehensive income</b>											
Profit for the year	–	–	–	–	–	–	–	23,466	23,466	4,275	27,741
<b>Other comprehensive income:</b>											
Foreign currency translation effects	–	–	197	–	–	–	–	–	197	105	302
Revaluation gains on property, plant and equipment, net	–	–	–	1,398	–	–	–	–	1,398	(48)	1,350
Gains on re-measuring available-for-sale financial assets, net	–	–	–	–	–	–	2,028	–	2,028	–	2,028
Reclassification of revaluation gains to income statement upon available-for-sale investment becoming an associate	–	–	–	–	–	–	(4,055)	–	(4,055)	–	(4,055)
Actuarial losses on defined benefit pension schemes, net	–	–	–	–	–	–	–	(10,745)	(10,745)	(138)	(10,883)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	14	–	14	11	25
Deferred tax on items taken directly to other comprehensive income	–	–	–	(40)	–	–	(6)	1,557	1,511	143	1,654
Share of joint ventures & associates actuarial gain on defined benefit pension scheme	–	–	–	–	–	–	–	80	80	–	80
Share of joint ventures & associates gain on re-measuring available-for-sale financial assets	–	–	–	–	–	–	–	9	9	–	9
Share of joint ventures & associates deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	23	23	–	23
Total other comprehensive income	–	–	197	1,358	–	–	(2,019)	(9,076)	(9,540)	73	(9,467)
<b>Total comprehensive income</b>	–	–	197	1,358	–	–	(2,019)	14,390	13,926	4,348	18,274
<b>Transactions with equity holders of the parent</b>											
Non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	–	2,715	2,715
Buyout of non-controlling interests arising on acquisition	–	–	–	–	–	–	–	(63)	(63)	(141)	(204)
Dividends	–	–	–	–	–	–	–	(5,882)	(5,882)	(4,880)	(10,762)
Share-based payment transactions	–	–	–	–	–	–	118	–	118	–	118
<b>Total transactions with equity holders of the parent</b>	–	–	–	–	–	–	118	(5,945)	(5,827)	(2,306)	(8,133)
As at 31 December 2011	3,519	252,574	(5,808)	19,296	(122,521)	(8,580)	1,153	37,066	176,699	60,041	236,740

**Total Produce plc**  
**Condensed Group Statement of Cash Flows**

for the half year ended 30 June 2012

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2012</b> €000	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
<b>Net cash flows from operating activities before working capital movements (Note 10)</b>	<b>20,576</b>	19,889	31,228
Increase in working capital	<b>(27,999)</b>	(24,490)	(7,747)
<b>Net cash flows from operating activities</b>	<b>(7,423)</b>	(4,601)	23,481
<b>Investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	<b>(635)</b>	(98)	(7,973)
Acquisition of, and investment in, joint ventures & associates including loans	<b>(7,131)</b>	(531)	(6,192)
Acquisition of other financial assets	<b>(2)</b>	–	(30)
Payments of deferred consideration	<b>(311)</b>	(281)	(14,086)
Acquisition of property, plant & equipment	<b>(4,535)</b>	(10,599)	(15,531)
Proceeds from disposal of property, plant & equipment	<b>440</b>	488	725
Dividends received from joint ventures & associates	<b>2,466</b>	1,549	1,760
Proceeds from disposal of joint venture	<b>8,456</b>	4,172	4,172
Research and development expenditure capitalised	<b>(77)</b>	(232)	(156)
Software costs capitalised	<b>(235)</b>	–	–
Government grants received	<b>18</b>	–	296
<b>Net cash flows from investing activities</b>	<b>(1,546)</b>	(5,532)	(37,015)
<b>Financing activities</b>			
Net (repayment)/drawdown of borrowings	<b>(14,212)</b>	2,770	12,784
Capital element of finance lease repayments	<b>(577)</b>	(137)	(274)
Dividends paid to equity holders of the parent	<b>(4,454)</b>	(4,100)	(5,882)
Acquisition of non-controlling interests	<b>–</b>	(636)	(841)
Capital contribution by non-controlling interests	<b>57</b>	–	–
Dividends paid to non-controlling interests	<b>(3,284)</b>	(3,096)	(4,880)
<b>Net cash flows from financing activities</b>	<b>(22,470)</b>	(5,199)	907
<b>Net decrease in cash, cash equivalents &amp; overdrafts</b>	<b>(31,439)</b>	(15,332)	(12,627)
Cash, cash equivalents and & overdrafts at start of period	<b>85,813</b>	97,916	97,916
Net foreign exchange difference	<b>517</b>	(200)	524
<b>Cash, cash equivalents &amp; overdrafts at end of period</b>	<b>54,891</b>	82,384	85,813

