TotalProduce

TOTAL PRODUCE PLC
RESULTS TO 30 JUNE 2015

TOTAL PRODUCE ANNOUNCES STRONG GROWTH IN EARNINGS

- Revenue up 9.2% to €1.73 billion
- Adjusted fully diluted EPS up 11.1% to 5.52 cent
- Adjusted EBITDA up 11.9% to €42.6m
- Adjusted EBITA up 10.9% to €33.5m
- Adjusted profit before tax up 11.5% to €30.3m
- Interim dividend increased by 15.0% to 0.736 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 for the first half of 2015. Total revenue has grown 9.2% with an 11.1% increase in adjusted earnings per share. A stronger operational performance and recent acquisitions contributed to this earnings growth. In February 2015, the Group completed its fourth investment in North America with a 50% investment in Gambles, a fresh produce company based in Toronto.

The Group is pleased to announce a 15% increase in the interim dividend to 0.736 cent per share. The Group is now targeting increased full year earnings at the top end of the previously announced range of 9.2 to 10.2 cent per share."

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TOTAL PRODUCE PLC INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

	2015 €'million	2014 €'million	% change
Total revenue [(1)]	**1,733**	1,588	+9.2%
Group revenue	**1,431**	1,323	+8.2%
Adjusted EBITDA [(1)]	**42.6**	38.1	+11.9%
Adjusted EBITA [(1)]	**33.5**	30.2	+10.9%
Operating profit (before exceptional credits)	**27.2**	24.5	+10.8%
Adjusted profit before tax [(1)]	**30.3**	27.2	+11.5%
Profit before tax	**24.2**	24.2	–
	Euro cent	Euro cent	% change
Adjusted fully diluted earnings per share [(1)]	**5.52**	4.97*	+11.1%
Basic earnings per share	**4.69**	4.73	(0.8%)
Diluted earnings per share	**4.66**	4.70	(0.9%)
Interim dividend per share	**0.736**	0.640	+15.0%

**The calculation of adjusted earnings per share for the comparative period to 30 June 2014 is restated to ensure conformity with the current period calculation whereby fair value movements on contingent consideration are excluded from adjusted earnings. Management believe this presentation more fairly represents the underlying trading performance of the Group.*

[(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 very strong results for the first half of 2015. Total revenue, adjusted EBITA and adjusted fully diluted earnings per share grew by 9.2%, 10.9% and 11.1% respectively. A stronger operational performance, the benefit of recent acquisitions and to a lesser extent currency translation all contributed to the earnings growth. The Group continues to be cash generative with operating cashflows of €27.3m (2014: €20.6m) for the six months period before normal seasonal working capital outflows.

The Board is pleased to announce a 15% increase in the interim dividend to 0.736 (2014: 0.640) cent per share.

Operating review

Total revenue increased 9.2% to €1.73 billion (2014: €1.59 billion) with adjusted EBITA up 10.9% to €33.5m (2014: €30.2m). The results benefited from a stronger operational performance and recent acquisitions. 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 the effect of acquisitions, divestments and currency translation, revenue was c.2% higher on the back of higher average prices.

The table below details a segmental breakdown of the Group's revenue and adjusted EBITA for the six months ended 30 June 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 the comparative period in 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 period of €72m, are positive and 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.

	***(Unaudited)* 6 months to 30 June 2015**		*(Unaudited)* 6 months to 30 June 2014*	
	Total revenue €'000	**Adjusted EBITA €'000**	Total revenue €'000	Adjusted EBITA €'000
Europe – Eurozone	**832,782**	**12,164**	795,427	11,034
Europe – Non-Eurozone	**766,892**	**18,825**	727,294	17,381
International	**158,006**	**2,523**	90,546	1,804
Inter-segment revenue	**(24,449)**	**–**	(25,494)	–
Third party revenue and adjusted EBITA	**1,733,231**	**33,512**	1,587,773	30,219

** The information for the period ended 30 June 2014 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 4.7% in the period to €833m (2014: €795m) with a 10.2% increase in adjusted EBITA to €12.2m (2014: €11.0m). The increase was due to the incremental impact of recent acquisitions, price recovery in some markets and a stronger operational performance. Excluding the effect of acquisitions, revenue on a like-for-like basis was up over 2%.

Europe – Non-Eurozone
This segment includes the Group's businesses in the Czech Republic, Poland, Scandinavia and the UK. Revenue increased by 5.4% to €767m (2014: €727m) with adjusted EBITA increasing by 8.3% to €18.8m

(2014: €17.4m) with stronger operational performances in the UK and in Northern Europe. There was a net positive benefit on the translation of the results of foreign currency denominated operations to Euro due to the strengthening of Sterling in the period offset partially by a weakening of the Swedish Krona. On a like-for-like basis excluding the effect of acquisitions, divestments and currency translation, revenue was almost 3% ahead of the prior year.

International

This division includes the Group's businesses in North America and India. Revenue increased to €158m (2014: €91m) with adjusted EBITA increasing to €2.5m (2014: €1.8m) with the positive impact of recent acquisitions. The results on translation to Euro benefitted from the strengthening of the US Dollar and the Canadian Dollar in the period.

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.

Operating Profit

Operating profit before exceptional items increased by 10.8% to €27.2m (2014: €24.5m). In the prior period there was a €2.5m exceptional gain which is explained in further detail below. Inclusive of exceptional items, operating profit was €27.2m (2014: €27.0m).

Exceptional Items

There have been no exceptional items in the period. In the prior period, the Group recognised a fair value gain of €2.5m on a 10% investment in African Blue Limited which arose on reclassification of this interest from a financial asset to an investment in an associate. See Note 5 of the accompanying financial information for further details.

