TOTAL PRODUCE PLC
2015 PRELIMINARY RESULTS

TOTAL PRODUCE DELIVERS STRONG GROWTH IN 2015

- Revenue up 10.4% to €3.45 billion
- Adjusted fully diluted EPS up 12.0% to 10.58 cent
- Adjusted EBITDA up 13.4% to €82.8m
- Adjusted EBITA up 13.1% to €64.1m
- Adjusted profit before tax up 13.3% to €58.0m
- Total dividend increased by 15.0%
- Targeting 2016 adjusted fully diluted EPS in the range of 10.5 to 11.5 cent per share

Key performance indicators are defined overleaf

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

"Total Produce has delivered a very strong performance in 2015. Total revenue has grown 10.4% to €3.45 billion with a 12.0% increase in adjusted earnings per share to 10.58 cent. In February 2015, the Group increased its presence in North America with a 50% investment in Gambles, a fresh produce company in Toronto with reported sales of CAD $170m. Post year-end, the Group has continued its growth in North America with the acquisition of a 65% interest in Progressive Produce based in Los Angeles with annual sales of US $200m.

We are pleased to propose a 15.0% increase in the final dividend to 2.027 cent per share. The Group continues to actively pursue further investment opportunities and is targeting adjusted earnings per share for 2016 in the range of 10.5 to 11.5 cent per share."

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TOTAL PRODUCE PLC PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 €'million	2014 €'million	% change
Total revenue (1)	**3,454**	3,129	+10.4%
Group revenue	**2,875**	2,667	+7.8%
Adjusted EBITDA (1)	**82.8**	73.0	+13.4%
Adjusted EBITA (1)	**64.1**	56.7	+13.1%
Operating profit	**52.6**	49.4	+6.5%
Adjusted profit before tax (1)	**58.0**	51.2	+13.3%
Profit before tax	**46.8**	44.3	+5.6%
	Euro cent	Euro cent	% change
Adjusted fully diluted earnings per share (1)	**10.58**	9.45	+12.0%
Basic earnings per share	**9.07**	8.83	+2.7%
Diluted earnings per share	**8.97**	8.79	+2.0%
Total dividend per share	**2.763**	2.403	+15.0%

(1) **Key performance indicators defined**

Total revenue includes the Group's share of the revenue of its joint ventures and associates.

Adjusted EBITDA is earnings before interest, tax, depreciation, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration and exceptional items. It also excludes the Group's share of these items within joint ventures and associates.

Adjusted EBITA is earnings before interest, tax, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration and exceptional items. It also excludes the Group's share of these items within joint ventures and associates.

Adjusted profit before tax excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration and exceptional items. It also excludes the Group's share of these items within joint ventures and associates.

Adjusted fully diluted earnings per share excludes acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration, exceptional items and related tax on such items. It also excludes the Group's share of these items within joint ventures and associates.

Forward-looking statement
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.

Overview

Total Produce (the 'Group') has delivered a very strong performance in 2015. Total revenue, adjusted EBITA and adjusted fully diluted earnings per share grew by 10.4%, 13.1% and 12.0% respectively. A stronger operational performance and the benefit of acquisitions and currency translation all contributed to earnings growth. The Group generated strong cashflows in the year with free cashflow of €48.4m (2014: €35.5m).

The Board is pleased to announce a 15.0% increase in the final dividend to 2.027 (2014: 1.763) cent per share subject to the approval of shareholders at the forthcoming AGM. If approved, the total dividend for 2015 will amount to 2.763 (2014: 2.403) cent per share which represents an increase of 15.0% on 2014.

Operating review

Total revenue increased 10.4% to €3.45 billion (2014: €3.13 billion) with adjusted EBITA up 13.1% to €64.1m (2014: €56.7m). The results benefited from a stronger operational performance and more normalised trading conditions in Europe with average prices increasing on 2014 levels. Average prices in 2014 were affected by strong European domestic production which led to excess supply of product and also the Russian ban on EU produce. Acquisitions completed in 2014 and 2015 positively contributed to growth in the year. There was a net positive impact on translation of the results of foreign currency denominated operations to Euro primarily due to the strength of Sterling and the US Dollar. On a like-for-like basis, excluding acquisitions, divestments and currency translation, revenue was c.5% higher on the back of higher average prices with volumes in line with prior year.

The table below details a segmental breakdown of the Group's revenue and adjusted EBITA for the year ended 31 December 2015. Each of the operating segments is primarily involved in the procurement, marketing and distribution of hundreds of lines of fresh produce. Each segment also includes businesses involved in the marketing and distribution of healthfoods and consumer products. Segment performance is evaluated based on revenue and adjusted EBITA.

The information for 2014 has been reclassified to conform to the current year's presentation. The Group previously reported the results of a number of businesses involved in the marketing and distribution of healthfoods and consumer products as a separate operating segment. The combined results of these businesses, with revenue in 2015 of €147m, are not considered to be material, individually or in aggregate. In order to align with current management reporting, the relevant businesses are now presented within the Eurozone, Non-Eurozone and International operating segments as appropriate.

	Year ended 31 December 2015		Year ended 31 December 2014*	
	Total revenue €'000	**Adjusted EBITA €'000**	Total revenue €'000	Adjusted EBITA €'000
Europe – Eurozone	**1,653,035**	**22,170**	1,567,459	20,131
Europe – Non-Eurozone	**1,537,842**	**38,603**	1,429,641	33,750
International	**320,808**	**3,362**	190,983	2,809
Inter-segment revenue	**(57,920)**	**–**	(59,245)	–
Third party revenue and adjusted EBITA	**3,453,765**	**64,135**	3,128,838	56,690

** 2014 segment information has been reclassified to conform to the current year presentation.*

Europe – Eurozone

This segment includes the Group's businesses in France, Ireland, Italy, the Netherlands and Spain. Revenue increased by 5.5% to €1,653m (2014: €1,567m) with a 10.1% increase in adjusted EBITA to €22.1m (2014: €20.1m). The increase was due to price recovery in some markets, the incremental impact of acquisitions and a strong operational performance. In 2014, higher domestic production in Continental Europe resulted in oversupply and a downward pressure on prices. There was a return to more normalised trading conditions in 2015. Excluding the effect of acquisitions, revenue on a like-for-like basis was up over 4% on prior year due to average price increases.

Europe – Non-Eurozone
This segment includes the Group's businesses in the Czech Republic, Poland, Scandinavia and the UK. Revenue increased by 7.6% to €1,538m (2014: €1,430m) with adjusted EBITA increasing by 14.4% to €38.6m (2014: €33.8m). Trading conditions in this segment were good with average price increases and a strong operational performance. There was a net positive benefit on the translation of the results of foreign currency denominated operations to Euro due primarily to the strengthening of Sterling. On a like-for-like basis excluding acquisitions, divestments and currency translation, revenue was c.5% ahead of the prior year due to average price increases.

International
This division includes the Group's businesses in North America and India. Revenue increased by 68.0% to €321m (2014: €191m) with adjusted EBITA increasing 19.7% to €3.4m (2014: €2.8m). The acquisition of the Gambles Group in February 2015 positively contributed to earnings with the results also benefitting from the strengthening of the US Dollar and the Canadian Dollar in the year on translation to Euro. This was offset in part by costs of a new management structure put in place to support the ongoing expansion of this Division.

