TOTAL PRODUCE PLC
2016 PRELIMINARY RESULTS

TOTAL PRODUCE CONTINUES STRONG GROWTH

- **Revenue up 8.9% to €3.76 billion**
- **Adjusted fully diluted EPS up 14.1% to 12.07 cent**
- **Adjusted EBITDA up 14.5% to €94.8m**
- **Adjusted EBITA up 15.0% to €73.7m**
- **Adjusted profit before tax up 16.8% to €67.7m**
- **Total dividend up 10%**
- **Targeting 2017 adjusted fully diluted EPS in the range of 12.0 to 13.0 cent per share**

Key performance indicators are defined overleaf

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

"We are pleased that Total Produce has continued to deliver very strong growth in 2016. Total revenue has increased by 8.9% to €3.76 billion with a 14.1% increase in adjusted earnings per share to 12.07 cent.

The Group has made a number of fresh produce acquisitions in 2016 in Europe and North America with a total expenditure of €60m, including €17m of contingent consideration. The Group acquired 65% of Progressive Produce, the Los Angeles based company with sales in excess of $200 million along with further investments in a number of top quality produce companies.

In addition, Total Produce has in 2017 agreed to invest €28m to increase its shareholding in the North American based Oppenheimer Group which has entered into strategic agreements in North America with the New Zealand based T&G Global.

We are pleased to propose a 10% increase in final dividend to 2.2297 cent per share. The Group is continuing to actively pursue additional acquisitions and is targeting 2017 adjusted earnings per share in the range of 12.0 to 13.0 cent per share."

2 March 2017

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TOTAL PRODUCE PLC PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 €'million	2015 €'million	% change
Total revenue [(1)]	**3,762**	3,454	+8.9%
Group revenue	**3,105**	2,875	+8.0%
Adjusted EBITDA [(1)]	**94.8**	82.8	+14.5%
Adjusted EBITA [(1)]	**73.7**	64.1	+15.0%
Operating profit after intangible asset amortisation	**56.2**	52.6	+6.8%
Adjusted profit before tax [(1)]	**67.7**	58.0	+16.8%
Profit before tax	**50.6**	46.8	+8.2%
	Euro cent	Euro cent	% change
Adjusted fully diluted earnings per share [(1)]	**12.07**	10.58	+14.1%
Basic earnings per share	**8.91**	9.07	(1.8%)
Diluted earnings per share	**8.80**	8.97	(1.9%)
Total dividend per share	**3.0393**	2.7630	+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 and costs, fair value movements on contingent consideration and exceptional items. It also excludes the Group's share of these items within joint ventures and associates.

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

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

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

Forward-looking statement

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

Overview

Total Produce (the 'Group') has delivered a very strong performance in 2016. Total revenue, adjusted EBITA and adjusted fully diluted earnings per share grew by 8.9%, 15.0% and 14.1% respectively. The results benefited from acquisitions completed in the year and a circa 4% like-for-like growth in revenue arising from both marginal volume growth and higher average prices. The Group continues to be cash generative with operating cashflows of €44.2m (2015: €60.8m).

The Board is pleased to announce a 10.0% increase in the final dividend to 2.2297 (2015: 2.027) cent per share subject to the approval of shareholders at the forthcoming AGM. If approved, the total dividend for 2016 will amount to 3.0393 (2015: 2.763) cent per share which represents an increase of 10.0% on 2015.

Operating review

Total revenue increased 8.9% to €3.76 billion (2015: €3.45 billion) with adjusted EBITA up 15.0% to €73.7m (2015: €64.1m). The results benefited from the contribution of acquisitions completed in the past twelve months and good trading conditions in many key locations. This was offset in part by the €1.9m negative impact on translation of the results of foreign currency denominated operations to Euro, including the weaker Sterling, and unsatisfactory trading conditions in the non-fresh produce businesses. On a like-for-like basis, excluding acquisitions, divestments and currency translation, revenue was circa 4% higher arising from both marginal volume growth and higher average prices.

The table below details a segmental breakdown of the Group's revenue and adjusted EBITA for the year ended 31 December 2016. 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.

	Year ended 31 December 2016		Year ended 31 December 2015	
	Total revenue €'000	**Adjusted EBITA €'000**	Total revenue €'000	Adjusted EBITA €'000
Europe – Eurozone	**1,753,328**	**25,953**	1,653,035	22,170
Europe – Non-Eurozone	**1,521,936**	**38,769**	1,537,842	38,603
International	**543,713**	**9,020**	320,808	3,362
Inter-segment revenue	**(56,572)**	**–**	(57,920)	–
Third party revenue and adjusted EBITA	**3,762,405**	**73,742**	3,453,765	64,135

Europe – Eurozone
This segment includes the Group's businesses in France, Ireland, Italy, the Netherlands and Spain. Revenue increased by 6.1% to €1,753m (2015: €1,653m) with a 17.1% increase in adjusted EBITA to €26.0m (2015: €22.2m). There was a positive contribution from acquisitions completed in the past twelve months. Overall trading conditions were favourable with growth in certain regions offsetting more challenging conditions in the Netherlands. Excluding the effect of acquisitions, revenue on a like-for-like basis was up 3% on prior year with both volume and average price growth.

Europe – Non-Eurozone
This segment includes the Group's businesses in the Czech Republic, Poland, Scandinavia and the UK. Revenue decreased by 1.0% to €1,522m (2015: €1,538m) with adjusted EBITA marginally increasing by 0.4% to €38.8m (2015: €38.6m). The reported performance was impacted by the translation of the results of foreign currency denominated operations into Euro including the weakening of Sterling by 12% in the year. Trading was also weaker in a sports nutrition business due to a more competitive environment.

On a like-for-like basis excluding acquisitions, divestments and currency translation, revenue was circa 3% ahead of prior year with average price increases offsetting a marginal volume decline. In the second half of the year, post the outcome of the EU referendum in the UK and as a consequence of the weakening of Sterling, volumes declined marginally in the UK but this was offset by higher average prices. Overall while the decision of the UK to leave the European Union has created some macro-economic uncertainties, it is not expected to have a material impact on the Group going forward.

International

This division includes the Group's businesses in North America and India. Revenue increased to €544m (2015: €321m) with adjusted EBITA increasing to €9.0m (2015: €3.4m). The results benefited from the incremental contribution from the Progressive Produce acquisition in February 2016 and a strong trading performance in the existing businesses. This was offset in part by a loss of €0.9m on the disposal of a US sports nutrition business in April 2016.

Financial Review

Revenue and Adjusted EBITA

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

Share of profits of joint ventures and associates

Share of after tax profits of joint ventures and associates increased in 2016 to €12.3m (2015: €10.1m) reflecting the incremental impact of recent acquisitions and a strong performance of associate companies in the International division. Dividends received from joint ventures and associates in the year amounted to €8.3m (2015: €8.1m).

Intangible asset amortisation

Acquisition related intangible asset amortisation within subsidiaries increased to €7.7m (2015: €5.2m) due to additional charges relating to recent acquisitions. The share of intangible asset amortisation within joint ventures and associates was €2.6m (2015: €2.4m).