**Total Produce plc**  
**Condensed Summary Group Reconciliation of Net Debt**

for the half year ended 30 June 2012

	<i>(Unaudited)</i> <b>30 June 2012</b> €000	<i>(Unaudited)</i> 30 June 2011 €000	<i>(Audited)</i> 31 Dec 2011 €000
<b>Net decrease in cash, cash equivalents &amp; overdrafts</b>	<b>(31,439)</b>	(15,332)	(12,627)
Net repayment/(drawdown) of borrowings	<b>14,212</b>	(2,770)	(12,784)
Capital element of finance lease repayments	<b>577</b>	137	274
Other movements on finance leases	<b>(327)</b>	(1,142)	(1,327)
Foreign exchange movement	<b>(2,064)</b>	1,411	(1,154)
<b>Movement in net debt</b>	<b>(19,041)</b>	(17,696)	(27,618)
Net debt at beginning of period	<b>(75,553)</b>	(47,935)	(47,935)
<b>Net debt at end of period</b>	<b>(94,594)</b>	(65,631)	(75,553)



# Total Produce plc

## Notes to the Interim Results for the half year ended 30 June 2012

### 1. Basis of preparation

The condensed consolidated interim financial statements of Total Produce plc as at and for the six months ended 30 June 2012 have been prepared in accordance with the recognition and measurement requirements of IAS 34 *Interim Financial Reporting*, as adopted by the EU. The accounting policies and methods of computation adopted in the preparation of the financial information are consistent with those set out in the Group's consolidated financial statements for the year ended 31 December 2011, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The interim financial information for both the six months ended 30 June 2012 and the comparative six months ended 30 June 2011 are unaudited. The financial information for the year ended 31 December 2011 represents an abbreviated version of the Group's statutory financial statements for that year. Those statutory financial statements contained an unqualified audit report and have been filed with the Registrar of Companies.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2011.

The financial information is presented in Euro, rounded to the nearest thousand. These condensed consolidated interim financial statements were approved by the Board of Directors on 3 September 2012.

#### *Changes in accounting policy*

The following are new standards that are effective for the Group's financial year ending on 31 December 2012 and that had no significant impact on the results of financial position of the Group for the period ended 30 June 2012:

- Amendment to IFRS 7 – Financial Instruments: Disclosures – Transfers of Financial Assets
- Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets

#### *Amendments to existing standards*

During the period, a number of amendments to accounting standards became effective. These have been considered by the directors and have not had a significant impact on the Group's consolidated financial statements.

## 2. Translation of foreign currencies

The reporting currency of the Group is Euro. Results and cash flows of foreign currency denominated operations have been translated into Euro at the exchange rate at the date of the transaction or an average exchange rate for the period where appropriate, and the related balance sheets have been translated at the rates of exchange ruling at the balance sheet date. Adjustments arising on the translation of the results of foreign currency denominated operations at average rates, and on restatement of the opening net assets at closing rates, are dealt with within a separate translation reserve within equity, net of differences on related foreign currency borrowings. All other translation differences are taken to the income statement. The principal rates used in the translation of results and balance sheets into Euro were as follows:

	Average rate 6 months to			Closing rate		
	30 June 2012	30 June 2011	% change	30 June 2012	31 Dec 2011	% change
Pound Sterling	<b>0.8144</b>	<b>0.8697</b>	<b>6.4%</b>	0.8091	0.8353	3.1%
Swedish Krona	<b>8.8860</b>	<b>8.9399</b>	<b>0.6%</b>	8.7590	8.8990	1.6%
Czech Koruna	<b>25.1382</b>	<b>24.3584</b>	<b>(3.2%)</b>	25.5310	25.5018	(0.1%)
Danish Kroner	<b>7.4352</b>	<b>7.4561</b>	<b>0.3%</b>	7.4339	7.4322	0.0%
South African Rand	<b>10.2972</b>	<b>9.6719</b>	<b>(6.5%)</b>	10.3783	10.4802	1.0%

## 3. Segmental Analysis

In accordance with IFRS 8, the Group's reportable operating segments based on how performance is assessed and resources are allocated are as follows:

- *Eurozone Fresh Produce*: This segment is an aggregation of operating segments in the Eurozone involved in the procurement and distribution of fresh produce. These operating segments have been aggregated because they have similar economic characteristics.
- *Northern Europe Fresh Produce*: This operating segment is involved in the procurement and distribution of fresh produce in Sweden and Denmark.
- *UK Fresh Produce*: This operating segment is involved in the procurement and distribution of fresh produce in the UK.
- *Healthfoods & Consumer Products Distribution*: This segment is a full service distribution and marketing partner to the healthfoods, pharmacy, grocery and domestic consumer products sectors. This segment distributes to retail and wholesale outlets in Ireland and the United Kingdom.

A further three operating segments involved in the fresh produce business within Eastern Europe, South Africa and Asia have been identified which are combined below under 'Rest of World Fresh Produce' as they are not individually material.

Segment performance is evaluated based on revenue and adjusted EBITA. Management believes that adjusted EBITA, while not a defined term under IFRS, gives a fair reflection of the underlying trading performance of the Group. Adjusted EBITA represents earnings before interest, tax, amortisation of acquisition related intangible assets, acquisition related costs and exceptional items. It also excludes the Group's share of these items within joint ventures & associates. Adjusted EBITA is, therefore, measured differently from operating profit in the Group financial statements as explained and reconciled in full detail in the analysis that follows.

Financial costs, financial income, income taxes and certain corporate costs are managed on a centralised basis, these items are not allocated between operating segments for the purpose of the information presented to the Chief Operating Decision Maker ('CODM') and are, accordingly, omitted from the detailed segmental analysis that follows.

### 3. Segmental Analysis (continued)

	<i>(Unaudited)</i> 6 months to 30 June 2012		<i>(Unaudited)</i> 6 months to 30 June 2011		<i>(Audited)</i> Year ended 31 Dec 2011	
	Segmental revenue €000	Adjusted EBITA €000	Segmental revenue €000	Adjusted EBITA €000	Segmental revenue €000	Adjusted EBITA €000
Eurozone Fresh Produce	652,668	10,410	658,510	13,022	1,205,234	19,826
Northern Europe Fresh Produce	327,364	10,755	319,854	8,962	595,340	16,441
UK Fresh Produce	252,917	3,969	256,422	3,529	485,414	5,871
Rest of World Fresh Produce	137,200	3,510	79,982	2,230	170,989	4,489
Inter-segment revenue	(22,739)	–	(21,167)	–	(29,729)	–
<b>Total Fresh Produce</b>	<b>1,347,410</b>	<b>28,644</b>	<b>1,293,601</b>	<b>27,743</b>	<b>2,427,248</b>	<b>46,627</b>
<b>Healthfoods &amp; Consumer Products</b>	<b>52,054</b>	<b>1,819</b>	<b>39,479</b>	<b>(134)</b>	<b>99,329</b>	<b>1,213</b>
Unallocated costs	–	(1,505)	–	(1,447)	–	(2,881)
<b>Third party revenue and adjusted EBITA</b>	<b>1,399,464</b>	<b>28,958</b>	<b>1,333,080</b>	<b>26,162</b>	<b>2,526,577</b>	<b>44,959</b>

All inter-segment revenue transactions are at arm's length.

#### Reconciliation of segmental profit to operating profit

Below is a reconciliation of adjusted EBITA per management reporting to operating profit and profit before tax per the Group income statement.

	<i>Note</i>	<i>(Unaudited)</i> 6 months to 30 June 2012 €000	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
<b>Adjusted EBITA per management reporting</b>		<b>28,958</b>	26,162	44,959
Acquisition related intangible asset amortisation in subsidiaries	(i)	(3,256)	(2,538)	(5,501)
Acquisition related costs	(ii)	(169)	–	(615)
Share of joint ventures & associates acquisition related intangible asset amortisation	(iii)	(626)	(234)	(535)
Share of joint ventures & associates interest	(iii)	(490)	(414)	(507)
Share of joint ventures & associates tax	(iii)	(954)	(767)	(1,389)
<b>Operating profit before exceptional items</b>		<b>23,463</b>	22,209	36,412
Exceptional items (Note 5)	(iv)	303	1,612	2,712
<b>Operating profit after exceptional items</b>		<b>23,766</b>	23,821	39,124
Financial income/expense, net	(v)	(3,348)	(2,098)	(4,748)
<b>Profit before tax</b>		<b>20,418</b>	21,723	34,376

