PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

TOTAL PRODUCE CONTINUES EXPANSION WITH STRONG EARNINGS GROWTH

- Revenue [(1)] up 11.2% to €2.8 billion
- Adjusted EBITDA[(1)] up 17.8% to €70.4m
- Adjusted EBITA [(1)] up 21.4% to €54.6m
- Adjusted profit before tax [(1)] up 19.1% to €47.3m
- Adjusted EPS [(1)] up 12.0% to 8.11 cent
- Final dividend up 12.0% to 1.512 cent; total 2012 dividend up 10.0% to 2.079 cent

(1) *Key performance indicators are defined overleaf*

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

"The Group is very pleased with its performance in 2012 having recorded strong growth of 12% in adjusted EPS.

Trading conditions since the start of 2013 have been satisfactory. The Group's activities are well diversified across Europe and, more recently in North America and Africa. During 2012, Total Produce acquired shareholdings in a number of companies, including Oppenheimer in North America, Frankort and Koning in the Netherlands and Capespan in South Africa. With the benefit of these and other transactions, the Group is targeting adjusted EPS for 2013 in the range of 8.0 to 8.8 cent per share. The Group is pleased to report a 12% increase in the final dividend which together with the interim dividend represents an overall increase of 10% in the full year dividend. The Group continues to actively pursue further investment opportunities."

5 March 2013

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TOTAL PRODUCE PLC PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 €'million	2011 €'million	% change
Revenue, including share of joint ventures & associates	**2,811**	2,527	+11.2%
Group revenue	**2,432**	2,284	+6.4%
Adjusted EBITDA [(1)]	**70.4**	59.7	+17.8%
Adjusted EBITA [(1)]	**54.6**	45.0	+21.4%
Operating profit	**43.5**	39.1	+11.2%
Adjusted profit before tax [(1)]	**47.3**	39.7	+19.1%
Profit before tax	**37.1**	34.4	+7.9%
	Euro cent	**Euro cent**	**% change**
Adjusted earnings per share [(1)]	**8.11**	7.24	+12.0%
Basic and diluted earnings per share	**6.58**	7.11	(7.5%)
Total dividend per share	**2.079**	1.89	+10.0%

[(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, acquisition-related costs and exceptional items. It also excludes the Group's share of these items within its joint ventures and associates.

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 its joint ventures and associates.

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

Adjusted earnings per share excludes acquisition related intangible asset amortisation charges, acquisition related costs, exceptional items and related tax on such items. It also excludes the Group's share of these items within its 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.

Summary Results

Total Produce (the 'Group') has recorded strong results for the year ended 31 December 2012 with double digit growth in all its key performance indicators. Revenue [(1)], adjusted EBITA [(1)] and adjusted earnings per share [(1)] grew 11.2%, 21.4% and 12.0% respectively. The results reflect good trading across all operating divisions and positive contributions from recent corporate development activity.

Revenue grew 11.2% to €2.8 billion (2011: €2.5 billion) with adjusted EBITA up 21.4% to €54.6m (2011: €45.0m). The strong growth in the year was assisted by the positive contributions from acquisitions completed in the past eighteen months. This was offset in part by the divestment of the Group's 50% interest in Capespan International Holdings Limited ('Capespan Europe'). Trading conditions in all operating divisions were improved on 2011 with a strong performance in both the Fresh Produce Division and the Healthfoods and Consumer Products Distribution Division. The effect of currency translation had a marginally positive impact on the reported results due to the strength of both Sterling and the Swedish Krona in 2012.

Operating profit before exceptional items increased 18.7% to €43.2m (2011: €36.4m). The Group recognised an exceptional gain in the year of €0.3m (2011: €2.7m) relating to the divestment of the Group's 50% joint venture in Capespan Europe. An analysis of these exceptional gains is set out in Note 5 of the accompanying financial information. Operating profit after these exceptional gains was €43.5m (2011: €39.1m), an increase of 11.2%.

Statutory profit before tax in 2012 was €37.1m (2011: €34.4m). Excluding exceptional gains and acquisition related intangible asset amortisation charges and costs, adjusted profit before tax [(1)] increased by 19.1% to €47.3m (2011: €39.7m).

Adjusted earnings per share [(1)] for the year ended 31 December 2012 of 8.11 cent (2011: 7.24 cent) represented a growth of 12.0%.

The Group continues to generate positive cashflows with both operating and free cashflows up significantly on prior year due to increased earnings and working capital inflows. Free cashflow increased to €41.2m (2011: €12.9m) resulting in a reduction in the net debt at 31 December 2012 to €53.0m (2011: €75.6m) and represents 0.75 times adjusted EBITDA.

The Group was active with corporate development in 2012, investing almost €24m in additional business interests. 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 ('Capespan South Africa'), the leading South African produce company to 25.3%.

Post year-end, on 7 January 2013, the Group announced the completion of an agreement to acquire a 65% majority shareholding in the Oppenheimer group in two stages over five years. This development represents the Group's first step into the North American market. Founded in 1858, the Oppenheimer group is a leading North American fresh produce distribution and marketing company with thirteen sales offices, three in Canada, nine in the USA and one in Chile. The Oppenheimer group recorded revenue of €410m in 2011.

The Board recommends an increase of 12% in the final dividend to 1.512 cent per share (2011: 1.35 cent per share). This together with the interim dividend of 0.567 cent per share (2011: 0.54 cent per share), brings the total 2012 dividend to 2.079 cent per share (2011: 1.89 cent), an increase of 10% on 2011.

Operating Review

The table below details a segmental breakdown of the Group's revenue and adjusted EBITA for the year. Segment performance is evaluated based on revenue and adjusted EBITA.

	2012		2011	
	Segmental revenue €'000	**Adjusted EBITA €'000**	Segmental revenue €'000	Adjusted EBITA* €'000
Eurozone Fresh Produce	**1,302,685**	**20,408**	1,205,234	18,421
Northern Europe Fresh Produce	**664,655**	**19,523**	595,340	15,742
UK Fresh Produce	**515,040**	**6,378**	485,414	5,294
Rest of the World Fresh Produce	**261,258**	**5,020**	170,989	4,289
Inter-segment revenue	**(35,829)**	**-**	(29,729)	-
Total Fresh Produce	**2,707,809**	**51,329**	2,427,248	43,746
Healthfoods and Consumer Products	**102,762**	**3,235**	99,329	1,213
Third party revenue and adjusted EBITA	**2,810,571**	**54,564**	2,526,577	44,959

** Comparative balances have been reclassified in the current year to ensure conformity with the current year presentation.*

Fresh Produce Division

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

This division recorded good growth in 2012 with an 11.6 % increase in revenue to €2,708m (2011: €2,427m) and a 17.3% increase in adjusted EBITA to €51.3m (2011: €43.7m). Net EBITA margins in the Fresh Produce division increased in 2012 to 1.9% (2011: 1.8%). The results were assisted by the positive contribution of acquisitions completed in the past eighteen months offset in part by the divestment of the Group's 50% interest in Capespan Europe.