Exceptional Items

Exceptional items in the year amounted to a net charge of €1.4m compared to a net gain of €2.0m in 2015. The current year charge relates to a non-cash goodwill impairment charge of €5.2m relating to a sports nutrition business offset by €3.8m in profit relating to property and leasehold disposals and related insurance income. The €2.0m gain in 2015 related to profits on sale of property and leaseholds. A full analysis of these exceptional items is set out in Note 5 of the accompanying financial information.

Operating profit

Operating profit before intangible asset amortisation and exceptional items increased 17.0% to €65.2m (2015: €55.8m). Operating profit after these items increased 6.8% to €56.2m (2015: €52.6m).

Net Financial Expense

Net financial expense in the year decreased to €5.5m (2015: €5.8m) with lower cost of funding offsetting higher average net debt. The Group's share of the net interest expense of joint ventures and associates in the year was €0.5m (2015: €0.3m). Net interest cover for the year was 13.3 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 16.8% to €67.7m (2015: €58.0m). Statutory profit before tax after these items was up 8.2% to €50.6m (2015: €46.8m).

Taxation

The tax charge for the year, including the Group's share of joint ventures and associates tax and before non-trading items, as set out in Note 6 of the accompanying financial information, was €16.7m (2015: €14.2m) representing an underlying tax rate of 24.7% (2015: 24.4%) when applied to the Group's adjusted profit before tax.

Non-Controlling Interests

The non-controlling interests' share of after tax profits in the year was €10.8m (2015: €7.5m). Included in the charge was the non-controlling interests' share of exceptional items, amortisation charges and acquisition related costs of €1.1m (2015: €0.9m). Excluding these non-trading items, the non-controlling interests' share of after tax profits increased by €3.5m. The increase was primarily due to non-controlling interests' share of the after tax profits of recent acquisitions completed in the past twelve months.

Adjusted and Basic Earnings per Share

Adjusted fully diluted earnings per share increased by 14.1% to 12.07 cent per share (2015: 10.58 cent) in the year assisted by the incremental contribution from acquisitions and the positive impact of the share buyback program completed in January 2016. Management believes that adjusted fully diluted 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 8.91 cent per share (2015: 9.07 cent) and 8.80 cent per share (2015: 8.97 cent) respectively.

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

Cash Flow and Net Debt

Net debt at 31 December 2016 was €48.4m compared to €18.1m at 31 December 2015. Net debt relative to adjusted EBITDA at 31 December 2016 was 0.5 times and interest is covered 13.3 times by adjusted EBITA. Average net debt for 2016 was €95.9m (2015: €66.6m). In addition, the Group has non-recourse trade receivables financing at 31 December 2016 of €43.0m (2015: €40.5m).

The Group generated €53.7m (2015: €45.9m) in operating cash flows in 2016 before working capital movements. There were €9.5m of working capital outflows in the year compared to a €14.9m inflow in 2015. The prior year working capital movement included the benefit of an incremental €9.2m in trade receivables financing year-on-year whereas the current year incremental benefit was €2.5m. Cash outflows on routine capital expenditure, net of disposals, were €15.3m (2015: €18.1m). Dividends received from joint ventures and associates in the year increased to €8.3m (2015: €8.1m) which is a function of the Group's increased investments in the past number of years while dividends paid to non-controlling interests increased to €6.8m (2015: €2.4m) due to both higher profits in companies with non-controlling shareholdings and the timing of dividend payments.

The cash inflows of €3.0m (2015: €3.1m) from exceptional items relate to proceeds from sale of property and leasehold interests and related compensation. Cash outflows on acquisitions amounted to €44.2m (2015: €11.3m) with contingent and deferred consideration payments relating to prior period acquisitions of €4.8m (2015: €12.7m) in the year. The Group received cash of €6.4m (2015: €Nil) on the disposal of trading assets of a US sports nutrition business as set out in more detail below. Payments for non-routine property and plant additions amounted to €7.8m (2015: €4.2m). The Group distributed €9.1m (2015: €8.3m) in dividends to equity shareholders in the year and also made payments of €6.0m (2015: €14.4m) acquiring its own shares. There was an exchange rate gain of €0.4m (2015: €2.1m loss) on the translation of foreign currency debt into Euro at 31 December 2016 with the movement due to the weaker Sterling and Swedish Krona rates partly offset by stronger US Dollar and Canadian Dollar exchange rates at year-end compared to those prevailing at 31 December 2015.

	2016 €'million	2015 €'million
Adjusted EBITDA	**94.8**	82.8
Deduct adjusted EBITDA of joint ventures and associates	**(22.1)**	(18.6)
Net financial expense and tax paid	**(17.3)**	(16.8)
Other	**(1.7)**	(1.5)
Operating cash flows before working capital movements	**53.7**	45.9
Working capital movements	**(9.5)**	14.9
Operating cash flows	**44.2**	60.8
Routine capital expenditure net of routine disposal proceeds	**(15.3)**	(18.1)
Dividends received from joint ventures and associates	**8.3**	8.1
Dividends paid to non-controlling interests	**(6.8)**	(2.4)
Free cash flow	**30.4**	48.4
Cashflows from exceptional items	**3.0**	3.1
Acquisition payments, net [1]	**(44.2)**	(11.3)
Net cash/(debt) assumed on acquisition of subsidiaries	**0.8**	(0.7)
Contingent and deferred consideration payments	**(4.8)**	(12.7)
Disposal of trading assets	**6.4**	–
Non-routine capital expenditure / property additions	**(7.8)**	(4.2)
Dividends paid to equity shareholders	**(9.1)**	(8.3)
Buyback of own shares	**(6.0)**	(14.4)
Other	**0.6**	0.9
Total net debt movement in year	**(30.7)**	0.8
Net debt at beginning of year	**(18.1)**	(16.8)
Foreign currency translation	**0.4**	(2.1)
Net debt at end of year	**(48.4)**	(18.1)

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

Defined Benefit Pension Obligations

The net liability of the Group's defined benefit pension schemes (net of deferred tax) increased to €31.8m at 31 December 2016 from €14.5m at 31 December 2015. The increase in the liability is primarily due to a significant decrease in the discount rates underlying the calculations of the present value of the schemes obligations offset in part by positive returns on pension schemes assets. Further details are outlined in Note 8 of the accompanying financial information.

Shareholders' Equity

Shareholders' equity decreased by €12.5m to €226.3m at 31 December 2016. Profit after tax of €28.5m attributable to equity shareholders was offset by remeasurement losses of €19.7m (net of deferred tax) on post-employment defined benefit schemes, foreign currency loss of €8.3m on the retranslation of the net assets of foreign currency denominated operations, the payment of dividends of €9.1m to equity shareholders of the Company and the share buyback of €6.0m.

Development Activity

A key part of the Group's strategy is growth by acquisition. In line with this strategy the Group made a number of acquisitions and investments in 2016 with committed investments of €60m, including deferred and contingent consideration payable of €17m on the achievement of future profit targets.