### 3. Segmental Analysis (continued)

- (i) Acquisition related intangible asset amortisation is not allocated to operating segments in the Group's management reporting.
- (ii) Acquisition related costs include legal fees and other professional service fees on completed acquisitions of subsidiaries which are not allocated to operating segments in the Group's management reporting. From 1 January 2010, upon adoption of IFRS 3 *Business Combinations* (2008) these costs no longer form part of the acquisition cost and are expensed through the income statement.
- (iii) Under IFRS, included within profit before tax is the share of joint ventures & associates profit after acquisition related intangible asset amortisation charges, tax and interest. In the Group's management reporting the Group's share of these items is excluded from the adjusted EBITA calculation.
- (iv) Exceptional items (Note 5) are not allocated to operating segments in the management reporting.
- (v) Financial income and expense is primarily managed at Group level, and is therefore not allocated to individual operating segments in the management reporting.

### 4. Adjusted profit before tax, adjusted EBITA and adjusted EBITDA

For the purpose of assessing the Group's performance, Total Produce management believes that adjusted EBITA, adjusted profit before tax and adjusted earnings per share (Note 6) are the most appropriate measures of the underlying performance of the Group.

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2012</b> <b>€000</b>	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
Profit before tax per income statement	<b>20,418</b>	21,723	34,376
<i>Adjustments</i>			
Exceptional items (Note 5)	<b>(303)</b>	(1,612)	(2,712)
Group share of tax charge of joint ventures & associates	<b>954</b>	767	1,389
Acquisition related intangible asset amortisation including share of joint ventures & associates	<b>3,882</b>	2,772	6,036
Acquisition related costs	<b>169</b>	–	615
<b>Adjusted profit before tax</b>	<b>25,120</b>	23,650	39,704
<i>Exclude;</i>			
Financial income/expense, net – Group	<b>3,348</b>	2,098	4,748
Financial income/expense, net – share of joint ventures & associates	<b>490</b>	414	507
<b>Adjusted EBITA</b>	<b>28,958</b>	26,162	44,959
<i>Exclude;</i>			
Depreciation – Group	<b>6,675</b>	6,465	13,153
Depreciation – share of joint ventures & associates	<b>1,111</b>	768	1,626
<b>Adjusted EBITDA</b>	<b>36,744</b>	33,395	59,738

## 5. Exceptional Items

	<i>(Unaudited)</i> <b>6 months to 30 June 2012</b> €000	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
Profit on disposal of joint ventures (a)	<b>303</b>	1,612	1,612
Gains on available-for-sale financial assets reclassified from other comprehensive income to income statement (b)	–	–	4,055
Pension curtailment gain (c)	–	–	926
Impairment of property, plant and equipment (d)	–	–	(1,331)
Revaluation of investment property (e)	–	–	(2,550)
<b>Total exceptional items</b>	<b>303</b>	1,612	2,712
Tax on exceptional items	–	–	663
<b>Total</b>	<b>303</b>	1,612	3,375

### (a) *Profit on disposal of joint ventures*

On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in the European fruit distribution business of Capespan International Holdings Limited ('Capespan Europe') to Capespan Group Limited ('Capespan South Africa') for a total consideration of €13,030,000 satisfied by the exchange of an additional 20 million shares in Capespan South Africa (valued at €4,574,000) and €8,456,000 in cash. This transaction resulted in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce both previously owned 50% each of Capespan Europe. A profit of €303,000 was recognised on disposal of this investment comprising the €1,792,000 difference between the sales proceeds and the joint venture's carrying value of €1,238,000 offset by the reclassification of €1,489,000 of currency translation losses from equity to the income statement.

In May 2011, the Group disposed of its 40% joint venture interest in Rapiprop, a South African farms investment group to Capespan Group Limited for cash proceeds of €4,172,000. A profit of €1,612,000 was recognised on disposal of this investment comprising the €1,084,000 difference between the sales proceeds and the joint venture's carrying value of €3,088,000 together with the reclassification of €28,000 of currency translation differences from equity to the income statement.

Both of these items have been classified as exceptional to distinguish them from operating profits of the Group.