Financial Review

Revenue and Adjusted EBITA

An analysis of the factors influencing the changes in revenue and adjusted EBITA are discussed in the operating review above.

Share of profits of joint ventures and associates
Share of after tax profits of joint ventures and associates increased in 2015 to €10.1m (2014: €6.7m). The increase is due to investments in the past number of years, the most recent being the 50% investment in the Gambles Group in February 2015. Dividends received from joint ventures and associates in the year amounted to €8.1m (2014: €4.6m).

Operating Profit

Operating profit which is the Group's adjusted EBITA less exceptional items, acquisition related costs, fair value movements on contingent consideration and the Group's share of its joint ventures and associates tax, interest and amortisation charges increased by 6.5% to €52.6m (2014: €49.4m).

Exceptional Items

Exceptional items in the year amounted to a net gain of €2.0m (2014: €2.4m). An analysis of these exceptional items is set out in Note 5 of the accompanying financial information.

Net Financial Expense

Net financial expense in the year increased to €5.8m (2014: €5.1m) due to higher average net debt in the year from the funding of acquisitions and contingent consideration payments, and lower interest income received. The Group's share of the net interest expense of joint ventures and associates in the year was €0.3m (2014: €0.4m). Net interest cover for the year was 11.0 times based on adjusted EBITA.

Profit Before Tax

Excluding exceptional items, fair value movements on contingent consideration and acquisition related intangible asset amortisation charges and costs, the adjusted profit before tax increased by 13.3% to €58.0m (2014: €51.2m). Statutory profit before tax after these items was €46.8m (2014: €44.3m).

Taxation
The tax charge for the year, including the Group's share of joint ventures and associates tax and before non-trading items, as set out in Note 6 of the accompanying financial information, was €14.2m (2014: €12.0m) representing an underlying tax rate of 24.4% (2014: 23.4%) when applied to the Group's adjusted profit before tax.

Non-Controlling Interests

The non-controlling interests' share of after tax profits in the year was €7.5m (2014: €6.7m). Included in the charge was the non-controlling interests' share of exceptional items, amortisation charges and acquisition related costs of €0.9m (2014: €1.0m). Excluding these non-trading items, the non-controlling interests' share of after tax profits increased by €0.7m. The increase in the period was due to the higher share of after tax profits in a number of the Group's non-wholly owned subsidiaries in Continental Europe.

Adjusted and Basic Earnings per Share

Adjusted earnings per share increased 12.0% to 10.58 cent per share (2014: 9.45 cent) in the year. Management believes that adjusted earnings per share, which excludes exceptional items, acquisition related intangible asset amortisation charges and costs, fair value movements on contingent consideration and related tax on these items, provides a fairer reflection of the underlying trading performance of the Group.

Basic earnings per share and diluted earnings per share after these non-trading items amounted to 9.07 cent per share (2014: 8.83 cent) and 8.97 cent per share (2014: 8.79 cent) respectively.

Note 7 of the accompanying financial information provides details of the calculation of the respective earnings per share amounts.

Cash Flow and Net Debt

Net debt at 31 December 2015 was €18.1m compared to €16.8m at 31 December 2014. Net debt relative to adjusted EBITDA was 0.2 times and interest is covered 11.0 times by adjusted EBITA.

The Group generated €45.9m (2014: €37.7m) in operating cash flows in 2015 before working capital movements due to higher profits. There were €14.9m (2014: €11.7m) of working capital inflows in the year assisted by an incremental €9.2m (2014: €5.8m) inflows from trade receivables bringing the total amount of trade receivables financing to €40.5m (2014: €31.3m). Cash outflows on routine capital expenditure, net of disposals, were €18.1m (2014: €12.0m). Dividends received from joint ventures and associates in the year increased to €8.1m (2014: €4.6m) which is a function of the Group's increased investments in the past number of years while dividends paid to non-controlling interests decreased to €2.4m (2014: €6.5m).

Cash outflows on acquisitions amounted to €11.3m (2014: €16.4m) with debt of €0.7m (2014: €10.1m) assumed on acquisition. Contingent and deferred consideration payments relating to prior period acquisitions of €12.7m (2014: €6.3m) were made in the year. Payments for non-routine property additions amounted to €4.2m (2014: €Nil). The Group distributed €8.3m (2014: €7.6m) in dividends to equity shareholders in the year and also made payments of €14.4m (2014: €Nil) acquiring its own shares. The exceptional cash inflows of €3.1m (2014: €Nil) relates to proceeds from the sale of property and leasehold interests in the year. There was an adverse movement of €2.1m (2014: €1.3m) on the translation of foreign currency debt into Euro at 31 December 2015 due primarily to the stronger Sterling, Swedish Krona and US Dollar exchange rates at year end compared to those prevailing at 31 December 2014.

	2015 €'million	2014 €'million
Adjusted EBITDA	**82.8**	73.0
Deduct adjusted EBITDA of joint ventures and associates	**(18.6)**	(12.5)
Net financial expense and tax paid	**(16.8)**	(18.6)
Other	**(1.5)**	(4.2)
Operating cash flows before working capital movements	**45.9**	37.7
Working capital movements	**14.9**	11.7
Operating cash flows	**60.8**	49.4
Routine capital expenditure net of routine disposal proceeds	**(18.1)**	(12.0)
Dividends received from joint ventures and associates	**8.1**	4.6
Dividends paid to non-controlling interests	**(2.4)**	(6.5)
Free cash flow	**48.4**	35.5
Acquisition payments, net [1]	**(11.3)**	(16.4)
Net debt assumed on acquisition of subsidiaries	**(0.7)**	(10.1)
Contingent and deferred consideration payments	**(12.7)**	(6.3)
Property additions	**(4.2)**	–
Dividends paid to equity shareholders	**(8.3)**	(7.6)
Buy-back of own shares	**(14.4)**	–
Cashflows from exceptional items	**3.1**	–
Other	**0.9**	0.4
Total net debt movement in year	**0.8**	(4.5)
Net debt at beginning of year	**(16.8)**	(11.0)
Foreign currency translation	**(2.1)**	(1.3)
Net debt at end of year	**(18.1)**	(16.8)

[1] *Includes payments in year on subsidiaries, non-controlling interests, joint ventures and associates and is net of contributions from non-controlling interests and proceeds on disposal of a joint venture.*

Defined Benefit Pension Obligations

The net liability of the Group's defined benefit pension schemes (net of deferred tax) decreased to €14.5m at 31 December 2015 from €23.6m at 31 December 2014. The decrease in the liability is primarily due to an increase in the discount rates underlying the calculations of the present value of the scheme obligations and positive returns on pension scheme assets. Further details are outlined in Note 8 of the accompanying financial information.

Shareholders' Equity

Shareholders' equity has increased by €21.8m after the share buy-back to €238.8m at 31 December 2015. Profit after tax of €30.0m attributable to equity shareholders, remeasurement gains of €8.5m (net of deferred tax) on employee defined benefit pension schemes and a €4.6m gain on the retranslation of the net assets of foreign currency denominated operations were offset by the payment of dividends of €8.3m to equity shareholders of the Company and the share buy-back of €14.4m.