On 1 February 2016, the Group made a 65% investment in Progressive Produce LLC ('Progressive Produce'), headquartered in Los Angeles, California. Progressive Produce is a grower, packer and distributor of conventional and organic produce to the retail, wholesale and foodservice sectors in the US and Canada. Progressive Produce was founded in 1967 and today is one of California's premier produce companies with revenues in excess of $200m. An initial payment was made on closing with further consideration due in 2019 contingent on achievement of future profit targets. In addition to this, long term put and call options are in place for the remaining 35% shareholding.

In addition to this, the Group made a number of other investments in the year including;

- the acquisition in April 2016 of a 60% interest in Organic Trade Company Holland BV, a company headquartered in The Netherlands and specialising in organic fruit and vegetables.
- the incorporation in April 2016 of Vezet Convenience Nordic ('VCN'), jointly owned 50/50 with a Dutch based company G Kramer & Zonen trading as Vezet. Over a period of three to five years, VCN will invest in a state-of-the-art facility to be used for the production of fresh cut and pre-packed meal salads for supply to the Nordic market.
- the acquisition in April 2016 by Provenance Partners Limited (a 50% subsidiary of the Group), of 100% of the share capital of Planet Produce Limited, a company headquartered in the UK specialising in the import of exotic fruit and vegetables.
- the acquisition in December 2016 of a 50% shareholding in the El Parque Group, a fresh produce company headquartered in Chile and specialising in avocados, citrus and grapes.

Further details on development activity in 2016 including details of consideration paid and assets and liabilities acquired are provided in Note 10 of the accompanying financial information.

In April 2016, the Group disposed of a sports nutrition business in the US for total proceeds of €7.7m. Details of this disposal are outlined in Note 10 of the accompanying financial information.

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

Share Buyback

On 27 January 2016, the Group completed the €20m share buyback program that commenced on 8 October 2015 with a total of 14,017,270 ordinary shares being repurchased and cancelled. Within this program, during January 2016, 4,073,872 of these shares were repurchased and cancelled at a cost of €6.0m. The share buyback programme is earnings accretive.

Under the authority granted at the AGM in 2016, the Group will continue to exercise this authority should the appropriate opportunity arise. Under this authority, the Group is permitted to purchase up to 10% of its issued share capital in the market at a price which would not exceed 105% of the average price over the previous five trading days.

Dividends

The Board is proposing a 10.0% increase in the final dividend to 2.2297 (2015: 2.027) cent per share subject to the approval of shareholders at the forthcoming AGM. If approved, this dividend will be paid on 26 May 2017 to shareholders on the register at 5 May 2017 subject to dividend withholding tax. The total dividend for 2016 will amount to 3.0393 (2015: 2.763) cent per share and represents an increase of 10.0% on 2015. The total dividend represents a pay-out of 25.2% of the adjusted earnings per share.

Post Balance Sheet Events

Post year end, on 1 March 2017 the Group has agreed to invest €28m to increase its shareholding in the North American based Oppenheimer Group ("Oppy") from 35% to 65%, and Oppy has entered into strategic agreements in North America with the New Zealand based T&G Global. There have been no other material events subsequent to 31 December 2016 which would require disclosure or adjustment in the report.

Summary and Outlook

We are pleased that Total Produce has continued to deliver very strong growth in 2016. Total revenue has increased by 8.9% to €3.76 billion with a 14.1% increase in adjusted earnings per share to 12.07 cent.

The Group has made a number of fresh produce acquisitions in 2016 in Europe and North America with a total expenditure of €60m, including €17m of contingent consideration. The Group acquired 65% of Progressive Produce, the Los Angeles based company with sales in excess of $200 million along with further investments in a number of top quality produce companies.

In addition, Total Produce has in 2017 agreed to invest €28m to increase its shareholding in the North American based Oppenheimer Group which has entered into strategic agreements in North America with the New Zealand based T&G Global.

We are pleased to propose a 10% increase in final dividend to 2.2297 cent per share. The Group is continuing to actively pursue additional acquisitions and is targeting 2017 adjusted earnings per share in the range of 12.0 to 13.0 cent per share.

Carl McCann, Chairman
On behalf of the Board
2 March 2017

Total Produce plc
Extract from the Group Income Statement
for the year ended 31 December 2016

	Note	**Before exceptional items 2016 €'000**	**Exceptional items (Note 5) 2016 €'000**	**Total 2016 €'000**	Before exceptional items 2015 €'000	Exceptional items (Note 5) 2015 €'000	Total 2015 €'000
Revenue, including Group share of joint ventures and associates	3	**3,762,405**	–	**3,762,405**	3,453,765	–	3,453,765
Group revenue	3	**3,105,475**	–	**3,105,475**	2,875,388	–	2,875,388
Cost of sales		**(2,672,585)**	–	**(2,672,585)**	(2,479,072)	–	(2,479,072)
Gross profit		**432,890**	–	**432,890**	396,316	–	396,316
Operating expenses (net)		**(379,924)**	**(1,409)**	**(381,333)**	(350,662)	2,028	(348,634)
Share of profit of joint ventures		**7,258**	–	**7,258**	7,706	–	7,706
Share of profit of associates		**5,012**	–	**5,012**	2,393	–	2,393
Operating profit before acquisition related intangible asset amortisation		**65,236**	**(1,409)**	**63,827**	55,753	2,028	57,781
Acquisition related intangible asset amortisation		**(7,675)**	–	**(7,675)**	(5,183)	–	(5,183)
Operating profit after acquisition related intangible asset amortisation		**57,561**	**(1,409)**	**56,152**	50,570	2,028	52,598
Financial income		**1,309**	–	**1,309**	1,017	–	1,017
Financial expense		**(6,833)**	–	**(6,833)**	(6,832)	–	(6,832)
Profit before tax		**52,037**	**(1,409)**	**50,628**	44,755	2,028	46,783
Income tax expense	6	**(10,638)**	**(686)**	**(11,324)**	(8,930)	(351)	(9,281)
Profit for the year		**41,399**	**(2,095)**	**39,304**	35,825	1,677	37,502
Attributable to:							
Equity holders of the parent				**28,536**			30,027
Non-controlling interests				**10,768**			7,475
				39,304			37,502
Earnings per ordinary share							
Basic	7			**8.91**			9.07
Fully diluted	7			**8.80**			8.97
Adjusted fully diluted	7			**12.07**			10.58

Total Produce plc
Extract from the Group Statement of Comprehensive Income
for the year ended 31 December 2016