### (b) *Gains on available-for-sale financial assets reclassified from other comprehensive income to the income statement*

In July 2011, as a result of increasing its shareholding, the Group commenced equity accounting for its investment in Capespan South Africa. As part of this exercise, the previously held shareholding was fair valued at this date resulting in an uplift of €2,028,000. This uplift, together with previously recognised fair value gains in the available-for-sale reserve of €2,027,000 relating to Capespan South Africa, were reclassified to the income statement resulting in an exceptional gain of €4,055,000.

### (c) *Pension curtailment gain*

The pension curtailment gain of €26,000 represents the net present value of a reduction in prospective pension entitlements foregone in respect of a number of employees. The reduction in the Group scheme obligations was recognised in the Income Statement for the year ended 31 December 2011. The deferred tax charge on this exceptional gain amounted to €16,000.

## 5. Exceptional Items (continued)

### (d) Impairment of property, plant and equipment

On revaluation of the Group's properties in 2011, in addition to the net revaluation gains of €1,350,000 included in other comprehensive income, properties where the carrying value exceeded market value were identified, resulting in an impairment charge of €1,331,000 to the income statement.

### (e) Revaluation of investment property

Fair value losses, amounting to €2,550,000 have been recognised in the income statement in 2011 in relation to investment property. A deferred tax credit of €79,000 was recognised in the income statement as a result of these revaluations.

## 6. Earnings per share

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2012</b> <b>€000</b>	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
Profit attributable to equity holders of the parent	<b>12,317</b>	13,607	23,466
	<b>'000</b>	<b>'000</b>	<b>'000</b>
Shares for basic and diluted adjusted earnings per share calculation	<b>329,887</b>	329,887	329,887
<b>Basic and diluted earnings per share - €cent</b>	<b><u>3.73</u></b>	<b><u>4.12</u></b>	<b><u>7.11</u></b>
	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2012</b> <b>€000</b>	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
<b>Calculation of adjusted earnings per share</b>			
Profit attributable to equity holders of the parent	<b>12,317</b>	13,607	23,466
<b>Adjustments:</b>			
Acquisition related intangible asset amortisation (including share of joint ventures & associates)	<b>3,882</b>	2,772	6,036
Exceptional items (Note 5)	<b>(303)</b>	(1,612)	(2,712)
Acquisition related costs	<b>169</b>	–	615
Tax effect of amortisation charges, acquisition related costs and exceptional items	<b>(890)</b>	(678)	(2,367)
Non-controlling interests' impact of amortisation charges, acquisition related costs, exceptional items & related tax	<b>(390)</b>	(228)	(1,148)
<b>Adjusted fully diluted earnings</b>	<b>14,785</b>	13,861	23,890
<b>Adjusted fully diluted earnings per share</b>	<b>4.48</b>	4.20	7.24

Adjusted fully diluted earnings per share is calculated to adjust for acquisition related intangible asset amortisation, acquisition related costs, exceptional items, related tax charges/credits and the impact of any share options with a dilutive effect.

Share options outstanding at the 30 June 2012 (7,260,000), 30 June 2011 (7,310,000) and 31 December 2011 (7,260,000) were non-dilutive for all periods. Therefore, the weighted average number of shares outstanding applied in the calculation of basic and adjusted earnings per share is the same.

## 7. Employee benefits

	<i>(Unaudited)</i> <b>6 months to 30 June 2012</b> €000	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
Net liability at beginning of period	<b>(18,058)</b>	(11,033)	(11,033)
Current/past service cost less net finance income recognised in income statement	<b>(1,409)</b>	(1,079)	(1,689)
Curtailment gain recognised in the income statement	-	-	926
Employer contributions to schemes	<b>2,838</b>	3,200	4,842
Actuarial (losses)/gains recognised in other comprehensive income	<b>(7,216)</b>	865	(10,883)
Translation adjustment	<b>(235)</b>	191	(221)
<b>Net liability at end of period</b>	<b>(24,080)</b>	(7,856)	(18,058)
Related deferred tax asset	<b>4,024</b>	1,321	3,246
<b>Net liability after tax at the end of the period</b>	<b>(20,056)</b>	(6,535)	(14,812)

The table above summarises the movements in the net liability of the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe. The Group's balance sheet at 30 June 2012 reflects pension liabilities of €24.1m in respect of schemes in deficit, resulting in a net deficit of €20.1m after deferred tax.

The current/past service cost is charged in the income statement, net of the finance income on scheme assets and liabilities. Actuarial gains and losses are recognised in other comprehensive income.

In determining the valuation of pension obligations, consultation with independent actuaries is required. The estimation of employee benefit obligations requires the determination of appropriate assumptions such as discount rates and expected future rates of return.