Trading conditions overall in 2012 were stronger with each division reporting increased revenues and profits. The performance in the second half of 2012 was particularly good vis-à-vis 2011. The comparative period in 2011 was affected by more challenging trading conditions particularly in Continental Europe due primarily to the EHEC scare which had a negative impact on the European fresh produce industry from late May 2011 onwards affecting both consumption and prices. The effect of currency translation had a marginally positive impact overall on the reported results due to the strength of both the Swedish Krona and Sterling against the Euro. On a like-for-like basis, excluding the impact of acquisitions, divestments and currency translation, revenue increased 4% in 2012 due primarily to volume increases.

Further information on each reporting segment follows.

Eurozone Fresh Produce

Revenue in the Eurozone Division increased 8.1% to €1,303m (2011: €1,205m) with a 10.8% increase in adjusted EBITA to €20.4m (2011: €18.4m). The increase was due to improved trading conditions, the contribution of acquisitions (primarily the Frankort & Koning acquisition which completed in March 2012) offset by the divestment of the Continental European division of Capespan Europe in January 2012.

Excluding the effect of acquisitions and divestments, revenue was up 3% on prior year primarily due to volume increases. Trading improved in the second half of the year in certain Continental European locations which had been affected by the EHEC crisis which negatively impacted the fresh produce industry in the second half of 2011.

Northern Europe Fresh Produce

Revenue in the Group's Northern European Division increased by 11.6% to €665m (2011: €595m). Revenue growth was assisted by increased volumes, the contribution of new product lines and the strength of the Swedish Krona in the year which led to higher translated Euro revenue.

Adjusted EBITA increased 24.0% to €19.5m (2011: €15.7m) due to increased revenue, lower costs and to a lesser extent the positive impact of currency translation. In the prior year the Group incurred reorganisation costs in completing the extension to the state-of the-art distribution facility in Sweden.

UK Fresh Produce

Revenue in the UK Division increased by 6.1% to €515m (2011: €485m). The results reflected the positive impact of bolt-on acquisitions completed in past eighteen months and the impact of the strengthening of Sterling in the year which led to higher Euro revenue on translation. This was offset by the impact of the divestment of the UK division of Capespan Europe in January 2012. Revenue on a like-for-like basis excluding the effect of acquisitions, divestments and currency translation was up 4% in the year due to volume and price increases.

Adjusted EBITA increased by 20.5% to €6.4m (2011: €5.3m) with the benefit of currency translation, contributions from bolt-on acquisitions and lower rationalisation costs year-on-year, offset in part by the divestment of the UK division of Capespan Europe.

Rest of the World Fresh Produce

The Rest of the World Division includes a number of fresh produce businesses in Eastern Europe, Asia and South Africa. The Group increased its shareholding in Capespan South Africa from a 15.6% to 20.2% interest in the second half of 2011. The Group has accounted for the 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 25.3% as part of a transaction to divest the Group's shareholding in Capespan Europe.

Revenue increased 52.8% to €261m (2011: €171m) and adjusted EBITA increased 17.0% to €5.0m (2011: €4.3m) due to the full year effect of equity accounting for Capespan South Africa offset in part by lower profits in other jurisdictions.

Healthfoods and Consumer Products Distribution Division

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

Revenue increased 3.5% to €103m (2011: €99m). The division recorded an EBITA of €3.2m (2011: €1.2m). The increase in profits in the year was due to the full year effect of acquisitions completed in the second half of 2011.

Financial Review

Net financial expense

Net financial expense for the year was €6.4m compared to €4.7m in 2011. Included within finance income in 2011 was €0.4m of dividend income from Capespan South Africa. From July 2011 onwards, as a result of equity accounting for Capespan South Africa, this dividend income is no longer recognised as finance income in the Group income statement. Excluding this finance income, the net financial expense increased by €1.3m primarily due to the higher costs of funds. In addition the strength of the Swedish Krona and Sterling in the year led to higher reported interest costs on translation to Euro.

The Group's share of the net financial expense in its joint ventures and associates was €0.9m compared to €0.5m in 2011. Net interest cover for the year was 8.5 times based on adjusted EBITA.

Exceptional items

Exceptional items in the year amounted to a net gain before tax of €0.3m (2011: net gain of €2.7m). The gain in 2012 related to the disposal of the Group's 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. The net gain in 2011 includes gains on the disposal of a joint venture, pension curtailments and revaluation gains reclassified to the income statement arising on the reclassification of a financial asset to an associate investment. These gains were partly offset by property revaluation charges. An analysis of these items is set out in Note 5 of the accompanying financial information.

Profit before tax

Statutory profit before tax increased 7.9% in the year to €37.1m due to higher operating profits offset by lower exceptional gains when compared to 2011. Excluding exceptional items, acquisition related amortisation charges and costs, adjusted profit before tax (1) increased by 19.1% to €47.3m.

Taxation

The tax charge for the year including share of joint ventures' and associates' tax and before non-trading items, as set out in Note 6 of the accompanying financial information, was €12.7m (2011: €10.4m) representing an effective tax rate of 26.8% (2011: 26.2%).

Non-controlling interest

The non-controlling interest's share of after tax profits was €7.1m (2011: €4.3m). Included in the 2011 charge was the non-controlling interests' €0.5m share of property impairment charge. Excluding this exceptional item, the charge has increased €2.3m in the year due to the full year effect of the non-controlling interests' share of after tax profits of subsidiaries acquired in the second half of 2011 and higher 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 8.11 cent (2011: 7.24 cent). Management believe that adjusted earnings per share excluding exceptional items, acquisition related intangible asset amortisation charges and costs and related tax on these items provides a fairer reflection of the underlying trading performance of the Group. Basic earnings per share after these non-trading items amounted to 6.58 cent (2011: 7.11 cent) with the decrease due to lower exceptional gains and higher non-cash acquisition related intangible asset amortisation charges in 2012.

Net debt and cash flow

Net debt at 31 December 2012 was €53.0m (2011: €75.6m). Net debt relative to adjusted EBITDA was 0.75 times and interest is covered 8.5 times by adjusted EBITA. At 31 December 2012, the Group had cash balances (including bank deposits) of €109.5m and interest bearing borrowings (including overdrafts) of €162.5m. Post year-end, the Group had a cash outflow of €11.4m representing the payment for the initial acquisition of the 35% shareholding in the Oppenheimer Group based in North America.

The Group generated operating cash flows of €38.0m in 2012 (2011: €31.2m) before working capital movements with the increase due to higher profits. There were €12.1m of working capital inflows in the year compared to a net €7.7m outflow in 2011. Cash outflows on routine capital expenditure, net of disposals, were €7.9m (2011: €7.5m). Dividend payments to non-controlling interests were €3.9m (2011: €4.9m).