Development Activity

During 2015, the Group has committed investments of up to €36m including deferred consideration and contingent consideration payable on the achievement of future profit targets. In February 2015, the Group acquired a 50% shareholding in the Gambles Group, a North American fresh produce company based in Toronto, Canada. Gambles is one of Eastern Canada's premier fresh produce companies with revenue of CAD$170m and employing over 280 people, serving the retail, wholesale and food-service sectors. In addition during the year the Group made a small number of investments primarily in the UK and Brazil. Further details on 2015 development activity are provided in Note 10 of the accompanying financial information.

On 2 February 2016, the Group completed the acquisition of a 65% interest in Progressive Produce LLC, headquartered in Los Angeles, California. Progressive Produce is a grower, packer and distributor of conventional and organic produce to the retail, wholesale and foodservice sectors in the US and Canada. Progressive Produce was founded in 1967 and today is one of California's premier produce companies with 2015 revenue in excess of $200 million, gross assets of c. US$36m at 31 December 2015 and employing 214 people.

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

Share Buy-back

Under the authority granted at the AGM in 2015, the Group is permitted to purchase up to 10% of its issued share capital in the market at a price which would not exceed 105% of the average price over the previous five trading days. With this authority, the Group announced a €20m share buy-back programme on 8 October 2015. The programme commenced on 9 October 2015 and in the period to 31 December 2015, the Group acquired 9,943,398 of its own ordinary shares at an aggregate cost of €14.4m including costs. The repurchased ordinary shares were cancelled. The share buy-back programme is earnings accretive and completed on 27 January 2016 with a combined total of 14,017,270 ordinary shares repurchased and cancelled at a total cost of €20.4m including expenses.

The Group will continue to exercise this authority should the appropriate opportunity arise. The Group will seek to renew this authority at the forthcoming AGM in May 2016.

Dividends

The Board is proposing a 15.0% increase in the final dividend to 2.027 (2014: 1.763) cent per share subject to the approval of shareholders at the forthcoming AGM. If approved, this dividend will be paid on 26 May 2016 to shareholders on the register at 6 May 2016 subject to dividend withholding tax. The total dividend for 2015 will amount to 2.763 (2014: 2.403) cent per share and represents an increase of 15.0% on 2014. The total dividend represents a pay-out of 26.1% of adjusted earnings per share.

Summary and Outlook

Total Produce has delivered a very strong performance in 2015. Total revenue has grown 10.4% to €3.45 billion with a 12.0% increase in adjusted earnings per share to 10.58 cent. In February 2015, the Group increased its presence in North America with a 50% investment in Gambles, a fresh produce company in Toronto with reported sales of CAD $170m. Post year-end, the Group has continued its growth in North America with the acquisition of a 65% interest in Progressive Produce based in Los Angeles with annual sales of US $200m.

We are pleased to propose a 15.0% increase in the final dividend to 2.027 cent per share. The Group continues to actively pursue further investment opportunities and is targeting adjusted earnings per share for 2016 in the range of 10.5 to 11.5 cent per share.

Carl McCann, Chairman
On behalf of the Board
3 March 2016

Total Produce plc
Extract from the Group Income Statement
for the year ended 31 December 2015

	Note	Before exceptional items 2015 €'000	Exceptional items (Note 5) 2015 €'000	Total 2015 €'000	Before exceptional items 2014 €'000	Exceptional items (Note 5) 2014 €'000	Total 2014 €'000
Revenue, including Group share of joint ventures and associates	3	**3,453,765**	**–**	**3,453,765**	3,128,838	–	3,128,838
Group revenue	3	**2,875,388**	**–**	**2,875,388**	2,667,014	–	2,667,014
Cost of sales		**(2,479,072)**	**–**	**(2,479,072)**	(2,302,369)	–	(2,302,369)
Gross profit		**396,316**	**–**	**396,316**	364,645	–	364,645
Operating expenses (net)		**(355,845)**	**2,028**	**(353,817)**	(324,414)	2,432	(321,982)
Share of profit of joint ventures		**7,706**	**–**	**7,706**	4,016	–	4,016
Share of profit of associates		**2,393**	**–**	**2,393**	2,727	–	2,727
Operating profit		**50,570**	**2,028**	**52,598**	46,974	2,432	49,406
Financial income		**1,017**	**–**	**1,017**	1,576	–	1,576
Financial expense		**(6,832)**	**–**	**(6,832)**	(6,671)	–	(6,671)
Profit before tax		**44,755**	**2,028**	**46,783**	41,879	2,432	44,311
Income tax expense	6	**(8,930)**	**(351)**	**(9,281)**	(8,233)	(157)	(8,390)
Profit for the year		**35,825**	**1,677**	**37,502**	33,646	2,275	35,921
Attributable to:							
Equity holders of the parent				**30,027**			29,218
Non-controlling interests				**7,475**			6,703
				37,502			35,921
Earnings per ordinary share							
Basic	7			**9.07**			8.83 cent
Fully diluted	7			**8.97**			8.79 cent
Adjusted fully diluted	7			**10.58**			9.45 cent

Total Produce plc
Extract from the Group Statement of Comprehensive Income
for the year ended 31 December 2015

	2015 €'000	2014 €'000
Profit for the year	**37,502**	35,921
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation effects:		
- foreign currency net investments - subsidiaries	**8,471**	(63)
- foreign currency net investments – joint ventures and associates	**704**	2,009
- foreign currency borrowings designated as net investment hedges	**(4,015)**	(590)
Gain on re-measuring available-for-sale financial asset	–	2,455
Reclassification of revaluation gain to income statement on available-for-sale financial asset becoming an associate	–	(2,455)
Effective portion of changes in fair value of cash flow hedges	**(386)**	1,778
Fair value of cash flow hedges transferred to income statement and recognised in cost of sales	**395**	(1,452)
Deferred tax on items taken directly to other comprehensive income	**(1)**	(87)
	5,168	1,595
Items that will not be reclassified to profit or loss:		
Remeasurement gains/(losses) on post-employment defined benefit schemes	**9,870**	(28,666)
Revaluation gains on property, plant and equipment	**2,261**	1,766
Revaluation losses on property, plant and equipment	**(2,233)**	(644)
Deferred tax on items taken directly to other comprehensive income	**(782)**	4,636
Share of joint ventures and associates remeasurement losses on post-employment defined benefit schemes	**(563)**	(52)
Share of joint ventures and associates deferred tax on items taken directly to other comprehensive income	**(1)**	13
	8,552	(22,947)
Other comprehensive income for the year	**13,720**	(21,352)
Total comprehensive income for the year	**51,222**	14,569
Attributable to:		
Equity holders of the parent	**42,764**	7,536
Non-controlling interests	**8,458**	7,033
	51,222	14,569