The increase in the net deficit during the period was due to a significant increase in the net obligations of the pension schemes offset partly by positive returns on pension scheme assets. The primary reason for the increase in the net obligations of the pension scheme was a decrease in discount rates in the Eurozone and, to a lesser extent, a marginal decrease in the UK discount rate which led to an increase in the net present value of the schemes' obligations. This was offset in part by a decrease in the long term inflation assumption in the period.

## 8. Dividends

The Board has approved an interim dividend of 0.567 cent per share which represents a 5.0% increase on the 2011 interim dividend of 0.540 cent per share. This dividend, which will be subject to Irish withholding tax rules, will be paid on 19 October 2012 to shareholders on the register at 21 September 2012. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 30 June 2012. The final dividend for 2011 of €4,454,000 was paid in May 2012.

Also during the period, the Group paid dividends of €3,284,000 (2011: €3,096,000) to non-controlling shareholders in certain of the Group's non wholly-owned subsidiaries.

## 9. Businesses acquired and other developments

In the six months to 30 June 2012, the Group made the following investments in the business.

### *Investment in joint ventures and associates*

The Group invested over €20m including fees and up to €9.0m deferred consideration payable on achievement of profit targets in a number of new and existing joint ventures & associates.

On 13 March 2012 the Group completed the acquisition of a 50% shareholding in Frankort & Koning Beheer Venlo BV and subsidiaries ('Frankort & Koning'). Headquartered in Venlo, The Netherlands, Frankort & Koning have operations principally in the Netherlands, Germany and Poland. An initial consideration, of €6.0m was paid on completion with additional consideration of up to €9.0m payable in several tranches over the next number of years if certain profit targets are met. The fair value of the contingent consideration recognised at the date of acquisition of €7.1m was arrived at by discounting the expected payment to present value.

On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in the European fruit distribution business Capespan Europe to Capespan South Africa for a total consideration of €13.0m satisfied by the exchange of an additional 20 million shares in Capespan South Africa (valued at €4.5m) and €8.5m in cash. This transaction resulted in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. Capespan South Africa and Total Produce both previously owned 50% each of Capespan Europe.

Also during the period the Group invested in a number of new and existing joint venture interests in its Fresh Produce division.

The initial assignment of fair values to net assets for all investments has been performed on a provisional basis in respect of these acquisitions given the timing of the completion of these transactions and will be finalised within twelve months from the acquisition date, as permitted by IFRS 3 (Revised) *Business Combinations*.

### *Acquisition of subsidiary interests*

The Group invested €0.6m (net of cash acquired) in a number of bolt-on acquisitions within both its Fresh Produce division and Healthfoods & Consumer Products Distribution division. These acquisitions will complement existing business interests in these divisions.

The purchase method of accounting has been applied for these acquisitions. The provisional fair value of the identifiable assets and liabilities acquired amounts to €0.6m primarily relating to intangible assets. No goodwill arose on these transactions. The fair value of identifiable net assets acquired will be finalised within twelve months from the acquisition date, as permitted by IFRS 3 (Revised) *Business Combinations*. Transaction expenses of €0.2m relating to the transactions were expensed to the Group's income statement in the period.

### *Other*

During the period, the Group paid €0.3m in respect of deferred consideration payments relating to previous acquisitions.

There have been no significant changes in the possible outcome of deferred consideration recognised on acquisitions completed in 2011.

The Group continues to actively pursue further investment opportunities in both new and existing markets.