Primarily as a result of higher profits and working capital movements, free cash flow generated by the Group increased to €41.2m (2011: €12.9m). Free cash flow is the funds available after outflows relating to routine capital expenditure and dividends to non-controlling shareholders but before acquisition expenditure, development capital expenditure and the payment of dividends to equity shareholders.

Cash outflows on acquisitions and contingent consideration payments amounted to €14.8m (2011: €29.2m). Development capital expenditure of €3.8m was down on the €7.3m in the comparative period which primarily related to the construction of the enlarged distribution facility in Sweden. As highlighted earlier, the Group sold its investment in Capespan Europe in the year and received cash proceeds of €8.5m. The Group distributed €6.3m (2011: €5.9m) in dividends to equity shareholders. There was an adverse net impact on net debt of €2.1m (2011: €1.2m) on the translation of foreign currency denominated net debt to Euro due to the stronger Swedish Krona and Sterling exchange rates at end of 2012 when compared to end of 2011.

The Group concluded a new US$50m multi-currency facility under which the Group may issue loan notes over a three year period with a maturity of up to ten years. In addition the Group has renewed a number of its term borrowing facilities extending the Group's net debt maturity profile. This further increases the Group's capacity to finance future expansion.

	2012 €'million	2011 €'million
Adjusted EBITDA	**70.4**	59.7
Deduct adjusted EBITDA of joint ventures and associates	**(11.4)**	(7.5)
Net interest and tax paid	**(17.6)**	(16.5)
Other	**(3.4)**	(4.5)
Operating cash flows before working capital movements	**38.0**	31.2
Working capital and other movements	**12.1**	(7.7)
Operating cash flows	**50.1**	23.5
Routine capital expenditure net of disposal proceeds	**(7.9)**	(7.5)
Dividends received from joint ventures and associates	**2.9**	1.8
Dividends paid to non-controlling interests	**(3.9)**	(4.9)
Free cash flow	**41.2**	12.9
Disposal of a joint venture interest	**8.5**	4.2
Acquisition expenditure (including contingent consideration payments)	**(14.8)**	(29.2)
Development capital expenditure	**(3.8)**	(7.3)
Dividends paid to equity shareholders	**(6.3)**	(5.9)
Other	**(0.1)**	(1.2)
Movement in net debt in the year	**24.7**	(26.5)
Net debt at beginning of year	**(75.6)**	(47.9)
Foreign currency translation	**(2.1)**	(1.2)
Net debt at end of year	**(53.0)**	(75.6)

Defined benefit pension obligations

The net liability in the Group's defined benefit pension schemes (net of deferred tax) increased to €23.7m at 31 December 2012 (2011: €14.8m). While assets in the pension scheme increased in excess of 15% in 2012, there was an increase in pension obligations as a result of significant decreases in the discount rates underlying the calculation of the net present value of scheme obligations.

Shareholders' Equity

The balance sheet strengthened in 2012 with shareholders' equity increasing 6.3% to €187.8m (2011: €176.7m). The increase was primarily due to after tax profits in the year of €21.7m attributable to equity shareholders of the parent offset by losses of €4.7m recognised directly in the statement of other comprehensive income and dividend payments of €6.3m to equity shareholders. The €4.7m of losses recognised directly in the statement of other comprehensive income include actuarial losses on employee defined benefit pension schemes of €10.6m (net of deferred tax) offset by currency translation gains of €4.3m that arose on the translation of foreign currency denominated assets to Euro and gains of €1.6m (net of deferred tax) on the revaluation of property.

Development activity

During 2012, the Group invested almost €24m in a number of business interests including €20m on joint venture and associate interests and almost €4m on subsidiary interests.

On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in 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. The transaction increased the Group's effective interest in its associate interest, 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 outlined in Note 5 to 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.

The Group invested €15.5m in a number of new and existing joint venture interests in the Fresh Produce Division including €5.8m contingent consideration payable (discounted to net present value) on the achievement of future profit targets. The main investment was the acquisition of a 50% shareholding in Frankort & Koning on 13 March 2012. 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 made. The fair value of the contingent consideration recognised at the date of acquisition of €5.6m was arrived at by discounting the expected amounts payable to present value.

In 2012, the Group invested €3.6m including debt acquired and estimated contingent consideration, payable on achievement of future profit targets in subsidiary interests. The acquisitions include a 70% interest in a Fresh Produce company in Europe and a number of bolt-on acquisitions in both the Fresh Produce Division and the Healthfoods and Consumer Products Distribution Division which complement our existing interests.

Post year-end, on 7 January 2013, the Group announced the completion of an agreement to acquire a 65% majority shareholding in the Oppenheimer group in two stages over five years. The acquisition of an initial 35% of Oppenheimer's shares was completed on this date for an initial cash payment of CAD $15.0m (€11.4m) with additional consideration payable on these shares if certain profit targets are met. A further 30% shareholding will be purchased in 2017 for a price to be determined based on future profits. The total consideration payable for the 65% shareholding is estimated not to exceed CAD $40m (€30m) at completion. The Oppenheimer group is a leading North American fresh produce marketing and distribution company with thirteen sales offices, three in Canada, nine in the USA and one in Chile. The group recorded sales of €410m in 2011.

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 the authority should the appropriate opportunity arise. The Group will seek to renew this authority at the forthcoming AGM in May 2013.

Dividends

The Board is proposing a 12% increase in the final dividend to 1.512 cent per share (2011: 1.35 cent), subject to the approval at the forthcoming AGM. If approved, this dividend will be paid on 23 May 2013 to shareholders on the register at 3 May 2013 subject to dividend withholding tax. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 31 December 2012. The total dividend for 2012 will amount to 2.079 cent per share and represents an increase of 10% on 2011.

Summary and Outlook

The Group is very pleased with its performance in 2012 having recorded strong growth of 12% in adjusted EPS.

Trading conditions since the start of 2013 have been satisfactory. The Group's activities are well diversified across Europe and, more recently in North America and Africa. During 2012, Total Produce acquired shareholdings in a number of companies, including Oppenheimer in North America, Frankort and Koning in the Netherlands and Capespan in South Africa. With the benefit of these and other transactions, the Group is targeting adjusted EPS for 2013 in the range of 8.0 to 8.8 cent per share. The Group is pleased to report a 12% increase in the final dividend which together with the interim dividend represents an overall increase of 10% in the full year dividend. The Group continues to actively pursue further investment opportunities.

Carl McCann, Chairman
On behalf of the Board
5 March 2013

(1) *See page two of this announcement for a definition of the Group's key performance indicators.*

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.