Total Produce plc
Extract from the Group Balance Sheet
as at 31 December 2015

	2015	2014
	€'000	€'000
Assets		
Non-current assets		
Property, plant and equipment	**141,994**	137,938
Investment property	**9,698**	7,414
Goodwill and intangible assets	**190,518**	162,551
Investments in joint ventures and associates	**76,115**	62,917
Other financial assets	**732**	698
Other receivables	**5,781**	2,999
Deferred tax assets	**9,071**	9,942
Total non-current assets	**433,909**	384,459
Current assets		
Inventories	**63,429**	49,464
Trade and other receivables	**279,223**	282,915
Corporation tax receivable	**3,875**	1,802
Derivative financial instruments	**196**	425
Bank deposits	**2,500**	2,000
Cash and cash equivalents	**129,738**	113,830
Total current assets	**478,961**	450,436
Total assets	**912,870**	834,895
Equity		
Share capital	**3,446**	3,533
Share premium	**254,512**	253,565
Other reserves	**(106,727)**	(111,678)
Retained earnings	**87,589**	71,628
Total equity attributable to equity holders of the parent	**238,820**	217,048
Non-controlling interests	**74,959**	68,341
Total equity	**313,779**	285,389
Liabilities		
Non-current liabilities		
Interest-bearing loans and borrowings	**131,885**	114,909
Deferred government grants	**1,800**	1,683
Other payables	**1,411**	1,696
Contingent consideration	**28,363**	12,105
Corporation tax payable	**6,319**	6,794
Deferred tax liabilities	**17,397**	11,991
Employee benefits	**17,174**	27,514
Total non-current liabilities	**204,349**	176,692
Current liabilities		
Interest-bearing loans and borrowings	**18,408**	17,769
Trade and other payables	**369,457**	343,038
Contingent consideration	**5,149**	10,754
Derivative financial instruments	**407**	180
Corporation tax payable	**1,321**	1,073
Total current liabilities	**394,742**	372,814
Total liabilities	**599,091**	549,506
Total liabilities and equity	**912,870**	834,895

Total Produce plc

Extract from the Group Statement of Changes in Equity

for the year ended 31 December 2015

	Attributable to equity holders of the parent											
	Share capital €'000	*Share premium €'000*	*Currency translation reserve €'000*	*Reval-uation reserve €'000*	*De-merger reserve €'000*	*Own shares reserve €'00*	*Un-denom inated capital €'000*	*Other equity reserves €'000*	*Retained earnings €'000*	***Total €'000***	*Non-controlling interests €'000*	***Total equity €'000***
As at 1 January 2015	**3,533**	**253,565**	**(4,483)**	**21,882**	**(122,521)**	**(8,580)**	**–**	**2,024**	**71,628**	**217,048**	**68,341**	**285,389**
Comprehensive income												
Profit for the year	–	–	–	–	–	–	–	–	30,027	30,027	7,475	37,502
Other comprehensive income:												
Items that may be reclassified subsequently to profit or loss:												
Foreign currency translation effects, net	–	–	4,553	–	–	–	–	–	–	4,553	607	5,160
Effective portion of cash flow hedges, net	–	–	–	–	–	–	–	(11)	–	(11)	20	9
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	6	–	6	(7)	(1)
Items that will not be reclassified subsequently to profit or loss:												
Revaluation gains/(losses) on property, plant and equipment, net	–	–	–	105	–	–	–	–	–	105	(77)	28
Remeasurement gains on post-employment defined benefit schemes	–	–	–	–	–	–	–	–	9,638	9,638	232	9,870
Deferred tax on items taken directly to other comprehensive income	–	–	–	191	–	–	–	–	(1,181)	(990)	208	(782)
Share of joint ventures and associates remeasurement losses on post-employment defined benefit schemes	–	–	–	–	–	–	–	–	(563)	(563)	–	(563)
Share of joint ventures and associates deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	–	(1)	(1)	–	(1)
Total other comprehensive income	–	–	4,553	296	–	–	–	(5)	7,893	12,737	983	13,720
Total comprehensive income	–	–	4,553	296	–	–	–	(5)	37,920	42,764	8,458	51,222
Transactions with equity holders of the parent												
New shares issued	12	947	–	–	–	–	–	(373)	373	959	–	959
Own shares acquired	(99)	–	–	–	–	–	99	–	(14,388)	(14,388)	–	(14,388)
Non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	–	–	4,132	4,132
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	351	351	(4,265)	(3,914)
Disposal of shareholding to NCI	–	–	–	–	–	–	–	–	–	–	599	599
Contribution by non-controlling interest	–	–	–	–	–	–	–	–	–	–	36	36
Dividends paid	–	–	–	–	–	–	–	–	(8,295)	(8,295)	(2,342)	(10,637)
Share-based payment transactions	–	–	–	–	–	–	–	381	–	381	–	381
Total transactions with equity holders of the parent	(87)	947	–	–	–	–	99	8	(21,959)	(20,992)	(1,840)	(22,832)
As at 31 December 2015	3,446	254,512	70	22,178	(122,521)	(8,580)	99	2,027	87,589	238,820	74,959	313,779

*Other equity reserves comprise the cash flow hedge reserve, available-for-sale reserve and the share option reserve

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2015 (Continued)

	Attributable to equity holders of the parent										
	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***	***Non-controlling interests €000***	***Total equity €'000***
As at 1 January 2014	3,519	252,574	(5,273)	20,319	(122,521)	(8,580)	1,959	75,369	217,366	68,524	285,890
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	29,218	29,218	6,703	35,921
Other comprehensive income:											
Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation effects	–	–	790	–	–	–	–	–	790	566	1,356
Gain on re-measuring available-for-sale financial asset	–	–	–	–	–	–	2,455	–	2,455	–	2,455
Reclassification of revaluation gain to income statement on available-for-sale financial asset becoming an associate	–	–	–	–	–	–	(2,455)	–	(2,455)	–	(2,455)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	207	–	207	119	326
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	(55)	–	(55)	(32)	(87)
Items that will not be reclassified to profit or loss:											
Revaluation gains/(losses) on property, plant and equipment, net	–	–	–	1,212	–	–	–	–	1,212	(90)	1,122
Remeasurement losses on post-employment defined benefit schemes, net	–	–	–	–	–	–	–	(28,208)	(28,208)	(458)	(28,666)
Deferred tax on items taken directly to other comprehensive income	–	–	–	351	–	–	–	4,060	4,411	225	4,636
Share of joint ventures and associates remeasurement losses on post-employment defined benefit schemes	–	–	–	–	–	–	–	(52)	(52)	–	(52)
Share of joint ventures and associates deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	13	13	–	13
Total other comprehensive income	–	–	790	1,563	–	–	152	(24,187)	(21,682)	330	(21,352)
Total comprehensive income	–	–	790	1,563	–	–	152	5,031	7,536	7,033	14,569
Transactions with equity holders of the parent											
New shares issued	14	991	–	–	–	–	(408)	408	1,005	–	1,005
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(1,565)	(1,565)	(723)	(2,288)
NCI disposed on de-recognition of pre-existing relationship with acquiree	–	–	–	–	–	–	–	–	–	(327)	(327)
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	375	375
Dividends	–	–	–	–	–	–	–	(7,615)	(7,615)	(6,541)	(14,156)
Share-based payment transactions	–	–	–	–	–	–	321	–	321	–	321
Total transactions with equity holders of the parent	14	991	–	–	–	–	(87)	(8,772)	(7,854)	(7,216)	(15,070)
As at 31 December 2014	3,533	253,565	(4,483)	21,882	(122,521)	(8,580)	2,024	71,628	217,048	68,341	285,389

*Other equity reserves comprise the cash flow hedge reserve, available-for-sale reserve and the share option reserve

Total Produce plc
Extract from the Group Statement of Cash Flows
for the year ended 31 December 2015