## 10. Cash flows generated from operations

	<i>(Unaudited)</i> <b>6 months to</b> <b>30 June 2012</b> €000	<i>(Unaudited)</i> 6 months to 30 June 2011 €000	<i>(Audited)</i> Year ended 31 Dec 2011 €000
<b>Operating activities</b>			
Profit before tax	<b>20,418</b>	21,723	34,376
<i>Adjustments for non cash items:</i>			
Depreciation of property, plant and equipment (excl. depreciation within joint ventures & associates)	<b>6,675</b>	6,465	13,153
Goodwill impairment	–	–	114
Impairment of property, plant and equipment	–	–	1,331
Fair value movement on investment property	–	–	2,550
Revision to deferred consideration estimates	–	–	(273)
Amortisation of acquisition related intangible assets (excl. amortisation within joint ventures & associates)	<b>3,256</b>	2,538	5,501
Amortisation of research and development	<b>190</b>	216	281
Amortisation of grants	<b>(142)</b>	(88)	(187)
Movement on provisions	<b>(432)</b>	(109)	(294)
Share-based payment expense	<b>136</b>	158	118
Contributions to defined benefit pension schemes	<b>(2,838)</b>	(3,200)	(4,842)
Curtailement gains in respect of defined benefit pension schemes	–	–	(926)
Defined benefit pension scheme expense	<b>1,409</b>	1,079	1,689
Net gain on disposal of property, plant & equipment	<b>(277)</b>	(254)	(314)
Net gain on non-hedging derivative financial instruments	<b>(298)</b>	(160)	(583)
Net interest expense	<b>3,348</b>	2,098	4,748
Income from available-for-sale financial assets	–	406	406
Share of profits of joint ventures & associates	<b>(2,209)</b>	(1,775)	(3,442)
Gain reclassified to income statement on available-for-sale financial asset becoming an associate	–	–	(4,055)
Gain on disposal of joint venture	<b>(303)</b>	(1,612)	(1,612)
Income tax paid	<b>(5,357)</b>	(5,349)	(11,286)
Net interest paid	<b>(3,000)</b>	(2,247)	(5,225)
<b>Cash flows from operations before working capital movements</b>	<b>20,576</b>	19,889	31,228
Increase in working capital	<b>(27,999)</b>	(24,490)	(7,747)
<b>Cash flows from operating activities</b>	<b>(7,423)</b>	(4,601)	23,481

## 11. Analysis of movement in net debt in the period

<i>(Unaudited)</i> 30 June 2012	1 Jan 2012 €000	Cash flow €000	Non-cash €000	Acquisitions €000	Translation €000	30 June 2012 €000
Bank balances and deposits	90,087	(12,518)	-	14	520	78,103
Overdrafts	(4,274)	(18,935)	-	-	(3)	(23,212)
<b>Cash, cash equivalents and bank overdrafts per cash flow statement</b>	<b>85,813</b>	<b>(31,453)</b>	<b>-</b>	<b>14</b>	<b>517</b>	<b>54,891</b>
Bank loans – non-current	(136,358)	9,951	(13,699)	-	(2,496)	(142,602)
Bank loans - current	(19,455)	4,261	13,699	-	-	(1,495)
Finance leases	(5,553)	577	(327)	-	(85)	(5,388)
<b>Total interest bearing borrowings</b>	<b>(161,366)</b>	<b>14,789</b>	<b>(327)</b>	<b>-</b>	<b>(2,581)</b>	<b>(149,485)</b>
<b>Net debt</b>	<b>(75,553)</b>	<b>(16,664)</b>	<b>(327)</b>	<b>14</b>	<b>(2,064)</b>	<b>(94,594)</b>

  

<i>(Unaudited)</i> 30 June 2011	1 Jan 2011 €000	Cash flow €000	Non-cash €000	Acquisitions €000	Translation €000	30 June 2011 €000
Bank balances and deposits	104,486	(14,682)	-	-	(208)	89,596
Overdrafts	(6,570)	(650)	-	-	8	(7,212)
<b>Cash, cash equivalents and bank overdrafts per cash flow statement</b>	<b>97,916</b>	<b>(15,332)</b>	<b>-</b>	<b>-</b>	<b>(200)</b>	<b>82,384</b>
Bank loans – non-current	(125,155)	220	32,612	-	1,795	(90,528)
Bank loans - current	(16,266)	(2,990)	(32,612)	-	(270)	(52,138)
Finance leases	(4,430)	137	(1,142)	-	86	(5,349)
<b>Total interest bearing borrowings</b>	<b>(145,851)</b>	<b>(2,633)</b>	<b>(1,142)</b>	<b>-</b>	<b>1,611</b>	<b>(148,015)</b>
<b>Net debt</b>	<b>(47,935)</b>	<b>(17,965)</b>	<b>(1,142)</b>	<b>-</b>	<b>1,411</b>	<b>(65,631)</b>

## 12. Post balance sheet events

There have been no material events subsequent to 30 June 2012 which would require disclosure in this report.

## 13. Related party transactions balance sheet events

There have been no related party transactions or changes to related party transactions other from those as described in the 2011 Annual Report that materially affect the financial position or affect the performance of the Group for the six month period ended 30 June 2012.

## 14. Board approval

This interim results statement was approved by the Board of Directors of Total Produce plc on 3 September 2012.