	2016 €'000	2015 €'000
Profit for the year	**39,304**	37,502
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation effects:		
- foreign currency net investments – subsidiaries	**(12,189)**	8,471
- foreign currency net investments – joint ventures and associates	**629**	704
- foreign currency borrowings designated as net investment hedges	**3,496**	(4,015)
Effective portion of changes in fair value of cash flow hedges	**1,880**	(386)
Fair value of cash flow hedges transferred to income statement and recognised in cost of sales	**(1,923)**	395
Deferred tax on items taken directly to other comprehensive income	**11**	(1)
	(8,096)	5,168
Items that will not be reclassified to profit or loss:		
Remeasurement (losses)/gains on post-employment defined benefit schemes	**(23,769)**	9,870
Revaluation gains on property, plant and equipment	**1,421**	2,261
Revaluation losses on property, plant and equipment	**(292)**	(2,233)
Deferred tax on items taken directly to other comprehensive income	**4,679**	(782)
Share of joint ventures and associates remeasurement losses on post-employment defined benefit schemes (net of tax)	**(820)**	(564)
	(18,781)	8,552
Other comprehensive income for the year	**(26,877)**	13,720
Total comprehensive income for the year	**12,427**	51,222
Attributable to:		
Equity holders of the parent	**1,643**	42,764
Non-controlling interests	**10,784**	8,458
	12,427	51,222

Total Produce plc
Extract from the Group Balance Sheet
as at 31 December 2016

	2016	2015
	€'000	€'000
Assets		
Non-current assets		
Property, plant and equipment	**145,184**	141,994
Investment property	**8,585**	9,698
Goodwill and intangible assets	**220,490**	190,518
Investments in joint ventures and associates	**92,910**	76,115
Other financial assets	**649**	732
Other receivables	**7,761**	5,781
Deferred tax assets	**15,458**	9,071
Total non-current assets	**491,037**	433,909
Current assets		
Inventories	**61,195**	63,429
Biological assets	**194**	–
Trade and other receivables	**317,530**	279,223
Corporation tax receivable	**1,472**	3,875
Derivative financial instruments	**187**	196
Bank deposits	**2,500**	2,500
Cash and cash equivalents	**127,280**	129,738
Total current assets	**510,358**	478,961
Total assets	**1,001,395**	912,870
Equity		
Share capital	**3,429**	3,446
Share premium	**148,204**	254,512
Other reserves	**(113,707)**	(106,727)
Retained earnings	**188,396**	87,589
Total equity attributable to equity holders of the parent	**226,322**	238,820
Non-controlling interests	**72,600**	74,959
Total equity	**298,922**	313,779
Liabilities		
Non-current liabilities		
Interest-bearing loans and borrowings	**130,162**	131,885
Deferred government grants	**481**	1,800
Other payables	**2,021**	1,411
Contingent consideration	**36,746**	28,363
Put option liability	**21,215**	–
Corporation tax payable	**5,836**	6,319
Deferred tax liabilities	**17,915**	17,397
Employee benefits	**37,777**	17,174
Total non-current liabilities	**252,153**	204,349
Current liabilities		
Interest-bearing loans and borrowings	**47,984**	18,408
Trade and other payables	**389,708**	369,457
Contingent consideration	**9,629**	5,149
Derivative financial instruments	**569**	407
Corporation tax payable	**2,430**	1,321
Total current liabilities	**450,320**	394,742
Total liabilities	**702,473**	599,091
Total liabilities and equity	**1,001,395**	912,870

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2016

	Attributable to equity holders of the parent											
For the year ended 31 December 2016	*Share capital €'000*	*Share premium €'000*	*Undeno minated capital €'000*	*De-merger reserve €'000*	*Own shares reserve €'000*	*Currency translation reserve €'000*	*Reval-uation reserve €'000*	*Other equity reserves* €'000*	*Retained earnings €'000*	*Total €'000*	*Non-controlling interests €'000*	*Total equity €'000*
As at 1 January 2016	**3,446**	**254,512**	**99**	**(122,521)**	**(8,580)**	**70**	**22,178**	**2,027**	**87,589**	**238,820**	**74,959**	**313,779**
Comprehensive income												
Profit for the year	–	–	–	–	–	–	–	–	**28,536**	**28,536**	**10,768**	**39,304**
Other comprehensive income:												
Items that may be reclassified subsequently to profit or loss:												
Foreign currency translation effects, net	–	–	–	–	–	**(7,745)**	–	**(514)**	–	**(8,259)**	**195**	**(8,064)**
Effective portion of cash flow hedges, net	–	–	–	–	–	–	–	**(19)**	–	**(19)**	**(24)**	**(43)**
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	**4**	–	**4**	**7**	**11**
Items that will not be reclassified subsequently to profit or loss:												
Revaluation gains/(losses) on property, plant and equipment, net	–	–	–	–	–	–	**1,138**	–	–	**1,138**	**(9)**	**1,129**
Remeasurement losses on post-employment defined benefit schemes	–	–	–	–	–	–	–	–	**(23,584)**	**(23,584)**	**(185)**	**(23,769)**
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	**772**	–	**3,875**	**4,647**	**32**	**4,679**
Share of joint ventures and associates remeasurement losses on post-employment defined benefit schemes (net of tax)	–	–	–	–	–	–	–	–	**(820)**	**(820)**	–	**(820)**
Total other comprehensive income	–	–	–	–	–	**(7,745)**	**1,910**	**(529)**	**(20,529)**	**(26,893)**	**16**	**(26,877)**
Total comprehensive income	–	–	–	–	–	**(7,745)**	**1,910**	**(529)**	**8,007**	**1,643**	**10,784**	**12,427**
Transactions with equity holders of the parent												
New shares issued	**24**	**1,763**	–	–	–	–	–	**(651)**	**651**	**1,787**	–	**1,787**
Own shares acquired and cancelled	**(41)**	–	**41**	–	–	–	–	–	**(5,973)**	**(5,973)**	–	**(5,973)**
Capital reduction (Note 13)	–	**(108,071)**	–	–	–	–	–	–	**107,963**	**(108)**	–	**(108)**
Non-controlling interest arising on acquisition of subsidiaries (Note 10)	–	–	–	–	–	–	–	–	–	–	**15,215**	**15,215**
Recognition of put option liability on acquisition (Note 10)	–	–	–	–	–	–	–	**(17,155)**	–	**(17,155)**	–	**(17,155)**
Put option granted to non-controlling interests (Note 10)	–	–	–	–	–	–	–	**(3,367)**	–	**(3,367)**	–	**(3,367)**
Remeasurement of put option liability	–	–	–	–	–	–	–	**(179)**	–	**(179)**	–	**(179)**
Acquisition of non-controlling interests (Note 10)	–	–	–	–	–	–	–	–	**(692)**	**(692)**	**(3,796)**	**(4,488)**
Disposal of shareholding to non-controlling interests (Note 10)	–	–	–	–	–	–	–	–	–	–	**3,993**	**3,993**
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	–	**5**	**5**
Share of buyback within associate company	–	–	–	–	–	–	–	–	**(73)**	**(73)**	–	**(73)**
Subsidiary becoming a joint venture	–	–	–	–	–	–	–	–	–	–	**(1,503)**	**(1,503)**
Dividends paid	–	–	–	–	–	–	–	–	**(9,076)**	**(9,076)**	**(6,798)**	**(15,874)**
Share-based payment transactions	–	–	–	–	–	–	–	**436**	–	**436**	–	**436**
Total transactions with equity holders of the parent	**(17)**	**(106,308)**	**41**	–	–	–	–	**(20,916)**	**92,800**	**(34,400)**	**7,116**	**(27,284)**
As at 31 December 2016	**3,429**	**148,204**	**140**	**(122,521)**	**(8,580)**	**(7,675)**	**24,088**	**(19,418)**	**188,396**	**206,063**	**92,859**	**298,922**
Transfer of NCI subject to put option for presentation purposes	–	–	–	–	–	–	–	**20,259**	–	**20,259**	**(20,259)**	–
As at 31 December 2016	**3,429**	**148,204**	**140**	**(122,521)**	**(8,580)**	**(7,675)**	**24,088**	**841**	**188,396**	**226,322**	**72,600**	**298,922**

*Other equity reserves comprise the share option reserve, the cash flow hedge reserve and the put option reserve.