Total Produce plc
Extract from the Group Income Statement
for the year ended 31 December 2012

	Note	Before exceptional items 2012 €'000	Exceptional items (Note 5) 2012 €'000	Total 2012 €'000	Before exceptional items 2011 €'000	Exceptional items (Note 5) 2011 €'000	Total 2011 €'000
Revenue, including Group share of joint ventures and associates	3	**2,810,571**	**–**	**2,810,571**	2,526,577	–	2,526,577
Group revenue		**2,431,826**	**–**	**2,431,826**	2,284,478	–	2,284,478
Cost of sales		**(2,092,874)**	**–**	**(2,092,874)**	(1,964,162)	–	(1,964,162)
Gross profit		**338,952**	**–**	**338,952**	320,316	–	320,316
Operating expenses (net)		**(300,316)**	**303**	**(300,013)**	(287,346)	2,712	(284,634)
Share of profit of joint ventures and associates	10	**4,572**	**–**	**4,572**	3,442	–	3,442
Operating profit		**43,208**	**303**	**43,511**	36,412	2,712	39,124
Financial income		**1,851**	**–**	**1,851**	2,097	–	2,097
Financial expense		**(8,261)**	**–**	**(8,261)**	(6,845)	–	(6,845)
Profit before tax		**36,798**	**303**	**37,101**	31,664	2,712	34,376
Income tax (expense)/credit	6	**(8,362)**	**43**	**(8,319)**	(7,298)	663	(6,635)
Profit for the year		**28,436**	**346**	**28,782**	24,366	3,375	27,741
Attributable to:							
Equity holders of the parent				**21,697**			23,466
Non-controlling interests				**7,085**			4,275
				28,782			27,741
Earnings per ordinary share							
Basic	7			**6.58 cent**			7.11 cent
Fully diluted	7			**6.58 cent**			7.11 cent
Adjusted fully diluted	7			**8.11 cent**			7.24 cent

Total Produce plc
Extract from the Group Statement of Comprehensive Income
for the year ended 31 December 2012

	2012 €'000	2011 €'000
Profit for the year	**28,782**	27,741
Other comprehensive income:		
Foreign currency translation effects:		
- foreign currency net investments – subsidiaries	**5,282**	2,196
- foreign currency net investments – joint ventures and associates	**367**	14
- foreign currency losses/(gains) reclassified to the income statement on disposal of joint venture	**1,489**	(528)
- foreign currency borrowings	**(2,606)**	(1,380)
Revaluation gains on property, plant and equipment, net	**1,771**	1,350
Gains on re-measuring available-for-sale financial assets, net	**–**	2,028
Reclassification of revaluation gains to income statement upon available-for-sale investment becoming an associate	**–**	(4,055)
Actuarial losses on defined benefit pension schemes	**(12,258)**	(10,883)
Effective portion of cash flow hedges, net	**2**	25
Deferred tax on items taken directly to other comprehensive income	**1,875**	1,654
Share of joint ventures' and associates' actuarial (loss)/gain on defined benefit pension scheme	**(331)**	80
Share of joint ventures' and 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	**116**	23
Other comprehensive income for the year, net of tax	**(4,293)**	(9,467)
Total comprehensive income for the year, net of tax	**24,489**	18,274
Attributable to:		
Equity holders of the parent	**17,022**	13,926
Non-controlling interests	**7,467**	4,348
	24,489	18,274

Total Produce plc
Extract from the Group Balance Sheet
as at 31 December 2012

	2012	2011
Assets	**€'000**	€'000
Non-current assets		
Property, plant and equipment	**138,753**	135,644
Investment property	**11,067**	10,881
Goodwill and intangible assets	**152,098**	152,493
Investments in joint ventures and associates	**62,086**	40,212
Other financial assets	**636**	647
Other receivables	**6,505**	4,290
Deferred tax assets	**9,473**	6,903
Total non-current assets	**380,618**	351,070
Current assets		
Inventories	**45,565**	39,098
Trade and other receivables	**279,263**	268,126
Corporation tax receivables	**1,971**	2,075
Derivative financial instruments	**–**	57
Bank deposits	**3,799**	–
Cash and cash equivalents	**105,692**	90,087
Total current assets (excluding non-current assets classified as held for sale)	**436,290**	399,443
Non-current assets classified as held for sale	**–**	11,064
Total current assets	**436,290**	410,507
Total assets	**816,908**	761,577
Equity		
Called-up share capital	**3,519**	3,519
Share premium	**252,574**	252,574
Other reserves	**(110,043)**	(116,460)
Retained earnings	**41,752**	37,066
Total equity attributable to equity holders of the parent	**187,802**	176,699
Non-controlling interests	**64,162**	60,041
Total equity	**251,964**	236,740
Liabilities		
Non-current		
Interest-bearing loans and borrowings	**154,797**	140,586
Deferred government grants	**1,876**	1,569
Other payables	**1,881**	2,582
Provisions	**15,336**	10,809
Corporation tax payable	**7,569**	7,754
Deferred tax liabilities	**16,100**	17,100
Employee benefits	**28,324**	18,058
Total non-current liabilities	**225,883**	198,458
Current		
Interest-bearing loans and borrowings	**7,721**	25,054
Trade and other payables	**326,805**	295,728
Provisions	**1,785**	1,634
Derivative financial instruments	**341**	309
Corporation tax payable	**2,409**	3,654
Total current liabilities	**339,061**	326,379
Total liabilities	**564,944**	524,837
Total liabilities and equity	**816,908**	761,577

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2012

	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 €'000	Other equity reserves €'000	Retained earnings €'000	Total €'000	Non-controlling interests €'000	Total equity €'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
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	21,697	21,697	7,085	28,782
Other comprehensive income:											
Foreign currency translation effects	–	–	4,325	–	–	–	–	–	4,325	207	4,532
Revaluation gains on property, plant and equipment, net	–	–	–	1,422	–	–	–	–	1,422	349	1,771
Actuarial losses on defined benefit pension schemes, net	–	–	–	–	–	–	–	(12,080)	(12,080)	(178)	(12,258)
Effective portion of cash flow hedges, net	–	–	–	–	–	–	2	–	2	–	2
Deferred tax on items taken directly to other comprehensive income	–	–	–	196	–	–	(1)	1,676	1,871	4	1,875
Share of associates' actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	–	(331)	(331)	–	(331)
Share of associates' deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	116	116	–	116
Total other comprehensive income	–	–	4,325	1,618	–	–	1	(10,619)	(4,675)	382	(4,293)
Total comprehensive income	–	–	4,325	1,618	–	–	1	11,078	17,022	7,467	24,489
Transactions with equity holders of the parent											
Non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	–	481	481
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(68)	(68)	–	(68)
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	59	59
Dividends	–	–	–	–	–	–	–	(6,324)	(6,324)	(3,886)	(10,210)
Share-based payment transactions	–	–	–	–	–	–	473	–	473	–	473
Total transactions with equity holders of the parent	–	–	–	–	–	–	473	(6,392)	(5,919)	(3,346)	(9,265)
As at 31 December 2012	3,519	252,574	(1,483)	20,914	(122,521)	(8,580)	1,627	41,752	187,802	64,162	251,964

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2012 (continued)