Net Financial Expense

Net financial expense for the period increased to €3.0m (2014: €2.8m) due to higher average net debt in the period from the funding of acquisitions and contingent consideration payments. The Group's share of the net interest expense of joint ventures and associates in the period was €0.1m (2014: €0.2m). Net interest cover for the period 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 11.5% to €30.3m (2014: €27.2m). Statutory profit before tax in the period was €24.2m (2014: €24.2m) with the comparative period benefitting from the exceptional gain of €2.5m.

Non-Controlling Interests

The non-controlling interests' share of after tax profits in the period was €3.9m (2014: €3.8m). Included in the charge was the non-controlling interests' share of amortisation charges and acquisition related costs of €0.7m (2014: €0.4m). Excluding these non-trading items, the non-controlling interests' share of after tax profits increased by €0.4m. 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 11.1% to 5.52 cent per share (2014: 4.97 cent) in the six month period. Management believe 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 4.69 cent per share (2014: 4.73 cent) and 4.66 cent per share (2014: 4.70 cent) respectively with the comparative period benefitting from the €2.5m exceptional gain.

Cash Flow and Net Debt

Net debt at 30 June 2015 was €83.9m compared to €69.1m at 30 June 2014 and €16.8m at 31 December 2014. The increase compared to 31 December 2014 is due to normal seasonal working capital outflows at 30 June 2015 and higher sales. Net debt to annualised adjusted EBITDA is 1.1 times and interest is covered 11.0 times by adjusted EBITA.

The Group generated €27.3m (2014: €20.6m) in operating cash flows in the first six months of 2015 before seasonal working capital outflows of €67.1m (2014: €52.5m) which increased due to higher sales and the effect of currency translation. Cash outflows on routine capital expenditure, net of disposals, were €7.5m (2014: €5.9m). Dividends received from joint ventures and associates in the period increased to €7.3m (2014: €4.3m) while dividends paid to non-controlling interests were €1.1m (2014: €3.7m).

Cash outflows on acquisitions and contingent consideration payments relating to prior period acquisitions amounted to €17.3m (2014: €5.1m). The final 2014 dividend of €5.9m (2014: €5.5m) was paid in the period. There was an adverse movement of €3.5m on the translation of foreign currency debt into Euro at 30 June 2015 due primarily to the stronger Sterling, Swedish Krona and US Dollar exchange rates at period end compared to those prevailing at 31 December 2014.

	(Unaudited) **6 months to 30 June 2015 €'million**	*(Unaudited)* 6 months to 30 June 2014 €'million	*(Audited)* Year ended 31 Dec 2014 €'million
Adjusted EBITDA	**42.6**	38.1	73.0
Deduct adjusted EBITDA of joint ventures and associates	**(8.9)**	(6.0)	(12.5)
Net financial expense and tax paid	**(6.0)**	(9.1)	(18.6)
Other	**(0.4)**	(2.4)	(4.2)
Operating cash flows before working capital movements	**27.3**	20.6	37.7
Working capital movements	**(67.1)**	(52.5)	11.7
Operating cash flows	**(39.8)**	(31.9)	49.4
Routine capital expenditure net of disposal proceeds	**(7.5)**	(5.9)	(12.0)
Dividends received from joint ventures and associates	**7.3**	4.3	4.6
Dividends paid to non-controlling interests	**(1.1)**	(3.7)	(6.5)
Free cash flow	**(41.1)**	(37.2)	35.5
Acquisition expenditure (including deferred and contingent consideration)	**(17.3)**	(5.1)	(22.7)
Net debt assumed on acquisition of subsidiaries	**–**	(10.8)	(10.1)
Dividends paid to equity shareholders	**(5.9)**	(5.5)	(7.6)
Proceeds from shares issued on exercise of share options	**0.6**	0.6	1.0
Other	**0.1**	(0.2)	(0.6)
Total net debt movement in period	**(63.6)**	(58.2)	(4.5)
Net debt at beginning of period	**(16.8)**	(11.0)	(11.0)
Foreign currency translation	**(3.5)**	0.1	(1.3)
Net debt at end of period	**(83.9)**	(69.1)	(16.8)

Defined Benefit Pension Obligations

The net liability of the Group's defined benefit pension schemes (net of deferred tax) decreased to €13.0m at 30 June 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 7 of the accompanying financial information.

Shareholders' Equity

Shareholders' equity has increased by €27.3m to €244.4m in the six month period to 30 June 2015. Profit after tax in the period of €15.6m attributable to equity shareholders, remeasurement gains of €10.1m (net of deferred tax) on employee defined benefit pension schemes and a €6.5m gain on the retranslation of the net assets of foreign currency denominated operations were offset by the payment of the final 2014 dividend of €5.9m to equity shareholders of the Company.

Development Activity

The Group has invested more than €13m in the period including deferred consideration and contingent consideration payable on the achievement of future profit targets. The principal acquisition was the agreement completed in February 2015 to acquire 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 2014 sales of CAD$170m and employing over 280 staff, serving the retail, wholesale and food-service sectors. This is the fourth acquisition by Total Produce in North America since 2013. Further details on development activity in the period are provided in Note 9 of the accompanying financial information. The Group continues to actively pursue further investment opportunities in both new and existing markets.

Share Buyback

As previously stated the Group will purchase Total Produce shares in the market as appropriate. 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 if the opportunity arises.

Dividends

The Board has declared an interim dividend of 0.736 (2014: 0.640) cent per share, which represents a 15.0% increase on the comparative period. This dividend will be paid on the 16 October 2015 to shareholders on the register at 18 September 2015 and is subject to dividend withholding tax. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 30 June 2015.

Outlook

Total Produce has delivered a very strong performance for the first half of 2015. Total revenue has grown 9.2% with an 11.1% increase in adjusted earnings per share. A stronger operational performance and recent acquisitions contributed to this earnings growth. In February 2015, the Group completed its fourth investment in North America with a 50% investment in Gambles, a fresh produce company based in Toronto.