Total Produce plc
Extract from the Group Statement of Changes in Equity
for the year ended 31 December 2016
(Continued)

	Attributable to equity holders of the parent											
For the year ended 31 December 2015	***Share capital €'000***	***Share premium €'000***	***Un-denom inated capital €'000***	***De-merger reserve €'000***	***Own shares reserve €'00***	***Currency translation reserve €'000***	***Reval-uation reserve €'000***	***Other equity reserves* €'000***	***Retained earnings €'000***	***Total €'000***	***Non-controlling interests €'000***	***Total equity €'000***
As at 1 January 2015	3,533	253,565	–	(122,521)	(8,580)	(4,483)	21,882	2,024	71,628	217,048	68,341	285,389
Comprehensive income												
Profit for the year	–	–	–	–	–	–	–	–	30,027	30,027	7,475	37,502
Other comprehensive income:												
Items that may be reclassified subsequently to profit or loss:												
Foreign currency translation effects, net	–	–	–	–	–	4,553	–	–	–	4,553	607	5,160
Effective portion of cash flow hedges, net	–	–	–	–	–	–	–	(11)	–	(11)	20	9
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	–	6	–	6	(7)	(1)
Items that will not be reclassified subsequently to profit or loss:												
Revaluation gains/(losses) on property, plant and equipment, net	–	–	–	–	–	–	105	–	–	105	(77)	28
Remeasurement gains on post-employment defined benefit schemes	–	–	–	–	–	–	–	–	9,638	9,638	232	9,870
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	191	–	(1,181)	(990)	208	(782)
Share of joint ventures and associates remeasurement losses on post-employment defined benefit schemes (net of tax)	–	–	–	–	–	–	–	–	(564)	(564)	–	(564)
Total other comprehensive income	–	–	–	–	–	4,553	296	(5)	7,893	12,737	983	13,720
Total comprehensive income	–	–	–	–	–	4,553	296	(5)	37,920	42,764	8,458	51,222
Transactions with equity holders of the parent												
New shares issued	12	947	–	–	–	–	–	(373)	373	959	–	959
Own shares acquired and cancelled	(99)	–	99	–	–	–	–	–	(14,388)	(14,388)	–	(14,388)
Non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	–	–	4,132	4,132
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	351	351	(4,265)	(3,914)
Disposal of shareholding to non-controlling interests	–	–	–	–	–	–	–	–	–	–	599	599
Contribution by non-controlling interests	–	–	–	–	–	–	–	–	–	–	36	36
Dividends paid	–	–	–	–	–	–	–	–	(8,295)	(8,295)	(2,342)	(10,637)
Share-based payment transactions	–	–	–	–	–	–	–	381	–	381	–	381
Total transactions with equity holders	(87)	947	99	–	–	–	–	8	(21,959)	(20,992)	(1,840)	(22,832)
As at 31 December 2015	3,446	254,512	99	(122,521)	(8,580)	70	22,178	2,027	87,589	238,820	74,959	313,779

*Other equity reserves comprise the share option reserve, the cash flow hedge reserve and the put option reserve.

Total Produce plc
Extract from the Group Statement of Cash Flows
for the year ended 31 December 2016

	2016 €'000	2015 €'000
Net cash flows from operating activities (Note 11)	**44,148**	60,811
Investing activities		
Acquisition of subsidiaries	**(32,887)**	(4,312)
Cash assumed on acquisition of subsidiaries, net	**1,940**	2,235
Acquisition of, and investment in joint ventures and associates	**(8,620)**	(7,338)
Payments of contingent consideration	**(1,976)**	(11,964)
Payments of deferred consideration	**(2,778)**	(692)
Proceeds from disposal of joint ventures and associates	**–**	670
Proceeds from disposal of trading assets	**6,419**	–
Cash derecognised on subsidiary becoming a joint venture	**(491)**	–
Disposal of shares in subsidiary to non-controlling interests	**273**	599
Acquisition of property, plant and equipment	**(24,378)**	(16,506)
Acquisition of investment property	**–**	(4,176)
Expenditure on computer software	**(1,344)**	(2,448)
Development expenditure capitalised	**(253)**	(251)
Proceeds from disposal of property, plant and equipment	**2,651**	852
Proceeds from exceptional items	**3,030**	3,092
Dividends received from joint ventures and associates	**8,339**	8,070
Government grants received	–	449
Net cash flows from investing activities	**(50,075)**	(31,720)
Financing activities		
Drawdown of borrowings	**68,144**	95,673
Repayment of borrowings	**(40,671)**	(86,488)
Increase in bank deposits	–	(500)
Proceeds from the issue of share capital	**1,787**	959
Buyback of own shares	**(5,973)**	(14,388)
Costs of capital reduction	**(108)**	–
Capital element of finance lease repayments	**(2,175)**	(1,898)
Acquisition of non-controlling interests	**(3,044)**	(1,000)
Capital contribution by non-controlling interests	**5**	36
Dividends paid to non-controlling interests	**(6,798)**	(2,342)
Dividends paid to equity holders of the parent	**(9,076)**	(8,295)
Net cash flows from financing activities	**2,091**	(18,243)
Net (decrease)/increase in cash, cash equivalents and overdrafts	**(3,836)**	10,848
Cash, cash equivalents and overdrafts at start of year	**123,205**	110,390
Net foreign exchange difference	**(2,282)**	1,967
Cash, cash equivalents and overdrafts at end of year (Note 12)	**117,087**	123,205

Total Produce plc
Extract from the Summary Group Reconciliation of Net Debt
for the year ended 31 December 2016

	2016 €'000	2015 €'000
Net (decrease)/increase in cash, cash equivalents and overdrafts	**(3,836)**	10,848
Drawdown of borrowings	**(68,144)**	(95,673)
Repayment of borrowings	**40,671**	86,488
Increase in bank deposits	**–**	500
Interest-bearing loans and borrowings arising on acquisition	**(474)**	(2,901)
Capital element of finance lease repayments	**2,175**	1,898
Other movements on finance leases	**(419)**	(242)
Finance leases arising on acquisition	**(673)**	–
Foreign exchange movement	**389**	(2,125)
Movement in net debt	**(30,311)**	(1,207)
Net debt at beginning of the year	**(18,055)**	(16,848)
Net debt at end of the year (Note 12)	**(48,366)**	(18,055)

Total Produce plc
Selected explanatory notes for the Preliminary Results for the year ended 31 December 2016

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 2016 and is prepared based on the accounting policies set out therein, which are consistent with those applied in the prior year with the exception of the effect of the new accounting standards listed below. As permitted by European Union (EU) law and in accordance with AIM/ESM rules, the Group Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU.