	Share capital €'000	*Share premium €'000*	*Currency translation reserve €'000*	*Reval-uation 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*
	Attributable to equity holders of the parent										
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
Comprehensive income											
Profit for the year	–	–	–	–	–	–	–	23,466	23,466	4,275	27,741
Other comprehensive income:											
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' actuarial gain on defined benefit pension scheme	–	–	–	–	–	–	–	80	80	–	80
Share of joint ventures' gain on re-measuring available-for-sale financial assets	–	–	–	–	–	–	–	9	9	–	9
Share of joint ventures' 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)
Total comprehensive income	–	–	197	1,358	–	–	(2,019)	14,390	13,926	4,348	18,274
Transactions with equity holders of the parent											
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
Total transactions with equity holders of the parent	–	–	–	–	–	–	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
Extract from the Group Statement of Cash Flows
for the year ended 31 December 2012

	2012 €'000	2011 €'000
Cash flows from operating activities before working capital movements (Note 12)	**37,992**	31,228
Decrease/(increase) in working capital (Note 12)	**12,066**	(7,747)
Net cash flows from operating activities (Note 12)	**50,058**	23,481
Investing activities		
Acquisition of subsidiaries, net of cash, cash equivalents and bank overdrafts acquired	**(3,307)**	(7,973)
Acquisition of, and investment in, joint ventures and associates, including loans	**(9,648)**	(6,192)
Acquisition of other financial assets	**(2)**	(30)
Payments of contingent consideration	**(1,855)**	(14,086)
Acquisition of property, plant and equipment	**(11,892)**	(15,531)
Acquisition of computer software	**(649)**	–
Proceeds from disposal of property, plant and equipment	**874**	725
Dividends received from joint ventures and associates	**2,909**	1,760
Proceeds from disposal of joint ventures and associates	**8,456**	4,172
Development expenditure capitalised	**(146)**	(156)
Government grants received	**599**	296
Net cash flows from investing activities	**(14,661)**	(37,015)
Financing activities		
Net (decrease)/increase in borrowings	**(6,621)**	12,784
Increase in bank deposits	**(3,799)**	–
Increase in cash held in escrow	**(11,580)**	–
Capital element of finance lease repayments	**(1,135)**	(274)
Dividends paid to shareholders of the parent	**(6,324)**	(5,882)
Acquisition of non-controlling interests	**(68)**	(841)
Capital contribution by non-controlling interests	**59**	–
Dividends paid to non-controlling interests	**(3,886)**	(4,880)
Net cash flows from financing activities	**(33,354)**	907
Net increase/(decrease) in cash and cash equivalents, inc bank overdrafts	**2,043**	(12,627)
Cash and cash equivalents, including bank overdrafts at start of year	**85,813**	97,916
Effect of exchange rate fluctuations on cash held	**1,104**	524
Cash and cash equivalents, inc. bank overdrafts at end of year (Note 13)	**88,960**	85,813

Group Reconciliation of Net Debt
for the year ended 31 December 2012

	2012 €'000	2011 €'000
Net increase/(decrease) in cash and cash equivalents, inc. bank overdrafts	**2,043**	(12,627)
Net decrease/(increase) in borrowings	**6,621**	(12,784)
Increase in bank deposits	**3,799**	–
Increase in cash held in escrow	**11,580**	–
Capital element of lease repayments	**1,135**	274
Other movements on finance leases	**(535)**	(1,327)
Foreign exchange movement	**(2,117)**	(1,154)
Movement in net debt	**22,526**	(27,618)
Net debt at beginning of year	**(75,553)**	(47,935)
Net debt at end of year	**(53,027)**	(75,553)

Total Produce plc
Selected explanatory notes for the Preliminary Results for the year ended 31 December 2012

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 2012 and is prepared based on the accounting policies set out therein, which are consistent with those applied in the prior year. As permitted by the 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 have been approved by the Board of Directors on 4 March 2013. 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 for year ended 31 December 2012
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 or the financial position of the Group.

- 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 year, a number of amendments to existing 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.

Changes in accounting policy from 1 January 2013
A number of new IFRSs and interpretations of the International Financial Reporting Interpretations Committee become effective for periods beginning on or after 1 January 2013. The Directors anticipate that the adoption of these standards will not have a material impact on the Group's earnings per share with the exception of the revision to IAS 19 *Employee Benefits* (IAS 19R) which would result in an increased charge to the income statement in respect of the Group's defined benefit arrangements.

IAS 19R is effective for accounting periods beginning on or after 1 January 2013. The Group have opted not to apply this standard early. The main impact of applying IAS 19R will be in the income statement, with the replacement of the expected return on assets item and unwinding of the discount on the defined benefit obligation with a single line item calculating the net interest on the deficit/(surplus). In addition administration expenses of the scheme will be included as an operating expense of the period and are no longer included as a deduction from return on plan assets in the measurement of the defined benefit obligation. The Group's actuarial advisors have estimated the impact of IAS 19R for the year ending 31 December 2012 to be an additional income statement charge of €0.7m but no change in the balance sheet position.

2. Translation of foreign currencies

The presentation currency of the Group is Euro which is the functional currency of the parent. Results and cashflows of foreign currency denominated operations have been translated into Euro at the average exchange rates for the period, 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 within a separate translation reserve within equity, net of differences on related foreign currency borrowings designated as hedges of those net investments. 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			**Closing rate**		
	2012	2011	% change	**2012**	2011	% change
Pound Sterling	**0.8086**	0.8757	7.7%	**0.8110**	0.8353	2.9%
Swedish Krona	**8.7277**	9.0086	3.1%	**8.5763**	8.8990	3.6%
Czech Koruna	**25.1879**	24.7335	(1.8%)	**25.0942**	25.5018	1.6%
Danish Kroner	**7.4438**	7.4507	0.1%	**7.4606**	7.4322	(0.4%)
South African Rand	**10.5503**	10.0826	(4.6%)	**11.1852**	10.4802	(6.7%)

3. Segmental Analysis

In accordance with IFRS *8 Operating Segments*, 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, marketing 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, marketing and distribution of fresh produce in Northern Europe.
- *UK Fresh Produce*: This operating segment is involved in the in procurement, marketing and distribution of fresh produce in the UK.
- *Healthfoods and Consumer Products Distribution*: This division is a full service marketing and distribution partner to the healthfoods, pharmacy, grocery, and domestic consumer products sectors. This segment distributes to retail and wholesale outlets in Ireland and in the United Kingdom.

A further three operating segments involved in the procurement, marketing and distribution of fresh produce have been identified which are combined under '*Rest of the World Fresh Produce'* as they are not individually material.

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

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 and are accordingly, omitted from the detailed segmental analysis that follows.