The Group is pleased to announce a 15% increase in the interim dividend to 0.736 cent per share. The Group is now targeting increased full year earnings at the top end of the previously announced range of 9.2 to 10.2 cent per share.

Carl McCann, Chairman
On behalf of the Board
3 September 2015

Total Produce plc
Condensed Group Income Statement
for the half-year ended 30 June 2015

	(Unaudited) **6 months to 30 June 2015 Pre-Exceptional**	*(Unaudited)* **6 months to 30 June 2015 Exceptional items (Note 5)**	*(Unaudited)* **6 months to 30 June 2015 Total**	*(Unaudited)* 6 months to 30 June 2014 Pre-Exceptional	*(Unaudited)* 6 months to 30 June 2014 Exceptional items (Note 5)	*(Unaudited)* 6 months to 30 June 2014 Total	*(Audited)* Year ended 31 Dec 2014 Pre-Exceptional	*(Audited)* Year ended 31 Dec 2014 Exceptional items (Note 5)	*(Audited)* Year ended 31 Dec 2014 Total
	€'000	**€'000**	**€'000**	€'000	€'000	€'000	€'000	€'000	€'000
Revenue, including Group share of joint ventures and associates	**1,733,231**	**–**	**1,733,231**	1,587,773	–	1,587,773	3,128,838	–	3,128,838
Group revenue	**1,430,758**	**–**	**1,430,758**	1,322,742	–	1,322,742	2,667,014	–	2,667,014
Cost of sales	**(1,232,995)**	**–**	**(1,232,995)**	(1,146,359)	–	(1,146,359)	(2,302,369)	–	(2,302,369)
Gross profit	**197,763**	**–**	**197,763**	176,383	–	176,383	364,645	–	364,645
Operating expenses	**(175,433)**	**–**	**(175,433)**	(155,079)	2,455	(152,624)	(324,414)	2,432	(321,982)
Share of profit of joint ventures and associates	**4,866**	**–**	**4,866**	3,231	–	3,231	6,743	–	6,743
Operating profit	**27,196**	**–**	**27,196**	24,535	2,455	26,990	46,974	2,432	49,406
Net financial expense	**(3,040)**	**–**	**(3,040)**	(2,819)	–	(2,819)	(5,095)	–	(5,095)
Profit before tax	**24,156**	**–**	**24,156**	21,716	2,455	24,171	41,879	2,432	44,311
Income tax expense	**(4,678)**	**–**	**(4,678)**	(4,796)	–	(4,796)	(8,233)	(157)	(8,390)
Profit for the period	**19,478**	**–**	**19,478**	16,920	2,455	19,375	33,646	2,275	35,921
Attributable to:									
Equity holders of the parent			**15,552**			15,621			29,218
Non-controlling interests			**3,926**			3,754			6,703
			19,478			19,375			35,921
Earnings per ordinary share									
Basic			**4.69**			4.73			8.83
Fully diluted			**4.66**			4.70			8.79
Adjusted fully diluted			**5.52**			4.97			9.45

Total Produce plc
Condensed Group Statement of Comprehensive Income
for the half-year ended 30 June 2015

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Profit for the period	**19,478**	19,375	35,921
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation effects:			
- foreign currency net investments - subsidiaries	**10,483**	397	(63)
- foreign currency net investments – joint ventures and associates	**2,016**	168	2,009
- foreign currency borrowings designated as net investment hedges	**(5,217)**	113	(590)
Gain on re-measuring available-for-sale financial asset	**–**	2,455	2,455
Reclassification of revaluation gain to income statement on available-for-sale financial asset becoming an associate	**–**	(2,455)	(2,455)
Effective portion of cash flow hedges, net	**(106)**	172	326
Deferred tax on items taken directly to other comprehensive income	**34**	(43)	(87)
	7,210	807	1,595
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit pension schemes	**11,971**	(17,508)	(28,666)
Revaluation gains on property, plant and equipment, net	**–**	–	1,122
Deferred tax on items taken directly to other comprehensive income	**(1,660)**	2,767	4,636
Share of joint ventures and associates remeasurement losses on defined benefit pension scheme	**–**	–	(52)
Share of joint ventures and associates deferred tax on items taken directly to other comprehensive income	**–**	–	13
	10,311	(14,741)	(22,947)
Other comprehensive income for the period	**17,521**	(13,934)	(21,352)
Total comprehensive income for the period	**36,999**	5,441	14,569
Attributable to:			
Equity holders of the parent	**32,083**	1,521	7,536
Non-controlling interests	**4,916**	3,920	7,033
	36,999	5,441	14,569