The financial information prepared in accordance with IFRSs as adopted by the EU included in this report do not comprise "full group accounts" within the meaning of Regulation 40(1) of the European Communities (Companies: Group Accounts) Regulations 1992 of Ireland insofar as such group accounts would have to comply with the disclosure and other requirements of those Regulations.

The information included has been derived from the Group Financial Statements which were approved by the Board of Directors on 1 March 2017. 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
The following are the new standards and amendments that are effective for the Group's financial year ending on 31 December 2016. They had no significant impact on the results and financial position of the Group for the period ended 31 December 2016.

- Amendments to IFRS 11 *Joint Arrangements* – Accounting for acquisition of interests in joint arrangements
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38: *Intangible Assets* - Clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* - Bearer Plants
- Amendments to IAS 27 *Separate Financial Statements* - Equity Method in Separate Financial Statements
- Amendments to IAS 1 *Presentation of Financial Statements* - Disclosure Initiative
- Annual Improvements to IFRSs 2012-2014 Cycle

Accounting policy for put options over non-controlling interest shares
If a put option is held by a non-controlling interest ('NCI') in a subsidiary undertaking, whereby the holder of the put option can require the Group to acquire the NCI's shareholding in the subsidiary at a future date, the Group carefully examines the nature of such a put option. The Group assesses whether or not the NCI continues to have a present ownership interest in the shares subject to the put option. Present ownership interest can be evidenced by NCI continuing to have a right to the receipt of dividends, or benefitting from increases in net assets while holding a voting entitlement to the shares subject to the put option. If it is deemed that the put option holders continue to have a present ownership interest, the Group applies the partial recognition of NCI method as follows:

(a) the Group continues to recognise the amount that would have been recognised for the non-controlling interest, including an update to reflect its share of profit and losses, dividends and other changes;
(b) the Group recognises a financial liability in accordance with IAS 32 being the estimate of the fair value of the consideration to acquire the NCI shares that are subject to the put option and records this in a separate reserve in equity;
(c) changes in the fair value of the financial liability are reflected as a movement in the put liability reserve; and
(d) for presentation purposes in the balance sheet, the Group transfers the non-controlling interest subject to the put option as an offset to the put option reserve in equity.

If the NCI put option is exercised, the same treatment is applied up to the date of exercise. The amount recognised as the financial liability at that date is extinguished by the payment of the exercise price. If the put option expires unexercised, the position is unwound so that the non-controlling interest is recognised as the amount it would have been as if the put option had never been granted and the financial liability is derecognised with a corresponding credit to equity.

If the non-controlling interest does not have present ownership rights from the put option, then the transaction is accounted for as if the Group had acquired the NCI at the date of entering into the put option.

Accounting policy for forward commitments over non-controlling interest shares
If a firm commitment is in place to acquire the shares held by a NCI in a subsidiary undertaking, whereby the Group has an irrevocable agreement to acquire the NCI's shareholding in the subsidiary at a future date, the Group carefully examines the nature of such a commitment. The Group assesses whether or not the NCI continues to have a present ownership interest in the shares subject to commitment. Present ownership interest can be evidenced by NCI continuing to have a right to the receipt of dividends, or benefitting from increases in net assets while holding a voting entitlement to the shares subject to the put option. If it is deemed that the non-controlling shareholders continue to have a present ownership interest, the Group applies the partial recognition of NCI method as outlined above in the accounting policy for put options over non-controlling interest shares.

Accounting policy for call options over non-controlling interest shares
If the Group has a call option over the shares held by a NCI in a subsidiary undertaking, where the Group can require the NCI to sell its shareholding in the subsidiary at a future date, the option is classified as a derivative and is recognised as a financial instrument on inception with fair value movements recognised in the income statement.

Accounting policy for put and call options over shareholdings of joint venture and associate interests
If there are put and call options over the remaining shares in a joint venture and associate undertakings, the option is classified as a derivative instrument on inception with fair value movements recognised in the income statement.

2. Translation of foreign currencies

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

	Average rate			**Closing rate**		
	2016	2015	% change	**2016**	2015	% change
Brazilian Real	**3.6919**	–	–	**3.4305**	4.3198	20.6%
Canadian Dollar	**1.4674**	1.4184	(3.5%)	**1.4141**	1.5129	6.5%
Czech Koruna	**27.0353**	27.2862	0.9%	**27.0210**	27.0217	0.0%
Danish Kroner	**7.4427**	7.4584	0.2%	**7.4344**	7.4623	0.4%
Indian Rupee	**74.2703**	71.1987	(4.3%)	**71.4680**	72.2024	1.0%
Polish Zloty	**4.3621**	4.1769	(4.4%)	**4.4051**	4.2628	(3.3%)
Pound Sterling	**0.8102**	0.7223	(12.2%)	**0.8526**	0.7368	(15.7%)
Swedish Krona	**9.4650**	9.3489	(1.2%)	**9.5773**	9.1858	(4.3%)
US Dollar	**1.1081**	1.1106	0.2%	**1.0520**	1.0907	3.5%

3. Revenue and Segmental Analysis

Revenue

	2016 €'000	2015 €'000
Group Revenue	**3,105,475**	2,875,388
Plus:		
Share of revenue of joint ventures	**397,659**	355,620
Share of revenue of associates	**259,271**	222,757
Total share of revenue of joint ventures and associates	**656,930**	578,377
Total Revenue	**3,762,405**	3,453,765

Segmental Analysis
The table below details a segmental breakdown of the Group's total revenue and adjusted EBITA for the years ended 31 December 2016 and 31 December 2015.

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 thirteen operating segments principally 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, the 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. The North American sports nutrition business ceased trading in April 2016.

Segment performance is evaluated based on revenue and adjusted EBITA. Management believes that adjusted EBITA, while not a defined term under IFRS, gives a fair reflection of the underlying trading performance of the Group. Adjusted EBITA represents earnings before interest, tax, acquisition related intangible asset amortisation charges and costs, 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 therefore measured differently from operating profit in the Group financial statements as explained and reconciled in full 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 ('CODM') and are accordingly omitted from the detailed segmental analysis that follows.