	2012			2011		
	Segmental revenue €'000	**Third party revenue €'000**	**Adjusted EBITA €'000**	Segmental revenue €'000	Third party revenue €'000	Adjusted EBITA* €'000
Eurozone Fresh Produce	**1,302,685**	**1,282,299**	**20,408**	1,205,234	1,189,058	18,421
Northern Europe Fresh Produce	**664,655**	**651,326**	**19,523**	595,340	584,318	15,742
UK Fresh Produce	**515,040**	**513,023**	**6,378**	485,414	483,411	5,294
Other Fresh Produce	**261,258**	**261,161**	**5,020**	170,989	170,461	4,289
Inter – segment revenue	**(35,829)**	**-**	**-**	(29,729)	-	-
Total Fresh Produce	**2,707,809**	**2,707,809**	**51,329**	2,427,248	2,427,248	43,746
Healthfoods and Consumer Products	**102,762**	**102,762**	**3,235**	99,329	99,329	1,213
Third party revenue and adjusted EBITA	**2,810,571**	**2,810,571**	**54,564**	2,526,577	2,526,577	44,959

** Comparative balances have been reclassified in the current year to ensure conformity with current year presentation*

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

Reconciliation of segmental profits to operating profit

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

	Note	**2012 €'000**	2011 €'000
Adjusted EBITA per management reporting		**54,564**	44,959
Acquisition related intangible asset amortisation charges within subsidiaries	(i)	**(6,732)**	(5,501)
Share of joint ventures' and associates' acquisition relation intangible asset amortisation charges	(i)	**(1,089)**	(535)
Acquisition related costs within subsidiaries	(ii)	**(227)**	(615)
Acquisition related costs within joint ventures and associates	(ii)	**(189)**	-
Share of joint ventures' and associates' interest	(iii)	**(861)**	(507)
Share of joint ventures' and associates' tax	(iii)	**(2,258)**	(1,389)
Operating profit before exceptional items		**43,208**	36,412
Exceptional items	(iv)	**303**	2,712
Operating profit after exceptional items		**43,511**	39,124
Net financial expense	(v)	**(6,410)**	(4,748)
Profit before tax		**37,101**	34,376

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

(ii) Acquisition related costs which include legal fees and other professional service fees on completed acquisitions of subsidiaries are not allocated to operating segments in the Group management accounts.

(iii) Under IFRS, included within profit before tax is the share of joint ventures' and associates' profit after tax and interest. In the Group's management accounts, the Group share of tax and interest are excluded from the adjusted EBITA calculation.

(iv) Exceptional items (Note 5) are not allocated to operating segments in the management reports.

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

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 EBITA, adjusted profit before tax and adjusted earnings per share (Note 7) are the most appropriate measures of the underlying performance of the Group.

	2012 €'000	2011 €'000
Profit before tax per the income statement	**37,101**	34,376
Adjustments		
Exceptional items (Note 5)	**(303)**	(2,712)
Group share of the tax charge of joint ventures and associates	**2,258**	1,389
Acquisition related intangible asset amortisation charges within subsidiaries	**6,732**	5,501
Share of joint ventures' and associates' acquisition related intangible assets amortisation charges	**1,089**	535
Acquisition related costs within subsidiaries	**227**	615
Acquisition related costs within joint ventures and associates	**189**	-
Adjusted profit before tax	**47,293**	39,704
Exclude		
Net financial expense – Group	**6,410**	4,748
Net financial expense – share of joint ventures and associates	**861**	507
Adjusted EBITA	**54,564**	44,959
Exclude		
Depreciation – subsidiaries	**13,370**	13,153
Depreciation – share of joint ventures and associates	**2,425**	1,626
Adjusted EBITDA	**70,359**	59,738

5. Exceptional items

	2012 €'000	2011 €'000
Gain on the disposal of joint ventures [(a)]	**303**	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)
Change in fair value of investment property [(e)]	–	(2,550)
Total exceptional items before tax	**303**	2,712
Tax on exceptional items [(f)]	**43**	663
Total	**346**	3,375

[(a)] *Gain on the disposal of joint ventures*
In January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in 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. A profit of €303,000 was recognised on this sale comprising the €1,792,000 difference between the sales proceeds and the joint venture's carrying value of €11,238,000 together with the reclassification of €1,489,000 of currency translation differences from equity to the income statement.

In May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash proceeds of €4,172,000. A profit of €1,612,000 was recognised on this sale 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 €528,000 of currency translation differences from equity to the income statement.

[(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 €926,000 represents the net present value of a reduction in the prospective pension entitlement 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 as an exceptional gain. The deferred tax charge on this exceptional gain amounted to €116,000.

[(d)] *Impairment of property, plant and equipment*
On revaluation of the Group's properties in 2011, in addition to the net revaluation gain included in other comprehensive income, properties where the carrying value exceeded market value were identified, resulting in an impairment charge of €1,331,000 in the 2011 income statement. No such impairments were identified in 2012.

(e) *Change in fair value of investment property*

In 2012, there were no fair value movements arising from the exercise to fair value investment properties. A net deferred tax credit of €43,000 was recorded in the year as a result of changes in the underlying tax rates that were previously applied in calculating deferred tax liabilities on prior year fair value gains.

In 2011, fair value losses, amounting to €2,550,000 were recognised in the income statement along with a net deferred tax credit of €779,000 as a result of the exercise to fair value investment properties.

(f) *Tax on exceptional items*

As outlined in notes above, net deferred tax credits totalling €43,000 (2011: €663,000) were recognised in the income statement in 2012 in respect of exceptional items.

6. Income tax

	2012	2011
	€'000	€'000
Income tax expense	**8,319**	6,635
Group share of tax charge of its joint ventures and associates netted in profit before tax	**2,258**	1,389
Total tax charge	**10,577**	8,024
Adjustments		
Deferred tax on amortisation of intangible assets - subsidiaries	**1,887**	1,649
Share of joint ventures' and associates' deferred tax credit on amortisation of intangible assets	**176**	55
Net deferred tax on fair value movement on properties - subsidiaries	**43**	779
Net deferred tax on pension curtailment - subsidiaries	**–**	(116)
Tax charge on underlying activities	**12,683**	10,391

The total tax charge for the year amounted to €10.6m (2011: €8.0m), including the Group's share of the tax charge of its joint ventures and associates of €2.3m (2011: €1.4m), 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 €12.7m (2011: €10.4m), equivalent to a rate of 26.8% (2011: 26.2%) when applied to the Group's adjusted profit before tax.