Total Produce plc
Condensed Group Balance Sheet
as at 30 June 2015

	(Unaudited) **30 June 2015** **€'000**	*(Unaudited)* 30 June 2014 €'000	*(Audited)* 31 Dec 2014 €'000
Assets			
Non-current assets			
Property, plant and equipment	**139,313**	138,524	137,938
Investment property	**7,763**	7,292	7,414
Goodwill and intangible assets	**167,871**	161,061	162,551
Investments in joint ventures and associates	**71,147**	55,243	62,917
Other financial assets	**752**	574	698
Other receivables	**2,702**	4,162	2,999
Deferred tax assets	**8,663**	8,223	9,942
Total non-current assets	**398,211**	375,079	384,459
Current assets			
Inventories	**69,693**	71,001	49,464
Trade and other receivables	**381,252**	368,044	282,915
Corporation tax receivable	**887**	280	1,802
Derivative financial instruments	**63**	303	425
Bank deposits	**8,200**	4,700	2,000
Cash and cash equivalents	**90,644**	92,693	113,830
Total current assets	**550,739**	537,021	450,436
Total assets	**948,950**	912,100	834,895
Equity			
Share capital	**3,541**	3,528	3,533
Share premium	**254,190**	253,186	253,565
Other reserves	**(105,385)**	(113,547)	(111,678)
Retained earnings	**92,047**	69,439	71,628
Total equity attributable to equity holders of the parent	**244,393**	212,606	217,048
Non-controlling interests	**68,479**	68,072	68,341
Total equity	**312,872**	280,678	285,389
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	**129,604**	120,575	114,909
Deferred government grants	**1,532**	1,648	1,683
Other payables	**2,389**	1,976	1,696
Contingent consideration	**12,749**	13,282	12,105
Corporation tax payable	**6,794**	6,953	6,794
Deferred tax liabilities	**11,882**	13,385	11,991
Employee benefits	**15,200**	20,647	27,514
Total non-current liabilities	**180,150**	178,466	176,692
Current liabilities			
Interest-bearing loans and borrowings	**53,118**	45,868	17,769
Trade and other payables	**392,734**	389,981	343,038
Contingent consideration	**7,238**	15,621	10,754
Derivative financial instruments	**689**	97	180
Corporation tax payable	**2,149**	1,389	1,073
Total current liabilities	**455,928**	452,956	372,814
Total liabilities	**636,078**	631,422	549,506
Total liabilities and equity	**948,950**	912,100	834,895

Total Produce plc
Condensed Group Statement of Changes in Equity
for the half-year ended 30 June 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 €'000*	*Other equity reserves* €'000*	*Retained earnings €'000*	*Total €'000*	*Non-controlling interests €'000*	*Total equity €'000*
For the half-year ended 30 June 2015 (*Unaudited*)											
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 period	–	–	–	–	–	–	–	**15,552**	**15,552**	**3,926**	**19,478**
Other comprehensive income:											
Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation effects	–	–	**6,453**	–	–	–	–	–	**6,453**	**829**	**7,282**
Effective portion of cash flow hedges, net	–	–	–	–	–	–	**(63)**	–	**(63)**	**(43)**	**(106)**
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	**20**	–	**20**	**14**	**34**
Items that will not be reclassified to profit or loss:											
Remeasurement gains on defined benefit pension schemes, net	–	–	–	–	–	–	–	**11,754**	**11,754**	**217**	**11,971**
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	**(1,633)**	**(1,633)**	**(27)**	**(1,660)**
Total other comprehensive income	–	–	**6,453**	–	–	–	**(43)**	**10,121**	**16,531**	**990**	**17,521**
Total comprehensive income	–	–	**6,453**	–	–	–	**(43)**	**25,673**	**32,083**	**4,916**	**36,999**
Transactions with equity holders of the parent											
New shares issued	**8**	**625**	–	–	–	–	**(243)**	**243**	**633**	–	**633**
Acquisition of non-controlling interests	–	–	–	–	–	–	–	**353**	**353**	**(4,269)**	**(3,916)**
Disposal of shareholding to non-controlling interest	–	–	–	–	–	–	–	–	–	**598**	**598**
Dividends	–	–	–	–	–	–	–	**(5,850)**	**(5,850)**	**(1,107)**	**(6,957)**
Share-based payment transactions	–	–	–	–	–	–	**126**	–	**126**	–	**126**
Total transactions with equity holders of the parent	**8**	**625**	–	–	–	–	**(117)**	**(5,254)**	**(4,738)**	**(4,778)**	**(9,516)**
As at 30 June 2015	**3,541**	**254,190**	**1,970**	**21,882**	**(122,521)**	**(8,580)**	**1,864**	**92,047**	**244,393**	**68,479**	**312,872**

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

Total Produce plc
Condensed Group Statement of Changes in Equity
for the half-year ended 30 June 2015 (Continued)

	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***
For the half-year ended 30 June 2014 (*Unaudited*)											
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 period	–	–	–	–	–	–	–	15,621	15,621	3,754	19,375
Other comprehensive income:											
Items that may be reclassified subsequently to profit or loss:											
Foreign currency translation effects	–	–	365	–	–	–	–	–	365	313	678
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	–	–	–	–	–	–	111	–	111	61	172
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	(28)	–	(28)	(15)	(43)
Items that will not be reclassified to profit or loss:											
Remeasurement losses on defined benefit pension schemes, net	–	–	–	–	–	–	–	(17,287)	(17,287)	(221)	(17,508)
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	2,739	2,739	28	2,767
Total other comprehensive income	–	–	365	–	–	–	83	(14,548)	(14,100)	166	(13,934)
Total comprehensive income	–	–	365	–	–	–	83	1,073	1,521	3,920	5,441
Transactions with equity holders of the parent											
New shares issued	9	612	–	–	–	–	–	–	621	–	621
Acquisition of non-controlling interests	–	–	–	–	–	–	–	(1,508)	(1,508)	(722)	(2,230)
Contribution by non-controlling interest	–	–	–	–	–	–	–	–	–	55	55
Dividends	–	–	–	–	–	–	–	(5,495)	(5,495)	(3,705)	(9,200)
Share-based payment transactions	–	–	–	–	–	–	101	–	101	–	101
Total transactions with equity holders of the parent	9	612	–	–	–	–	101	(7,003)	(6,281)	(4,372)	(10,653)
As at 30 June 2014	3,528	253,186	(4,908)	20,319	(122,521)	(8,580)	2,143	69,439	212,606	68,072	280,678

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

Total Produce plc
Condensed Group Statement of Changes in Equity
for the half-year ended 30 June 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***
For the year ended 31 December 2014 ***(Audited)***											
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 defined benefit pension 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 defined benefit pension scheme	–	–	–	–	–	–	–	(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 derecognition 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
Condensed Group Statement of Cash Flows
for the half-year ended 30 June 2015