	2015 €'000	2014 €'000
Net cash flows from operating activities (Note 11)	**60,811**	49,404
Investing activities		
Acquisition of subsidiaries	**(4,312)**	(11,499)
Cash/(bank overdrafts) assumed on acquisition of subsidiaries, net	**2,235**	(6,746)
Acquisition of, and investment in joint ventures and associates	**(7,338)**	(3,581)
Loans advanced to joint ventures and associates	–	(180)
Cash derecognised on subsidiary becoming a joint venture	–	(97)
Payments of contingent consideration	**(11,964)**	(5,524)
Payments of deferred consideration	**(692)**	(806)
Proceeds from disposal of joint ventures and associates	**670**	–
Proceeds from disposal of investment in subsidiary to non-controlling interest	**599**	–
Acquisition of property, plant and equipment	**(16,506)**	(11,473)
Acquisition of intangible assets – computer software	**(2,448)**	(1,269)
Development expenditure capitalised	**(251)**	(200)
Proceeds from disposal of property, plant and equipment	**3,944**	744
Acquisition of investment property	**(4,176)**	–
Dividends received from joint ventures and associates	**8,070**	4,562
Acquisition of other financial assets	–	(106)
Government grants received	**449**	323
Net cash flows from investing activities	**(31,720)**	(35,852)
Financing activities		
Drawdown of borrowings	**95,673**	26,001
Repayment of borrowings	**(86,488)**	(16,706)
(Increase)/decrease in bank deposits	**(500)**	2,740
Proceeds from the issue of share capital	**959**	1,005
Buy-back of own shares	**(14,388)**	–
Capital element of finance lease repayments	**(1,898)**	(1,615)
Acquisition of non-controlling interests	**(1,000)**	(981)
Capital contribution by non-controlling interests	**36**	375
Dividends paid to non-controlling interests	**(2,342)**	(6,541)
Dividends paid to equity holders of the parent	**(8,295)**	(7,615)
Net cash flows from financing activities	**(18,243)**	(3,337)
Net increase in cash, cash equivalents and overdrafts	**10,848**	10,215
Cash, cash equivalents and overdrafts at start of year	**110,390**	101,178
Net foreign exchange difference	**1,967**	(1,003)
Cash, cash equivalents and overdrafts at end of year (Note 12)	**123,205**	110,390

Total Produce plc
Extract from the Summary Group Reconciliation of Net Debt
for the year ended 31 December 2015

	2015	2014
	€'000	€'000
Net increase in cash, cash equivalents and overdrafts	**10,848**	10,215
Drawdown of borrowings	**(95,673)**	(26,001)
Repayment of borrowings	**86,488**	16,706
Increase/(decrease) in bank deposits	**500**	(2,740)
Interest-bearing loans and borrowings arising on acquisition	**(2,901)**	(1,618)
Capital element of finance lease repayments	**1,898**	1,615
Other movements on finance leases	**(242)**	(961)
Finance leases arising on acquisition	–	(1,766)
Foreign exchange movement	**(2,125)**	(1,311)
Movement in net debt	**(1,207)**	(5,861)
Net debt at beginning of the year	**(16,848)**	(10,987)
Net debt at end of the year (Note 12)	**(18,055)**	(16,848)

Total Produce plc
Selected explanatory notes for the Preliminary Results for the year ended 31 December 2015

1. Basis of preparation

The financial information included in this preliminary results statement has been extracted from the Group's Financial Statements for the year ended 31 December 2015 and is prepared based on the accounting policies set out therein, which are consistent with those applied in the prior year with the exception of the effect of the new accounting standards listed below. As permitted by European Union (EU) law and in accordance with AIM/ESM rules, the Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The financial information prepared in accordance with IFRSs as adopted by the EU included in this report do not comprise "full group accounts" within the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations 1992 of Ireland insofar as such group accounts would have to comply with the disclosure and other requirements of those Regulations. The information included has been derived from the Group Financial Statements which were approved by the Board of Directors on 2 March 2016. The Financial Statements will be filed with the Irish Registrar of Companies and circulated to shareholders in due course. The financial information is presented in Euro, rounded to the nearest thousand where appropriate.

Changes in accounting policy and disclosures
The accounting policies adopted are consistent with those of the previous year except for the following new and amended IFRS and IFRIC interpretations adopted by the Group and Company in these financial statements.

- Annual Improvements to IFRSs 2011 – 2013 Cycle

The above new standards have not had a material impact on the results and financial position of the Group for the year ended 31 December 2015.

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 accounted for in 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 rates used in the translation of results and balance sheets into Euro were as follows:

	Average rate			**Closing rate**		
	2015	2014	% change	**2015**	2014	% change
Canadian Dollar	**1.4184**	1.4674	3.3%	**1.5129**	1.4015	(7.9%)
Czech Koruna	**27.2862**	27.5046	0.8%	**27.0217**	27.7147	2.5%
Danish Kroner	**7.4584**	7.4551	0.0%	**7.4623**	7.4463	(0.2%)
Indian Rupee	**71.1987**	80.8676	12.0%	**72.2024**	76.3804	5.5%
Polish Zloty	**4.1769**	4.1775	0.0%	**4.2628**	4.2981	0.8%
Pound Sterling	**0.7223**	0.8028	10.0%	**0.7368**	0.7760	5.1%
Swedish Krona	**9.3489**	9.1075	(2.6%)	**9.1858**	9.4725	3.0%
US Dollar	**1.1106**	1.3295	16.5%	**1.0907**	1.2101	9.9%

3. Revenue and Segmental Analysis

Revenue

	2015 €'000	2014 €'000
Group Revenue	**2,875,388**	2,667,014
Plus:		
Share of revenue of joint ventures	**355,620**	274,407
Share of revenue of associates	**222,757**	187,417
Total share of revenue of joint ventures and associates	**578,377**	461,824
Total Revenue	**3,453,765**	3,128,838

Segmental Analysis

The table below details a segmental breakdown of the Group's total revenue and adjusted EBITA for years ended 31 December 2015 and 31 December 2014. The information for the year ended 31 December 2014 has been reclassified to conform to the current year presentation. The Group previously reported the results of a number of businesses involved in the marketing and distribution of healthfoods and consumer products as a separate operating segment. The combined results of these businesses, with revenue in the year of €147m are not considered to be material, individually or in aggregate. In order to align with current management reporting, the relevant businesses are now presented within the Eurozone, Non-Eurozone and International operating segments as appropriate.

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

- *Europe – Eurozone:* This reportable segment is an aggregation of twelve operating segments in France, Ireland, Italy, the Netherlands and Spain primarily involved in the procurement, marketing and distribution of fresh produce and some healthfoods and consumer goods products. These operating segments have been aggregated because they have similar economic characteristics.
- *Europe – Non-Eurozone*: This operating segment is an aggregation of six operating segments in Scandinavia, United Kingdom, Poland and the Czech Republic primarily involved in the procurement, marketing and distribution of fresh produce and some healthfoods and consumer goods products. These operating segments have been aggregated because they have similar economic characteristics.
- *International*: This segment is an aggregation of five operating segments in North America and India primarily involved in the procurement, marketing and distribution of fresh produce and some healthfoods products.

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, acquisition related intangible asset amortisation charges and costs, remeasurement to fair value of contingent consideration estimates and exceptional items. It also excludes the Group's share of these items within joint ventures and 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 below.