7. Earnings per share

	2012	2011
	€'000	€'000
Profit attributable to equity holders of the parent	**21,697**	23,466
	'000	'000
Shares for basic and adjusted earnings per share calculation	**329,887**	329,887
Basic and diluted earnings per share - € cent	6.58	7.11

Adjusted fully diluted earnings per share	**2012 €'000**	**2012 cent per share**	2011 €'000	2011 cent per share
Profit attributable to equity holders of the parent	**21,697**	**6.58**	23,466	7.11
Adjustments:				
Exceptional items – net of tax (Note 5)	**(346)**	**(0.11)**	(3,375)	(1.02)
Amortisation of acquisition related intangible asset within subsidiaries	**6,732**	**2.04**	5,501	1.67
Group share of joint ventures and associates acquisition related intangible asset amortisation charges	**1,089**	**0.33**	535	0.16
Acquisition related costs within subsidiaries	**227**	**0.07**	615	0.19
Acquisition related costs within joint ventures and associates	**189**	**0.06**	–	–
Tax effect of amortisation charge of intangible assets	**(2,063)**	**(0.63)**	(1,704)	(0.52)
Non-controlling interests' share of exceptional items, acquisition related costs, acquisition related intangible asset amortisation charges and related tax	**(769)**	**(0.23)**	(1,148)	(0.35)
Adjusted fully diluted earnings	**26,756**	**8.11**	23,890	7.24

At 31 December 2012 the Group held 22,000,000 (31 December 2011: 22,000,000) of its own shares as treasury shares. In respect of these treasury shares, all rights (including voting and dividend rights) are suspended until the shares are reissued and therefore they are not included in the earnings per share calculations.

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

Share options outstanding at the end of 2012 were 7,060,000 (2011: 7,260,000) and were anti-dilutive in both years. Therefore the weighted average number of shares outstanding applied in the calculation of basic and adjusted earnings per share is the same.

8. Employee benefits

	2012 €'000	2011 €'000
Net pension liability at beginning of year	**(18,058)**	(11,033)
Current/past service cost less net finance income recognised in income statement	**(2,829)**	(1,689)
Curtailment gain recognised in the income statement (Note 5)	–	926
Employer contributions to schemes	**5,034**	4,842
Actuarial losses recognised in other comprehensive income	**(12,258)**	(10,883)
Foreign exchange movement	**(213)**	(221)
Net pension liability at end of year	**(28,324)**	(18,058)
Related deferred tax asset	**4,578**	3,246
Net pension liability after tax	**(23,746)**	(14,812)

The table summarises the movements in the net liability on the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe. The balance sheet at 31 December 2012 reflects pension liabilities of €28.3m (2011: €18.1m) in respect of schemes in deficit. While pension scheme assets increased in excess of 15% to €132.4m at 31 December 2012 (2011: €114.6m), pension obligations increased to €160.7m (2011: 132.7m).

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 on assets.

The increase in the net liability at 31 December 2012 was primarily due to the decrease in the discount rates in the Irish and UK pension schemes which led to an increase in the net present value of the schemes' obligations. The discount rate used for the schemes in the Eurozone was 4.15% (2011: 5.30%) and for the schemes in the UK was 4.30% (2011: 4.80%). This increase in the liability was partly offset by higher than expected returns on the scheme assets in 2012.

The pension curtailment gain of €926,000 in 2011 represents the net present value of a reduction in the prospective pension entitlement 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 as an exceptional gain.

9. Dividends

	2012 €'000	2011 €'000
Dividends paid on Ordinary Euro 1 cent shares		
Interim dividend for 2012 of 0.567 cent per share (2011: 0.54 cent)	**1,870**	1,781
Final dividend for 2011 of 1.350 cent per share (2010: 1.243 cent)	**4,454**	4,101
Total dividend	**6,324**	5,882
Total dividend per share	**1.917**	1.783

The directors have proposed an increase of 12 % in the final dividend for 2012, subject to shareholder approval at the AGM, to 1.512 cent per share. This brings the total dividend in respect of 2012 to 2.079 cent per share, representing an increase of 10% on the total 2011 dividend. This dividend has not been provided for in the balance sheet at 31 December 2012.

10. Joint ventures and associates

	2012	2011
	€'000	€'000
Investment in joint ventures and associates at beginning of the year	**40,212**	34,054
Share of profit after tax	**4,572**	3,442
Share of other comprehensive income, net	**(215)**	112
Investment in year in associates [(a)]	**4,574**	3,336
Investment in year in joint ventures - cash [(b)]	**9,392**	2,562
Investment in year in joint ventures - contingent consideration [(b)]	**5,805**	1,124
Loans advanced during the year to joint ventures [(b)]	**256**	294
Dividends received	**(2,909)**	(1,760)
Available-for-sale financial asset becoming an associate [(a)]	–	11,186
Financial asset becoming an associate	**32**	–
Disposal of joint venture [(c)]	–	(3,088)
Joint venture being reclassified as non-current asset held for sale [(a)]	–	(11,064)
Foreign exchange movement	**367**	14
Investment in joint ventures and associates at end of the year	**62,086**	40,212

[(a)] Investment in associates

The investments in associates in 2011 and 2012 relate to the Group undertaking a strategic reorganisation of its investments in Capespan Group Limited ("Capespan South Africa") and Capespan International Holdings Limited ("Capespan Europe").

Investments in 2011
At 31 December 2010, the Group held an effective interest of 15.6% in Capespan South Africa which was classified as an available-for-sale financial asset. From July 2011 onwards, the Group invested €3,336,000 which increased the Group's shareholding in Capespan South Africa to an effective interest of 20.2% at 31 December 2011. From July 2011 onwards, the investment in Capespan South Africa was treated as an associate undertaking of the Group in accordance with IAS 28 *Investment in Associates.* At this date the Group's existing 15.6% effective interest in Capespan South Africa was fair valued to €11,186,000 and reclassified from an available-for-sale financial asset to an investment in an associate undertaking. The total fair value gain of €4,055,000 (which included the reclassification of €2,027,000 of previously recognised fair value gains in the fair value reserve within equity) was reclassified to the income statement resulting in an exceptional gain of €4,055,000 which was disclosed in the financial statements as an exceptional item in 2011 (refer to Note 5).

Investments in 2012
On 9 January 2012, the Group announced the completion of a transaction to sell its 50% shareholding in Capespan Europe to 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. The transaction resulted in the Group increasing its effective interest in Capespan South Africa to 25.3% from 20.2% at 31 December 2011. See Note 5 for the calculation of the gain of €303,000 recognised in the income statement in 2012 on the disposal of the 50% investment in Capespan Europe.

The Group's 50% shareholding in Capespan Europe with a carrying value of €11,064,000 was reclassified as a non-current asset held for sale at 31 December 2011 following the agreement to dispose of this investment.

[(b)] Investment in joint ventures

Investments in 2012
In 2012, the Group invested €15,453,000 in a number of new and existing joint venture interests in its Fresh Produce Division including €5,805,000 contingent consideration payable (discounted to net present value) on achievement of future profit targets.

The main acquisition in the year was the completion of the acquisition of a 50% shareholding in Frankort & Koning Beheer Venlo BV and subsidiaries ('Frankort & Koning') on 13 March 2012. An initial consideration of €6,000,000 was paid on completion with additional consideration of up to €9,000,000 payable in several tranches over the next number of years if certain profit targets are made. The fair value of the contingent consideration recognised at the date of acquisition of €5,581,000 was arrived at by discounting the expected payment to present value.