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Net cash flows from operating activities (Note 11)	**(39,826)**	(31,878)	49,404
Investing activities			
Acquisition of subsidiaries	**(57)**	(1,831)	(11,499)
(Bank overdrafts)/cash, assumed on acquisition of subsidiaries, net	**–**	(7,391)	(6,746)
Cash derecognised on subsidiary becoming a joint venture	**–**	(97)	(97)
Acquisition of, and investment in joint ventures and associates	**(7,137)**	(1,000)	(3,581)
Acquisition of other financial assets	**–**	–	(106)
Payments of contingent consideration	**(8,467)**	(412)	(5,524)
Payments of deferred consideration	**(689)**	(806)	(806)
Acquisition of property, plant and equipment	**(6,593)**	(5,508)	(11,473)
Acquisition of intangible assets – computer software	**(1,797)**	(720)	(1,269)
Development expenditure capitalised	**(171)**	(86)	(200)
Proceeds from disposal of property, plant and equipment	**887**	361	744
Loans advanced to joint ventures and associates	**–**	(101)	(180)
Dividends received from joint ventures and associates	**7,265**	4,254	4,562
Government grants received	**–**	110	323
Net cash flows from investing activities	**(16,759)**	(13,227)	(35,852)
Financing activities			
Drawdown of borrowings	**55,974**	8,526	26,001
Repayment of borrowings	**(52,096)**	(4,153)	(16,706)
(Increase)/decrease in bank deposits	**(6,200)**	40	2,740
Capital element of finance lease repayments	**(949)**	(713)	(1,615)
Proceeds from the issue of share capital	**633**	621	1,005
Dividends paid to equity holders of the parent	**(5,850)**	(5,495)	(7,615)
Acquisition of non-controlling interests	**(1,000)**	(981)	(981)
Proceeds from disposal of shareholding to non-controlling interest	**598**	–	–
Capital contribution by non-controlling interests	**–**	55	375
Dividends paid to non-controlling interests	**(1,107)**	(3,705)	(6,541)
Net cash flows from financing activities	**(9,997)**	(5,805)	(3,337)
Net (decrease)/increase in cash, cash equivalents and overdrafts	**(66,582)**	(50,910)	10,215
Cash, cash equivalents and overdrafts at start of period	**110,390**	101,178	101,178
Net foreign exchange difference	**1,820**	(179)	(1,003)
Cash, cash equivalents and overdrafts at end of the period (Note 12)	**45,628**	50,089	110,390

Total Produce plc
Condensed Summary Group Reconciliation of Net Debt
for the half-year ended 30 June 2015

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Net (decrease)/increase in cash, cash equivalents and overdrafts	**(66,582)**	(50,910)	10,215
Repayment of borrowings	**52,096**	4,153	16,706
Drawdown of borrowings	**(55,974)**	(8,526)	(26,001)
Increase/(decrease) in bank deposits	**6,200**	(40)	(2,740)
Interest-bearing loans and borrowings arising on acquisition	**–**	(1,620)	(1,618)
Finance leases arising on acquisition	**–**	(1,766)	(1,766)
Capital element of finance lease repayments	**949**	713	1,615
Other movements on finance leases	**(227)**	(151)	(961)
Foreign exchange movement	**(3,492)**	84	(1,311)
Movement in net debt	**(67,030)**	(58,063)	(5,861)
Net debt at beginning of the period	**(16,848)**	(10,987)	(10,987)
Net debt at end of the period (Note 12)	**(83,878)**	(69,050)	(16,848)

1. Basis of preparation

The condensed consolidated interim financial statements of Total Produce plc as at and for the six months ended 30 June 2015 have been prepared in accordance with IAS 34 *Interim Financial Reporting,* as adopted by the EU. The accounting policies and methods of computation adopted in the preparation of the financial information are consistent with those set out in the Group's consolidated financial statements for the year ended 31 December 2014, with the exception of those disclosed below, which were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The interim financial information for both the six months ended 30 June 2015 and the comparative six months ended 30 June 2014 is unaudited. The financial information for the year ended 31 December 2014 represents an abbreviated version of the Group's statutory financial statements for that year. Those statutory financial statements contained an unqualified audit report and have been filed with the Registrar of Companies.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2014.

The financial information is presented in Euro, rounded to the nearest thousand. These condensed consolidated interim financial statements were approved by the Board of Directors on 2 September 2015.

Changes in accounting policy
The following are the new standards and amendments that are effective for the Group's financial year ending on 31 December 2015 and that had no significant impact on the results and financial position of the Group for the period ended 30 June 2015.

- Annual Improvements to IFRSs 2011-2013 Cycle

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 6 months to			**Closing rate**		
	30 June 2015	30 June 2014	% change	**30 June 2015**	31 Dec 2014	% change
Canadian Dollar	**1.3787**	1.5037	8.3%	**1.3842**	1.4015	1.2%
Czech Koruna	**27.4561**	27.4414	(0.1%)	**27.2530**	27.7147	1.7%
Danish Kroner	**7.4559**	7.4627	0.1%	**7.4604**	7.4463	(0.2%)
Indian Rupee	**70.3084**	82.7740	15.1%	**71.1633**	76.3804	6.8%
Polish Zloty	**4.1360**	4.1672	0.7%	**4.1913**	4.2981	2.5%
Pound Sterling	**0.7258**	0.8170	11.2%	**0.7111**	0.7760	8.4%
Swedish Krona	**9.3387**	8.9634	(4.2%)	**9.2148**	9.4725	2.7%
US Dollar	**1.1173**	1.3711	18.5%	**1.1160**	1.2101	7.8%

3. Segmental Analysis

The table below details a segmental breakdown of the Group's total revenue and adjusted EBITA for the six months ended 30 June 2015, the six months ended 30 June 2014 and the full year ended 31 December 2014. The information for the comparative period to 30 June 2014 and for the full year ended 31 December 2014 have 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 period of €72m, are positive and 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 are 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 believe 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.