	Year ended 31 December 2016			Year ended 31 December 2015		
	Segmental revenue €'000	**Total revenue €'000**	**Adjusted EBITA €'000**	Segmental revenue €'000	Total revenue €'000	Adjusted EBITA €'000
Europe - Eurozone	**1,753,328**	**1,731,675**	**25,953**	1,653,035	1,636,479	22,170
Europe - Non-Eurozone	**1,521,936**	**1,487,091**	**38,769**	1,537,842	1,496,478	38,603
International	**543,713**	**543,639**	**9,020**	320,808	320,808	3,362
Inter-segment revenue	**(56,572)**	**–**	**–**	(57,920)	–	–
Third party revenue and adjusted EBITA	**3,762,405**	**3,762,405**	**73,742**	3,453,765	3,453,765	64,135

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

Reconciliation of segmental profit to operating profit

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

	Note	**2016 €'000**	2015 €'000
Adjusted EBITA per management reporting		**73,742**	64,135
Acquisition related intangible asset amortisation within subsidiaries	(i)	**(7,675)**	(5,183)
Share of joint ventures and associates acquisition related intangible asset amortisation	(i)	**(2,557)**	(2,434)
Fair value movements on contingent consideration	(ii)	**(73)**	(1,384)
Acquisition related costs within subsidiaries	(iii)	**(922)**	(672)
Share of joint ventures and associates net finance expense	(iv)	**(481)**	(330)
Share of joint ventures and associates tax	(iv)	**(4,473)**	(3,562)
Operating profit before exceptional items		**57,561**	50,570
Exceptional items (Note 5)	(v)	**(1,409)**	2,028
Operating profit after exceptional items		**56,152**	52,598
Net financial expense	(vi)	**(5,524)**	(5,815)
Profit before tax		**50,628**	46,783

(i) Acquisition related intangible asset amortisation charges are not allocated to operating segments in the Group's management reports.
(ii) Fair value movements on contingent consideration 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 believes that adjusted EBITDA, adjusted EBITA, adjusted profit before tax and adjusted earnings per share (Note 7) are the most appropriate measures of the underlying performance of the Group.

	2016	2015
	€'000	€'000
Profit before tax per income statement	**50,628**	46,783
Adjustments		
Exceptional items (Note 5)	**1,409**	(2,028)
Fair value movements on contingent consideration	**73**	1,384
Share of joint ventures and associates tax	**4,473**	3,562
Acquisition related intangible asset amortisation within subsidiaries	**7,675**	5,183
Share of joint ventures and associates acquisition related intangible asset amortisation	**2,557**	2,434
Acquisition related costs within subsidiaries	**922**	672
Adjusted profit before tax	**67,737**	57,990
Exclude		
Net financial expense – subsidiaries	**5,524**	5,815
Net financial expense – share of joint ventures and associates	**481**	330
Adjusted EBITA	**73,742**	64,135
Exclude		
Amortisation of software costs	**1,356**	988
Depreciation – subsidiaries	**17,423**	15,527
Depreciation – share of joint ventures and associates	**2,301**	2,172
Adjusted EBITDA	**94,822**	82,822

5. Exceptional items

	2016	2015
	€'000	€'000
Matters relating to property, plant and equipment and leasehold interests (a)	**3,774**	2,028
Impairment of goodwill (b)	**(5,183)**	–
Total exceptional items	**(1,409)**	2,028
Net tax charge on exceptional items (c)	**(686)**	(351)
Total	**(2,095)**	1,677
Attributable as follows:		
Equity holders of the parent	**(2,812)**	1,349
Non-controlling interests	**717**	328
	(2,095)	1,677

(a) Matters relating to property, plant and equipment and leasehold interests

During 2016 the Group received compensation for the exit of a leasehold interest. The compensation of €1,889,000 net of associated costs was recognised within other operating income. Also during 2016 the Group received compensation for costs arising from a fire in a facility in Europe which caused damage to buildings, plant and machinery, motor vehicles and small amounts of inventory. The facility has been repaired and was fully operational from mid-2016 onwards. The insurance income, net of associated costs and impairment, recognised in 2016 was €1,885,000 and was disclosed as an exceptional item within other operating income.

During 2015, the Group realised a net profit of €2,028,000 after associated costs on the disposal of property, plant and equipment and leasehold interests in Europe.

***(b)* Impairment of goodwill**

In 2016 the Group recognised a non-cash impairment charge of €5,183,000 in relation to a sports nutrition business as a result of a reduction in the forecasted profitability due to a more competitive trading environment.

(c) Tax charge on exceptional items

The net tax charge on exceptional items in 2016 was €868,000. Offsetting this was a deferred tax credit of €182,000 on reassessment of deferred tax on prior year investment property fair value movements. The net tax charge on exceptional items in 2015 was €216,000. In addition to this a deferred tax charge of €135,000 was recognised on fair value movements on investment property in prior years.

Effect of exceptional items on cashflow statement

The net effect of the items above was a cash inflow of €3,030,000 (2015: cash inflow of €3,092,000).

6. Income tax

	2016 €'000	2015 €'000
Income tax expense	**11,324**	9,281
Group share of tax charge of joint ventures and associates netted in profit before tax	**4,473**	3,562
Total tax charge	**15,797**	12,843
Adjustments		
Deferred tax on amortisation of intangible assets – subsidiaries	**971**	1,080
Share of joint ventures and associates deferred tax credit on amortisation of intangible assets	**636**	593
Net deferred tax credit on fair value movements on investment properties – subsidiaries	**182**	(135)
Tax impact of other exceptional items	**(868)**	(216)
Tax charge on underlying activities	**16,718**	14,165

The total tax charge for the year amounted to €15,797,000 (2015: €12,843,000), including the Group's share of the tax charge of its joint ventures and associates of €4,473,000 (2015: €3,562,000), 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 €16,718,000 (2015: €14,165,000), equivalent to a rate of 24.7% (2015: 24.4%) when applied to the Group's adjusted profit before tax.

7. Earnings per share

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

	2016 €'000	2015 €'000
Profit attributable to equity holders of the parent	**28,536**	30,027
	'000	'000
Shares in issue at beginning of year	**344,609**	353,312
New shares issued (weighted average)	**1,417**	655
Share repurchased by Company (weighted average)	**(3,891)**	(962)
Effect of treasury shares held	**(22,000)**	(22,000)
Weighted average number of shares for basic earnings per share calculation	**320,135**	331,005
Basic earnings per share – cent	**8.91**	9.07

Diluted earnings per share
Diluted 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 after adjustment for the effects of all ordinary shares and options with a dilutive effect.

	2016	2015
	€'000	€'000
Profit attributable to equity holders of the parent	**28,536**	30,027
	'000	'000
Weighted average number of shares	**320,135**	331,005
Effect of share options with a dilutive effect	**4,005**	3,850
Weighted average number of shares for diluted earnings per share calculation	**324,140**	334,855
Diluted earnings per share – cent	**8.80**	8.97

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 believes 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, 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 by the weighted average number of ordinary shares outstanding after adjustment for the effects of all ordinary shares and options with a dilutive effect.