Finance costs, finance income and income taxes 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.

	Year ended 31 December 2015			Year ended 31 December 2014*		
	Segmental revenue €'000	**Total revenue €'000**	**Adjusted EBITA €'000**	Segmental revenue €'000	Total revenue €'000	Adjusted EBITA €'000
Europe - Eurozone	**1,653,035**	**1,636,479**	**22,170**	1,567,459	1,550,654	20,131
Europe - Non-Eurozone	**1,537,842**	**1,496,478**	**38,603**	1,429,641	1,387,201	33,750
International	**320,808**	**320,808**	**3,362**	190,983	190,983	2,809
Inter-segment revenue	**(57,920)**	**–**	**–**	(59,245)	–	–
Third party revenue and adjusted EBITA	**3,453,765**	**3,453,765**	**64,135**	3,128,838	3,128,838	56,690

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

** 2014 information has been reclassified to conform to the current year presentation.*

Reconciliation of segmental profit to operating profit

Below is a reconciliation of adjusted EBITA per the Group's management reports to operating profit and profit before tax as presented in the Group income statement:

	Note	**2015 €'000**	2014 €'000
Adjusted EBITA per management reporting		**64,135**	56,690
Acquisition related intangible asset amortisation within subsidiaries	(i)	**(5,183)**	(5,969)
Share of joint ventures and associates acquisition related intangible asset amortisation	(i)	**(2,434)**	(1,456)
Remeasurement to fair value of contingent consideration estimates	(ii)	**(1,384)**	738
Acquisition related costs within subsidiaries	(iii)	**(672)**	(602)
Share of joint ventures and associates net finance expense	(iv)	**(330)**	(428)
Share of joint ventures and associates tax	(iv)	**(3,562)**	(1,999)
Operating profit before exceptional items		**50,570**	46,974
Exceptional items (Note 5)	(v)	**2,028**	2,432
Operating profit after exceptional items		**52,598**	49,406
Net financial expense	(vi)	**(5,815)**	(5,095)
Profit before tax		**46,783**	44,311

(i) Acquisition related intangible asset amortisation charges are not allocated to operating segments in the Group's management reports.

(ii) Remeasurement to fair value of contingent consideration estimates are not allocated to operating segments in the Group's management reports.

(iii) Acquisition related costs are transaction costs directly related to the acquisition of subsidiaries and are not allocated to operating segments in the Group's management reports.

(iv) Under IFRS, included within profit before tax is the Group's share of joint ventures and associates profit after acquisition related intangible amortisation charges and costs, tax and interest. In the Group's management reports these items are excluded from the adjusted EBITA calculation.

(v) Exceptional items (Note 5) are not allocated to operating segments in the Group's management reports.

(vi) Financial income and expense is primarily managed at Group level and is therefore not allocated to individual operating segments in the Group's management reports.

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

For the purpose of assessing the Group's performance, Total Produce management believe that adjusted EBITDA, adjusted EBITA, adjusted profit before tax and adjusted earnings per share (Note 7) are the most appropriate measures of the underlying performance of the Group.

	2015	2014
	€'000	€'000
Profit before tax per income statement	**46,783**	44,311
Adjustments		
Exceptional items (Note 5)	**(2,028)**	(2,432)
Remeasurement to fair value of contingent consideration estimates	**1,384**	(738)
Share of joint ventures and associates tax	**3,562**	1,999
Acquisition related intangible asset amortisation within subsidiaries	**5,183**	5,969
Share of joint ventures and associates acquisition related intangible asset amortisation	**2,434**	1,456
Acquisition related costs within subsidiaries	**672**	602
Adjusted profit before tax	**57,990**	51,167
Exclude		
Net financial expense – subsidiaries	**5,815**	5,095
Net financial expense – share of joint ventures and associates	**330**	428
Adjusted EBITA	**64,135**	56,690
Exclude		
Amortisation of software costs	**988**	569
Depreciation – subsidiaries	**15,527**	13,851
Depreciation – share of joint ventures and associates	**2,172**	1,922
Adjusted EBITDA	**82,822**	73,032

5. Exceptional items

	2015 €'000	2014 €'000
Profit on disposal of property and leasehold interests (a)	**2,028**	–
Gain on available-for-sale financial assets reclassified from other comprehensive income to income statement (b)	–	2,455
Credit from modification to Group's defined benefit pension arrangements (c)	–	2,694
Impairment of goodwill and intangible assets (d)	–	(1,684)
Impairment of property, plant and equipment (e)	–	(1,033)
Total exceptional items	**2,028**	2,432
Net tax charge on exceptional items (f)	**(351)**	(157)
Total	**1,677**	2,275

(a) Profit on disposal of property and leasehold interests

During the year the Group realised a net profit of €2,028,000 after associated costs on the disposal of property and leasehold interests in Europe.

(b) Gain on available-for-sale financial asset reclassified from other comprehensive income to income statement

In March 2014, the Group reclassified its 10% interest in African Blue Limited ('African Blue') from an available-for-sale financial asset to an associate investment. African Blue is a blueberry grower in Morocco. Due to the change in the nature of the Group's involvement in this entity in early 2014, it was deemed that the Group obtained significant influence in accordance with the provisions of IAS 28 *Investment in Associates and Joint Ventures (2011)*. In accordance with IFRS, the Group's 10% interest was fair valued in March resulting in a fair value uplift of €2,455,000. This uplift was reclassified to the income statement resulting in an exceptional gain of €2,455,000 for the year ended 31 December 2014.

(c) Credit arising from modification to Group's defined benefit pension arrangements

Modification to the structure of the Group's defined benefit pension arrangements during 2014 resulted in a credit of €2,694,000 to the income statement in the year ended 31 December 2014. The deferred tax charge on this exceptional credit amounted to €337,000. Further details are outlined in the Group's 2014 Annual Report.

(d) Impairment of goodwill and intangible assets

At 31 December 2014 the Group recognised a charge of €1,684,000 in relation to the impairment of goodwill and intangible assets within a consumer products distribution business in the Europe–Eurozone division. A deferred tax credit of €39,000 on the impairment of the intangible assets was recognised in the income statement.

(e) Impairment of property, plant and equipment

On revaluation of the Group's properties at December 2014, a property was identified in Scandinavia where the carrying value exceeded the fair value, resulting in an impairment charge of €1,033,000 to the income statement.

(f) Tax charge on exceptional items

Year ended 31 December 2015

The net tax charge on exceptional items in 2015 was €216,000. In addition to this a deferred tax charge of €135,000 was recognised on prior year revaluation movements on investment property.

Year ended 31 December 2014

In addition to the exceptional tax charge of €337,000 and the tax credit of €39,000 outlined in notes (c) and (d) above, a deferred tax credit of €141,000 was recognised due to the recognition of capital losses on prior year revaluation movements on investment property.

6. Income tax

	2015	2014
	€'000	€'000
Income tax expense	**9,281**	8,390
Group share of tax charge of joint ventures and associates netted in profit before tax	**3,562**	1,999
Total tax charge	**12,843**	10,389
Adjustments		
Deferred tax on amortisation of intangible assets - subsidiaries	**1,080**	1,360
Share of joint ventures and associates deferred tax credit on amortisation of intangible assets	**593**	398
Net deferred tax credit on fair value movements on investment properties – subsidiaries	**(135)**	141
Tax impact of other exceptional items	**(216)**	(298)
Tax charge on underlying activities	**14,165**	11,990

The total tax charge for the year amounted to €12.8m (2014: €10.4m), including the Group's share of the tax charge of its joint ventures and associates of €3.6m (2014: €2.0m), which is netted in profit before tax in accordance with IFRS.