	***(Unaudited)* 6 months to 30 June 2015**		*(Unaudited)* 6 months to 30 June 2014*		*(Audited)* Year ended 31 Dec 2014*	
	Total revenue €'000	**Adjusted EBITA €'000**	Total revenue €'000	Adjusted EBITA €'000	Total revenue €'000	Adjusted EBITA €'000
Europe - Eurozone	**832,782**	**12,164**	795,427	11,034	1,567,459	20,131
Europe - Non-Eurozone	**766,892**	**18,825**	727,294	17,381	1,429,641	33,750
International	**158,006**	**2,523**	90,546	1,804	190,983	2,809
Inter-segment revenue	**(24,449)**	–	(25,494)	–	(59,245)	-
Third party revenue and adjusted EBITA	**1,733,231**	**33,512**	1,587,773	30,219	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	***(Unaudited)*** **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Adjusted EBITA per management reporting		**33,512**	30,219	56,690
Acquisition related intangible asset amortisation within subsidiaries	(i)	**(2,595)**	(3,271)	(5,969)
Share of joint ventures and associates acquisition related intangible asset amortisation	(i)	**(851)**	(753)	(1,456)
Remeasurement to fair value of contingent consideration estimates	(ii)	**(851)**	(365)	738
Acquisition related costs within subsidiaries	(iii)	**(4)**	(147)	(602)
Share of joint ventures and associates net finance expense	(iv)	**(136)**	(195)	(428)
Share of joint ventures and associates tax	(iv)	**(1,879)**	(953)	(1,999)
Operating profit before exceptional items		**27,196**	24,535	46,974
Exceptional items (Note 5)	(v)	**–**	2,455	2,432
Operating profit after exceptional items		**27,196**	26,990	49,406
Net financial expense	(vi)	**(3,040)**	(2,819)	(5,095)
Profit before tax		**24,156**	24,171	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 6) are the most appropriate measures of the underlying performance of the Group.

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Profit before tax per income statement	**24,156**	24,171	44,311
Adjustments			
Exceptional items (Note 5)	**–**	(2,455)	(2,432)
Remeasurement to fair value of contingent consideration estimates	**851**	365	(738)
Share of joint ventures and associates tax	**1,879**	953	1,999
Acquisition related intangible asset amortisation within subsidiaries	**2,595**	3,271	5,969
Share of joint ventures and associates acquisition related intangible asset amortisation	**851**	753	1,456
Acquisition related costs within subsidiaries	**4**	147	602
Adjusted profit before tax	**30,336**	27,205	51,167
Exclude			
Net financial expense – subsidiaries	**3,040**	2,819	5,095
Net financial expense – share of joint ventures and associates	**136**	195	428
Adjusted EBITA	**33,512**	30,219	56,690
Exclude			
Amortisation of software costs	**427**	234	569
Depreciation – subsidiaries	**7,534**	6,730	13,851
Depreciation – share of joint ventures and associates	**1,172**	913	1,922
Adjusted EBITDA	**42,645**	38,096	73,032

5. Exceptional items

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Gain on available-for-sale financial assets reclassified from other comprehensive income to income statement (a)	**–**	2,455	2,455
Credit from modification to Group's defined benefit pension arrangements (b)	**–**	–	2,694
Impairment of goodwill and intangible assets (c)	**–**	–	(1,684)
Impairment of property, plant and equipment (d)	**–**	–	(1,033)
Total exceptional items	**–**	2,455	2,432
Net tax charge on exceptional items (b) and (c), (e)	**–**	–	(157)
Total	**–**	2,455	2,275

(a) Gain on available-for-sale financial assets reclassified from other comprehensive income to the 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 being recognised in the six months ended 30 June 2014 and the twelve months ended 31 December 2014.

(b) 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.

(c) 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. No such impairments were identified at 30 June 2015.

(d) 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. No such impairments were identified in the six month period ended 30 June 2015.

(e) Tax charge on exceptional items

In addition to the exceptional tax charge of €337,000 and the tax credit of €39,000 outlined in notes (b) and (c) 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. 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.

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Profit attributable to equity holders of the parent	**15,552**	15,621	29,218
	'000	'000	'000
Shares in issue at beginning of period	**353,312**	351,887	351,887
New shares issued (weighted average)	**370**	331	823
Effect of treasury shares held	**(22,000)**	(22,000)	(22,000)
Weighted average number of shares at end of period	**331,682**	330,218	330,710
Basic earnings per share – cent	**4.69**	4.73	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.

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Profit attributable to equity holders of the parent	**15,552**	15,621	29,218
	'000	'000	'000
Weighted average number of shares at end of period	**331,682**	330,218	330,710
Effect of share options with a dilutive effect	**1,790**	1,889	1,778
Weighted average number of shares at end of period (diluted)	**333,472**	332,107	332,488
Diluted earnings per share – cent	**4.66**	4.70	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.