For all the acquisitions disclosed above, 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 the completion of these transactions and will be finalised within twelve months from the acquisition date as permitted by IFRS 3 *Business combinations*.

Investments in 2011
Mainly during the second half of 2011 the Group, in its Fresh Produce Division, invested €3,980,000, including €1,124,000 contingent consideration payable (discounted to net present value) on achievement of future profit targets. The new investments were in the UK and Scandinavia along with further investments in certain joint venture interests.

(c) Disposal of joint venture

In May 2011, the Group sold its 40% joint venture interest in a South African farm investment company to Capespan South Africa for cash consideration of €4,172,000. A profit of €1,612,000 was recognised on this sale 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 €528,000 of currency translation differences from equity to the income statement. This profit on disposal was classified as an exceptional item in the Group income statement for the year ended 31 December 2011.

11. Businesses acquired and other developments in 2012

The Group made the following investments in the business in 2012:

Acquisition of subsidiary interests
During the year, the Group invested €3.6m net of cash acquired and including estimated contingent consideration which is payable dependant on the achievement of future profits targets. In July 2012, the Group acquired a 70% interest in a fresh produce company within the Eurozone Fresh Produce Division and also during the year made a number of bolt-on acquisitions in its Fresh Produce Division and Healthfoods and Consumer Products Distribution Division. These acquisitions will complement existing business interests in these divisions.

The cash spend in the year on these acquisitions amounted to €3.3m net of cash acquired. The estimated contingent consideration payable on these transactions dependent on the achievement of future profit targets was €0.3m. The purchase method of accounting has been applied for these acquisitions. The provisional fair value of the identifiable assets and liabilities acquired amounts to €3.5m inclusive of €2.2m in intangible assets. Goodwill of €0.1m arose on these transactions.

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 the completion of these transactions and will be finalised within twelve months from the acquisition date, as permitted by IFRS 3 (Revised) *Business Combinations*.

Investment in joint ventures and associations
As highlighted in Note 10 the Group invested €20m in new and existing joint venture and associate interests.

Other
During the year, the Group paid €1.9m in respect of contingent consideration payments relating to previous acquisitions. Revisions of €0.3m were made during the year to contingent consideration amounts payable relating to previous acquisitions as actual performance in 2012 has exceeded previous expectations.

12. Cash flows generated from operations

	2012	2011
	€'000	€'000
Operating activities		

Profit before tax	**37,101**	34,376
Depreciation of property, plant and equipment	**13,370**	13,153
Impairment of goodwill	–	114
Impairment of property, plant and equipment	–	1,331
Fair value movement on investment property	–	2,550
Revision to contingent consideration	**(190)**	(273)
Amortisation of acquisition related intangible assets with subsidiaries	**6,732**	5,501
Amortisation of research and development	**395**	281
Amortisation of computer software	**25**	–
Amortisation of grants	**(292)**	(187)
Movement on provisions	**(523)**	(294)
Share based payment expense	**473**	118
Contributions to defined benefit pension schemes	**(5,034)**	(4,842)
Defined benefit pension scheme expense	**2,829**	1,689
Curtailment gains in respect of defined benefit pension schemes	**–**	(926)
Net gain on disposal of property, plant and equipment	**(567)**	(314)
Net gain on non-hedging derivative financial instruments	**(304)**	(583)
Net interest expense	**6,410**	4,748
Income from available-for-sale financial assets	**–**	406
Share of profits of joint ventures and associates	**(4,572)**	(3,442)
Gain reclassified to income statement on available-for-sale financial asset becoming an associate	**–**	(4,055)
Gain on disposal of joint venture	**(303)**	(1,612)
Income tax paid	**(11,814)**	(11,286)
Net interest paid	**(5,744)**	(5,225)
Cash flows from operations before working capital movements	**37,992**	31,228
Movements in working capital:		
-Movements in inventories	**(5,620)**	4,977
-Movements in trade and other receivables	**2,659**	(1,487)
-Movement in trade and other payables	**15,027**	(11,237)
Total movements in working capital	**12,066**	(7,747)
Cash flows from operating activities	**50,058**	23,481

13. 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 borrowings. The calculation of net debt at 31 December 2012 and 31 December 2011 is as follows:

	2012	2011
	€'000	€'000
Current assets		
Bank deposits	**3,799**	-
Bank balances	**88,656**	77,471
Call deposits (demand balances)	**17,036**	12,616
Current liabilities		
Bank overdrafts	**(5,372)**	(4,274)
Current bank borrowings	**(1,239)**	(19,455)
Current finance leases	**(1,110)**	(1,325)
Non-current liabilities		
Non-current bank borrowing	**(150,757)**	(136,358)
Non-current finance leases	**(4,040)**	(4,228)
Net debt at end of year	**(53,027)**	(75,553)

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

	2012	2011
	€'000	€'000
Bank balances	**88,656**	77,471
Call deposits (demand balances)	**17,036**	12,616
Cash and cash equivalents per balance sheet	**105,692**	90,087
Less bank overdrafts	**(5,372)**	(4,274)
Less cash held in escrow [(a)]	**(11,360)**	-
Cash, cash equivalents and bank overdrafts per cashflow statement	**88,960**	85,813

[(a)] On 13 December 2012, the Group drew a Canadian Dollar loan of CAD$ 14,912,000 (€11,580,000), the proceeds of which were placed in escrow and were payable contingent on the completion of the acquisition of the initial 35% of the share capital of Oppenheimer group. At 31 December 2012, the translated Euro value of the CAD$ 14,912,000 cash balance was €11,360,000. The transaction completed on 7 January 2013 and the proceeds were remitted to the vendor on this date. In accordance with IAS 7 *Statement of Cashflows* this falls outside the classification of cash and cash equivalents and accordingly has been omitted from cash and cash equivalents in the Group Cashflow Statement.

14. Post balance sheet events

On 7 January 2013, the Group announced the completion of an agreement to acquire a 65% majority shareholding in Grandview Ventures Limited ('Oppenheimer group') in two stages over five years. The acquisition of an initial 35% of the Oppenheimer shares was completed on this date for an initial cash payment of CAD $15.0m (€11.4m) with additional consideration payable on these shares if certain profit targets are met. A further 30% shareholding will be purchased in 2017 for a price to be determined based on future profits. The total consideration payable for the 65% shareholding is estimated not to exceed CAD $40 million (€30m) at completion. The Oppenheimer Group is a leading North American fresh produce distribution and marketing company with thirteen sales offices, three in Canada, nine in the USA and one in Chile.

There have been no other material events subsequent to 31 December 2012 which would require disclosure in this report.

15. Related party transactions

There have been no related party transactions or changes to related party transactions other than those as described in the 2011 Annual Report that materially affect the financial position or affect the performance of the Group for the year ended 31 December 2012.

16. Board approval

This announcement was approved by the Board of Directors of Total Produce plc on 4 March 2013.