Excluding the impact of deferred tax credits related to the amortisation of intangibles and the tax effect of exceptional items, the underlying tax charge for the year was €14.2m (2014: €12.0m), equivalent to a rate of 24.4% (2014: 23.4%) when applied to the Group's adjusted profit before tax.

7. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, excluding shares purchased by the company which are held as treasury shares.

	2015	2014
	€'000	€'000
Profit attributable to equity holders of the parent	**30,027**	29,218
	'000	'000
Shares in issue at beginning of year	**353,312**	351,887
New shares issued (weighted average)	**655**	823
Share repurchased by Company (weighted average)	**(962)**	–
Effect of treasury shares held	**(22,000)**	(22,000)
Weighted average number of shares for basic earnings per share calculation	**331,005**	330,710
Basic earnings per share – cent	**9.07**	8.83

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit per share attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding after adjustment for the effects of all ordinary shares and options with a dilutive effect.

	2015 **€'000**	2014 €'000
Profit attributable to equity holders of the parent	**30,027**	29,218
	'000	'000
Weighted average number of shares	**331,005**	330,710
Effect of share options with a dilutive effect	**3,850**	1,778
Weighted average number of shares for diluted earnings per share calculation	**334,855**	332,488
Diluted earnings per share – cent	**8.97**	8.79

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on the quoted market prices for the period during which the options were outstanding.

Adjusted fully diluted earnings per share

Management believe that adjusted fully diluted earnings per share as set out below provides a fair reflection of the underlying trading performance of the Group after eliminating the impact of acquisition related intangible asset amortisation charges and costs, remeasurement to fair value of contingent consideration estimates, property revaluations and exceptional items and the related tax on these items.

Adjusted fully diluted earnings per share is calculated by dividing the adjusted profit attributable to ordinary shareholders (as calculated below) by the weighted average number of ordinary shares outstanding after adjustment for the effects of all ordinary shares and options with a dilutive effect.

	2015 **€'000**	2014 €'000
Profit attributable to equity holders of the parent	**30,027**	29,218
Adjustments:		
Exceptional items – net of tax (Note 5)	**(1,677)**	(2,275)
Acquisition related intangible asset amortisation in subsidiaries	**5,183**	5,969
Share of joint ventures and associates acquisition related intangible asset amortisation	**2,434**	1,456
Acquisition related costs within subsidiaries	**672**	602
Remeasurement to fair value of contingent consideration estimates	**1,384**	(738)
Tax effect of amortisation of intangible assets with subsidiaries	**(1,080)**	(1,360)
Tax effect of amortisation of intangible assets with joint ventures and associates	**(593)**	(398)
Non-controlling interests share of items above	**(910)**	(1,041)
Adjusted fully diluted earnings	**35,440**	31,433
	'000	'000
Weighted average number of shares at end of year (diluted)	**334,855**	332,488
Adjusted fully diluted earnings per share – cent	**10.58**	9.45

8. Post-employment benefits

	2015 €'000	2014 €'000
Net liability at beginning of year	**(27,514)**	(4,658)
Net interest expense and current service cost recognised in the income statement	**(4,693)**	(1,995)
Past service credit arising on modification to Group's defined benefit pension arrangements recognised in the income statement	–	2,694
Employer contributions to schemes	**5,411**	5,257
Remeasurement gains/(losses) recognised in other comprehensive income	**9,870**	(28,666)
Translation adjustment	**(248)**	(146)
Net liability at end of year	**(17,174)**	(27,514)
Net related deferred tax asset	**2,643**	3,933
Net liability after tax at end of year	**(14,531)**	(23,581)

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 in accordance with *IAS 19 Employee Benefits (2011).*

The Group's balance sheet at 31 December 2015 reflects pension liabilities of €17.2m (2014: €27.5m) in respect of schemes in deficit, resulting in a net deficit of €14.5m (2014: €23.6m) after deferred tax.

The current and past service costs and the net finance expense on the net scheme liabilities are charged to the income statement. Remeasurement 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, inflations rates and mortality rates.

Pension scheme assets increased by 5.3% to €179.1m (2014: €170.1m) while pension scheme obligations decreased by 0.7% to €196.3m (2014: €197.6m).

The decrease in the net liability in the year was primarily due to the increase in discount rates which results in a decrease in the net present value of the obligations of these pension schemes, and positive returns on the pension scheme assets. The discount rate in Ireland and the Eurozone increased to 2.6% (2014: 2.2%) and in the UK increased to 4.1% (2014: 3.8%).

Modification to the structure of the Group's defined benefit pension arrangements during the second half of 2014 resulted in a credit of €2,694,000 which was recognised as an exceptional item in the income statement in the year ended 31 December 2014 (Note 5). Further details are outlined in the Group's 2014 Annual Report. There were no such items in the current year.

9. Dividends

	2015 €'000	2014 €'000
Dividends paid on Ordinary Euro 1 cent shares		
Final dividend for 2014 of 1.7630 cent per share (2013: 1.6632 cent)	**5,850**	5,495
Interim dividend for 2015 of 0.736 cent per share (2014: 0.640 cent)	**2,445**	2,120
Total dividend paid in the year	**8,295**	7,615
Total dividend per share paid in the year	**2.4990**	2.3032

The Board is proposing a 15.0% increase in the final dividend to 2.027 cent per share (2014: 1.763 cent), subject to the approval at the forthcoming AGM. If approved, this dividend will be paid on 26 May 2016 to shareholders on the register at 6 May 2016 subject to dividend withholding tax. The total dividend for 2015 will amount to 2.763 (2014: 2.403) cent per share and represents an increase of 15.0% on 2014. In accordance with IFRS, this dividend has not been provided for in the Balance Sheet at 31 December 2015.

10. Businesses acquired and other developments in 2015

The Group made a number of investments in 2015 as explained below.

Investments in subsidiaries
Primarily in the final quarter of the year, the Group completed a number of new acquisitions and bolt-ons principally in the UK and Brazil. The total committed investment is up to €20.4m including €14.4m contingent consideration payable dependent on the achievement of profit targets and €1.7m of deferred consideration.

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

Analysis of consideration paid and identifiable assets acquired and liabilities assumed
In respect of acquisitions during the year, information on the cost of combination, amounts recognised at acquisition date for assets, liabilities and contingent liabilities and goodwill arising are disclosed in aggregate as none of the combinations are considered sufficiently material to warrant individual disclosure.