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014* €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Profit attributable to equity holders of the parent	**15,552**	15,621	29,218
Adjustments:			
Exceptional items – net of tax (Note 5)	**–**	(2,455)	(2,275)
Acquisition related intangible asset amortisation in subsidiaries	**2,595**	3,271	5,969
Share of joint ventures and associates acquisition related intangible asset amortisation	**851**	753	1,456
Acquisition related costs within subsidiaries	**4**	147	602
Remeasurement to fair value of contingent consideration estimates	**851**	365	(738)
Tax effect of amortisation of intangible assets	**(724)**	(802)	(1,758)
Non-controlling interests share of items above	**(710)**	(406)	(1,041)
Adjusted fully diluted earnings	**18,419**	16,494	31,433
	'000	'000	'000
Weighted average number of shares at end of period (diluted)	**333,472**	332,107	332,488
Adjusted fully diluted earnings per share – cent	**5.52**	4.97	9.45

*The calculation of adjusted earnings per share for the comparative period to 30 June 2014 is restated to ensure conformity with the current period calculation and the calculation for the year ended 31 December 2014 whereby fair value movements on contingent consideration are excluded from adjusted earnings. Management believe this presentation more fairly represents the underlying trading performance of the Group.

7. Employee benefits

	(*Unaudited*) **6 months to 30 June 2015** **€'000**	(*Unaudited*) 6 months to 30 June 2014 €'000	(*Audited*) Year ended 31 Dec 2014 €'000
Net liability at beginning of period	**(27,514)**	(4,658)	(4,658)
Net interest expense and current service cost recognised in the income statement	**(2,303)**	(1,315)	(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	**3,042**	2,955	5,257
Remeasurement gains/(losses) recognised in other comprehensive income	**11,971**	(17,508)	(28,666)
Translation adjustment	**(396)**	(121)	(146)
Net liability at end of period	**(15,200)**	(20,647)	(27,514)
Net related deferred tax asset	**2,230**	3,252	3,933
Net liability after tax at end of the period	**(12,970)**	(17,395)	(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 30 June 2015 reflects pension liabilities of €15.2m in respect of schemes in deficit, resulting in a net deficit of €13.0m 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.

The decrease in the net liability during the period 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 in six month period. The discount rate in Ireland and the Eurozone increased to 2.5% (31 December 2014: 2.2% and 30 June 2014: 3.0%) and in the UK increased to 3.9% (31 December 2014: 3.8% and 30 June 2014: 4.3%).

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 to the income statement in the year ended 31 December 2014. Further details are outlined in the Group's 2014 Annual Report.

8. Dividends

The Board has approved an interim dividend of 0.736 (2014: 0.640) cent per share which represents a 15.0% increase on the comparative period. This dividend, which will be subject to Irish withholding tax rules, will be paid on 16 October 2015 to shareholders on the register at 18 September 2015. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 30 June 2015. The final dividend for 2014 of €5,850,000 was paid in May 2015.

During the period, the Group paid dividends of €1,107,000 (2014: €3,705,000) to non-controlling shareholders in certain of the Group's non wholly-owned subsidiaries.

9. Businesses acquired and other developments

In the six months to 30 June 2015, the Group made a number of investments in the business as explained below.

Investment in joint ventures and associates
The Group invested €9.3m in new and existing joint ventures and associates including estimated contingent consideration payable on investments if certain profit targets are met. The fair value of the contingent consideration recognised at the date of acquisition of €2.1m was calculated using the expected present value technique. The principal acquisition in the period was the agreement to acquire a 50% shareholding in the Gambles Group, the 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 given the timing of the completion of these transactions and will be finalised within twelve months from the acquisition date, as permitted by IFRS 3 (Revised) *Business Combinations*.

Acquisition of non-controlling interests
During the period, the Group invested €3.9m in acquiring the remaining shareholdings in 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 the period.

Payment of contingent and deferred consideration
During the period, the Group paid €8.5m 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.

10. Financial instruments

The fair values of financial assets and financial liabilities, together with the carrying amounts in the Condensed Group Balance Sheet at 30 June 2015, 30 June 2014 and 31 December 2014 are as follows:

	***(Unaudited)* 30 June 2015**		*(Unaudited)* 30 June 2014		*(Audited)* 31 Dec 2014	
	Carrying value €'000	**Fair value €'000**	Carrying value €'000	Fair value €'000	Carrying value €'000	Fair value €'000
Other financial assets[1]	**752**	**752**	574	574	698	698
Trade and other receivables – current[1]*	**366,087**	**n/a**	354,851	n/a	275,170	n/a
Trade and other receivables – non-current*	**2,702**	**2,702**	4,162	4,162	2,999	2,999
Bank deposits[1]	**8,200**	**n/a**	4,700	n/a	2,000	n/a
Cash and cash equivalents[1]	**90,644**	**n/a**	92,693	n/a	113,830	n/a
Derivative financial assets	**63**	**63**	303	303	425	425
	468,448		457,283		395,122	
Trade and other payables – current[1]	**392,734**	**n/a**	389,981	n/a	343,038	n/a
Trade and other payables – non-current	**2,389**	**2,389**	1,976	1,976	1,696	1,696
Bank overdrafts[1]	**45,016**	**n/a**	42,604	n/a	3,440	n/a
Bank borrowings	**132,637**	**133,072**	117,920	117,427	123,543	124,702
Finance lease liabilities[1]	**5,069**	**5,469**	5,919	6,333	5,695	6,146
Derivative financial liabilities	**689**	**689**	97	97	180	180
Contingent consideration	**19,987**	**19,987**	28,903	28,903	22,859	22,859
	598,521		587,400		500,451	

1. The Group has availed of the exemption under IFRS 7 *Financial Instruments: Disclosure* for additional disclosures where fair value closely approximates carrying value.