	2015 Total €'000	2014 Total €'000
Consideration paid and payable		
Cash consideration	**4,312**	11,499
Contingent consideration arising on current year acquisitions	**14,396**	4,688
Deferred consideration	**1,675**	–
Total fair value of consideration	**20,383**	16,187
Identifiable assets acquired and liabilities assumed		
Property, plant and equipment	**1,182**	6,632
Intangible assets:		
– customer relationships	**13,733**	3,671
– supplier relationships	**3,491**	1,660
– brands	**–**	3,169
– software	**–**	120
Joint venture investments within subsidiaries acquired	**–**	871
Inventories	**2,270**	3,978
Trade and other receivables	**6,654**	23,835
Cash, cash equivalents and bank overdrafts	**2,235**	(6,746)
Bank borrowings	**(2,901)**	(1,618)
Finance leases	**–**	(1,766)
Corporation tax	**259**	58
Trade and other payables	**(6,605)**	(18,131)
Deferred tax asset	**221**	148
Deferred tax liabilities	**(5,120)**	(1,486)
Derivative financial liability	–	(160)
Non-controlling interests acquired	**(4,132)**	–
Fair value of net identifiable assets and liabilities acquired	**11,287**	14,235
Goodwill calculation		
Total fair value of consideration	**20,383**	16,187
Fair value of pre-existing interest in acquiree	**426**	3,728
Fair value of pre-existing relationship with acquiree	–	762
Fair value of net identifiable assets and liabilities acquired	**(11,287)**	(14,235)
Goodwill arising	**9,522**	6,442

Cash flows relating to acquisition of subsidiaries:

	2015	2014
	€'000	€'000
Cash consideration for acquisition of subsidiary undertakings	**(4,312)**	(11,499)
Cash, cash equivalents and bank overdrafts acquired	**2,235**	(6,746)
Cash outflow per statement of cash flows	**(2,077)**	(18,245)

Investment in joint ventures and associates
In 2015, the Group invested €12.1m in new and existing joint ventures and associates including estimated contingent consideration payable if certain profit targets are met. The fair value of the contingent consideration recognised at the date of acquisition of €4.8m was calculated using the expected present value technique. The principal acquisition in the year was the agreement completed in February 2015 to acquire a 50% shareholding in the Gambles Group, a fresh produce company based in Toronto, Canada.

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

Acquisition of non-controlling interests
In 2015, the Group invested €3.9m in acquiring the remaining shareholdings in some non-wholly owned subsidiaries. The investment included €1.0m of deferred consideration and €1.9m estimated contingent consideration payable if certain profit targets are met. The fair value of the contingent consideration recognised at the date of acquisition was calculated using the expected present value technique. The €0.4m difference between the fair value of the consideration of €3.9m and the Group carrying value of the non-controlling interests acquired of €4.3m was accounted for directly in retained earnings in 2015.

Payment of contingent and deferred consideration
In 2015, the Group paid €12.0m of contingent consideration and €0.7m of deferred consideration relating to prior period acquisitions.

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

11. Cash Generated From Operations

	2015	2014
	€'000	€'000
Operating activities		
Profit for the year	**37,502**	35,921
Non-cash adjustments to reconcile profit to net cash flows:		
Income tax expense	**9,281**	8,390
Income tax paid	**(10,747)**	(13,610)
Depreciation of property, plant and equipment	**15,527**	13,851
Impairment of property, plant and equipment	**743**	1,033
Insurance income receivable	**(743)**	–
Gain on disposal of property and leasehold interests	**(2,028)**	–
Remeasurement to fair value of contingent consideration estimates	**1,384**	(738)
Gain reclassified to the income statement on available-for-sale financial asset becoming an associate	–	(2,455)
Amortisation of intangible assets - acquisition related	**5,183**	5,969
Amortisation of intangible assets - development costs capitalised	**249**	350
Amortisation of intangible assets - computer software	**988**	569
Impairment of goodwill and intangible assets	–	1,684
Amortisation of government grants	**(332)**	(321)
Defined benefit pension scheme expense	**4,693**	1,995
Defined benefit pension scheme – gain on modification due to accruing benefits	–	(2,694)
Contributions to defined benefit pension schemes	**(5,411)**	(5,257)
Share based payment expense	**381**	321
Net gain on disposal of property, plant and equipment	**(516)**	(328)
Financial income	**(1,017)**	(1,576)
Financial expense	**6,832**	6,671
Financial income received	**1,149**	1,620
Financial expense paid	**(7,155)**	(6,579)
Gain on non-hedging derivative financial instruments	**(23)**	(358)
Loss on disposal of joint ventures and associates	**15**	–
Share of profit of joint ventures	**(7,706)**	(4,016)
Share of profit of associates	**(2,393)**	(2,727)
Net cash flows from operating activities before working capital movements	**45,856**	37,715
Movements in working capital:		
Movements in inventories	**(10,798)**	3,142
Movements in receivables	**14,598**	22,027
Movements in payables	**11,155**	(13,480)
Total movements in working capital	**14,955**	11,689
Net cash flows from operating activities	**60,811**	49,404

12. Analysis of Net Debt and Cash and Cash Equivalents

Net debt is a non-IFRS measure which comprises bank deposits, cash and cash equivalents and current and non-current interest-bearing loans and borrowings. The calculation of net debt at 31 December 2015 and 31 December 2014 is as follows:

	2015	2014
	€'000	€'000
Current assets		
Bank deposits	**2,500**	2,000
Cash and cash equivalents	**129,738**	113,830
Current liabilities		
Bank overdrafts	**(6,533)**	(3,440)
Current bank borrowings	**(10,073)**	(12,347)
Current finance leases	**(1,802)**	(1,982)
Non-current liabilities		
Non-current bank borrowing	**(129,555)**	(111,196)
Non-current finance leases	**(2,330)**	(3,713)
Net debt at end of year	**(18,055)**	(16,848)

Reconciliation of cash and cash equivalents per balance sheet to cashflow statement

	2015	2014
	€'000	€'000
Cash and cash equivalents per balance sheet	**129,738**	113,830
Bank overdrafts	**(6,533)**	(3,440)
Cash, cash equivalents and bank overdrafts per Cash flow statement	**123,205**	110,390

Trade receivables financing

The Group has a number of sales of receivables arrangements. Under the terms of these agreements, the Group has transferred substantially all of the credit risk which are subject to these agreements. Accordingly €40.5m (2014: €31.3m) has been derecognised at year-end.

13. Post balance sheet events

As noted earlier the Group announced a €20,000,000 share buy-back program on 8 October 2015. The program commenced on 9 October 2015 and in the period to 31 December 2015, the Group acquired 9,943,398 of its own ordinary shares at an aggregate cost of €14,388,000 including associated costs. The repurchased ordinary shares were cancelled. The share buy-back program is earnings accretive and completed on 27 January 2016 with a combined total of 14,017,270 ordinary shares repurchased and cancelled at a total cost of €20,350,000 including associated costs.

On 2 February 2016, the Group completed the acquisition of a 65% interest in Progressive Produce LLC, headquartered in Los Angeles, California. Progressive Produce is a grower, packer and distributor of conventional and organic produce to the retail, wholesale and foodservice sectors in the US and Canada. Progressive Produce was founded in 1967 and today is one of California's premier produce companies with 2015 sales in excess of $200 million, gross assets of c. US$36m at 31 December 2015 and employing 214 people.

There have been no other material events subsequent to 31 December 2015 which would require disclosure or adjustment in this report.

14. Related party transactions

There have been no related party transactions or changes to related party transactions other than those described in the 2014 Annual Report that materially affect the financial position or the performance of the Group for the year ended 31 December 2015.

15. Board approval

This announcement was approved by the Board of Directors of Total Produce plc on 2 March 2016