* For the purposes of this analysis prepayments have not been included within other receivables. Carrying value of other financial assets, trade receivables and other receivables are stated net of impairment provision where appropriate and consequently fair value is considered to approximate to carrying value.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At 30 June 2015, 30 June 2014 and 31 December 2014 the Group recognised and measured the following instruments at fair value:

	(Unaudited)		*(Unaudited)*		*(Audited)*	
	30 June 2015 Level 2 €'000	**30 June 2015 Level 3 €'000**	30 June 2014 Level 2 €'000	30 June 2014 Level 3 €'000	31 Dec 2014 Level 2 €'000	31 Dec 2014 Level 3 €'000
Assets measured at fair value						
At fair value through profit or loss						
Foreign exchange contracts	**3**	**–**	303	–	332	–
Designated as hedging instruments						
Foreign exchange contracts	**60**	**–**	–	–	93	–
Liabilities measured at fair value						
At fair value through profit or loss						
Foreign exchange contracts	**(193)**	**–**	(35)	–	(21)	–
Contingent consideration	**–**	**(19,987)**	–	(28,903)	–	(22,859)
Designated as hedging instruments						
Foreign exchange contracts	**(335)**	**–**	(56)	–	–	–
Interest rate swaps	**(161)**	**–**	(6)	–	(159)	–

Additional disclosures for Level 3 fair value measurements

Contingent consideration

	(Unaudited)	*(Unaudited)*	*(Audited)*
	6 months to 30 June 2015 €'000	6 months to 30 June 2014 €'000	Year ended 31 Dec 2014 €'000
At beginning of period	**22,859**	23,970	23,970
Paid during the period	**(8,467)**	(412)	(5,524)
Arising on acquisition of subsidiaries	**51**	4,314	4,688
Arising on acquisition of joint ventures	**2,142**	–	–
Arising on acquisition of non-controlling interests	**1,914**	638	707
Fair value adjustment to contingent consideration arising on acquisition of associate	**–**	417	427
Fair value movement resulting in an adjustment to goodwill - subsidiaries	**–**	(625)	(1,130)
Foreign exchange movements	**637**	236	459
Included in the income statement			
- Fair value remeasurements	**851**	365	(738)
At end of period	**19,987**	28,903	22,859

Additional disclosures for level 3 fair value measurements

Contingent consideration

Contingent consideration represents provision for the net present value of the amounts expected to be payable in respect of acquisitions which are subject to earn-out arrangements. Contingent consideration for each individual transaction is valued internally by the Group Finance team and updated as required at each reporting period.

11. Cash flows generated from operations

	(Unaudited) **6 months to 30 June 2015 €'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Operating activities			
Profit before tax	**24,156**	24,171	44,311
Adjustments for non-cash items:			
Depreciation of property, plant and equipment (excl. depreciation within joint ventures and associates)	**7,534**	6,730	13,851
Impairment of property, plant and equipment	**–**	–	1,033
Remeasurement to fair value of contingent consideration estimates	**851**	365	(738)
Amortisation of intangible assets – acquisition related	**2,595**	3,271	5,969
Amortisation of intangible assets – development costs capitalised	**158**	227	350
Amortisation of intangible assets – computer software	**427**	234	569
Impairment of goodwill and intangible assets	**–**	–	1,684
Amortisation of grants	**(151)**	(143)	(321)
Share-based payment expense	**126**	101	321
Contributions to defined benefit pension schemes	**(3,042)**	(2,955)	(5,257)
Defined benefit pension scheme expense	**2,303**	1,315	1,995
Credit on modification to Group's defined benefit pension arrangements	**–**	–	(2,694)
Net gain on disposal of property, plant and equipment	**(168)**	(136)	(328)
Net interest expense	**3,040**	2,819	5,095
Net loss/(gain) on non-hedging derivative financial instruments	**329**	(575)	(358)
Gain reclassified to the income statement on available-for-sale financial asset becoming an associate	**–**	(2,455)	(2,455)
Loss on disposal of joint venture investment	**16**	–	–
Share of profits of joint ventures and associates	**(4,866)**	(3,231)	(6,743)
Income tax paid	**(3,277)**	(6,267)	(13,610)
Net financial expense paid	**(2,724)**	(2,824)	(4,959)
Cash flows from operations before working capital movements	**27,307**	20,647	37,715
Movements in working capital:			
- Movements in inventories	**(19,086)**	(20,967)	3,142
- Movements in trade and other receivables	**(89,316)**	(59,926)	22,027
- Movement in trade and other payables	**41,269**	28,368	(13,480)
Total movements in working capital	**(67,133)**	(52,525)	11,689
Cash flows from operating activities	**(39,826)**	(31,878)	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 30 June 2015, 30 June 2014 and 31 December 2014 is as follows:

	(Unaudited) **30 June 2015** **€'000**	*(Unaudited)* 30 June 2014 €'000	*(Audited)* 31 Dec 2014 €'000
Current assets			
Bank deposits	**8,200**	4,700	2,000
Cash and cash equivalents	**90,644**	92,693	113,830
Current liabilities			
Bank overdrafts	**(45,016)**	(42,604)	(3,440)
Current bank borrowings	**(6,377)**	(1,848)	(12,347)
Current finance leases	**(1,725)**	(1,416)	(1,982)
Non-current liabilities			
Non-current bank borrowing	**(126,260)**	(116,072)	(111,196)
Non-current finance leases	**(3,344)**	(4,503)	(3,713)
Net debt at end of period	**(83,878)**	(69,050)	(16,848)

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

	(Unaudited) **6 months to 30 June 2015** **€'000**	*(Unaudited)* 6 months to 30 June 2014 €'000	*(Audited)* Year ended 31 Dec 2014 €'000
Cash and cash equivalents per balance sheet	**90,644**	92,693	113,830
Bank overdrafts	**(45,016)**	(42,604)	(3,440)
Cash, cash equivalents and bank overdrafts per Cash flow statement	**45,628**	50,089	110,390

13. Post balance sheet events

There have been no material events subsequent to 30 June 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 from those as described in the 2014 Annual Report that materially affect the financial position or affect the performance of the Group for the six month period ended 30 June 2015.

15. Board approval

This interim results statement was approved by the Board of Directors of Total Produce plc on 2 September 2015.