	2016	2015
	€'000	€'000
Profit attributable to equity holders of the parent	**28,536**	30,027
Adjustments:		
Exceptional items – net of tax (Note 5)	**2,095**	(1,677)
Acquisition related intangible asset amortisation within subsidiaries	**7,675**	5,183
Share of joint ventures and associates acquisition related intangible asset amortisation	**2,557**	2,434
Acquisition related costs within subsidiaries	**922**	672
Fair value movements on contingent consideration	**73**	1,384
Tax effect of amortisation charge of goodwill and intangible assets	**(1,607)**	(1,673)
Non-controlling interests share of items above	**(1,128)**	(910)
Adjusted fully diluted earnings	**39,123**	35,440
	'000	'000
Weighted average number of shares at end of year (diluted)	**324,140**	334,855
Adjusted fully diluted earnings per share – cent	**12.07**	10.58

8. Post-employment benefits

	2016	2015
	€'000	€'000
Pension assets	**189,008**	179,136
Pension obligations	**(226,785)**	(196,310)
Net liability at end of year	**(37,777)**	(17,174)
Net related deferred tax asset	**5,956**	2,643
Net liability after tax at end of year	**(31,821)**	(14,531)
Analysis of movement in the year		
Net liability at beginning of year	**(17,174)**	(27,514)
Net interest expense and current service cost recognised in the income statement	**(3,237)**	(4,693)
Employer contributions to schemes	**5,010**	5,411
Remeasurement (losses)/gains recognised in other comprehensive income	**(23,769)**	9,870
Foreign exchange movement	**1,393**	(248)
Net liability at end of year	**(37,777)**	(17,174)

The table above summarises the movements in the net liability of the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe in accordance with *IAS 19 Employee Benefits (2011).*

The Group's balance sheet at 31 December 2016 reflects net pension liabilities of €37,777,000 (2015: €17,174,000) in respect of schemes in deficit, resulting in a net deficit of €31,821,000 (2015: €14,531,000) after deferred tax.

The current and past service costs and the net finance expense on the net scheme liabilities are charged to the income statement. Remeasurement gains and losses are recognised in other comprehensive income.

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

Pension scheme assets increased by 5.5% to €189,008,000 (2015: €179,136,000) while pension scheme obligations increased by 15.5% to €226,785,000 (2015: €196,310,000).

The increase in the net liability in the year was primarily due to the significant decrease in discount rates which results in an increase in the net present value of the obligations of these pension schemes. This was offset in part by a return of 13.3% on pension scheme assets in the year. The discount rate in Ireland and the Eurozone decreased to 1.9% (2015: 2.6%) and in the UK decreased to 2.75%/2.80% (2015: 4.1%).

9. Dividends

	2016	2015
	€'000	€'000
Dividends paid on Ordinary Euro 1 cent shares		
Final dividend for 2015 of 2.027 cent per share (2014: 1.7630 cent)	**6,482**	5,850
Interim dividend for 2016 of 0.8096 cent per share (2015: 0.736 cent)	**2,594**	2,445
Total dividend paid in the year	**9,076**	8,295
Total dividend per share paid in the year	**2.8366**	2.4990

The Board is proposing a 10.0% increase in the final dividend to 2.2297 cent per share (2015: 2.027 cent), subject to the approval at the forthcoming AGM. If approved, this dividend will be paid on 26 May 2017 to shareholders on the register at 5 May 2017 subject to dividend withholding tax. The total dividend for 2016 will amount to 3.0393 (2015: 2.763) cent per share and represents an increase of 10.0% on 2015. In accordance with IFRS, this dividend has not been provided for in the Balance Sheet at 31 December 2016.

10. Businesses acquired and other developments in 2016

A key part of the Group's strategy is growth by acquisition. In line with this strategy the Group made a number of acquisitions and investments in 2016 as explained below.

Investments in subsidiaries
The Group made acquisitions in the Fresh Produce sector in Europe and North America in 2016 with total committed expenditure of up to €44,760,000 including €11,598,000 of contingent consideration payable dependent on the achievement of profit targets and €275,000 of deferred consideration.

On 1 February 2016, the Group made a 65% investment in Progressive Produce LLC ('Progressive Produce'), headquartered in Los Angeles, California. Progressive Produce is a grower, packer and distributor of conventional and organic produce to the retail, wholesale and foodservice sectors in the US. An initial payment was made on closing with further consideration due in 2019 contingent on achievement of future profit targets. In addition to this, long term put and call options are in place for the remaining 35% shareholding, exercisable from early 2022.

The Group also made a number of other bolt-on investments in subsidiaries in the Non-Eurozone division with initial payments up front with further consideration payable in later years contingent on achievement of future profit targets. Included in this was the acquisition in April 2016, by Provenance Partners Limited (a 50% subsidiary of the Group) of a 100% interest in Planet Produce Limited, a company headquartered in the UK specialising in the import of exotic fruit and vegetables.

The table that follows provides details on the total fair value of acquisitions of subsidiaries in 2016. The acquisition of Progressive Produce was deemed to be a substantial transaction and separate disclosure of the fair value of the identifiable assets and liabilities has therefore been made. None of the remaining business combinations completed during the year were considered sufficiently material to warrant separate disclosure of the fair values attributable to those combinations.

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

	2016 Progressive Produce €'000	2016 Other acquisitions €'000	2016 Total €'000	2015 Total €'000
Consideration paid and payable				
Cash consideration	27,985	4,902	**32,887**	4,312
Contingent consideration	10,525	1,073	**11,598**	14,396
Deferred consideration	–	275	**275**	1,675
Total fair value of consideration	**38,510**	**6,250**	**44,760**	20,383
Identifiable assets acquired and liabilities assumed				
Property, plant and equipment	2,392	1,915	**4,307**	1,182
Intangible assets - Customer relationships	12,455	1,611	**14,066**	13,733
Intangible assets – Supplier relationships, brand & other	9,130	84	**9,214**	3,491
Biological assets	308	–	**308**	–
Inventories	4,122	385	**4,507**	2,270
Trade and other receivables	21,213	2,049	**23,262**	6,654
Cash, cash equivalents and bank overdrafts	(312)	2,252	**1,940**	2,235
Interest bearing borrowings	(474)	–	**(474)**	(2,901)
Finance leases	(124)	(549)	**(673)**	–
Corporation tax	–	(349)	**(349)**	259
Trade and other payables	(21,127)	(2,802)	**(23,929)**	(6,605)
Deferred tax asset	–	–	–	221
Deferred tax liability	(1,822)	(124)	**(1,946)**	(5,120)
Fair value of net identifiable assets and liabilities acquired	**25,761**	**4,472**	**30,233**	15,419
Non-controlling interests arising on acquisition				
Non-controlling interests measured at fair value	15,552	–	**15,552**	–
Non-controlling interests measured at share of net assets	–	(337)	**(337)**	4,132
Total value of non-controlling interests arising on acquisition	**15,552**	**(337)**	**15,215**	4,132
Goodwill calculation				
Fair value of consideration	38,510	6,250	**44,760**	20,383
Fair value of pre-existing interest in acquiree	–	324	**324**	426
Fair value of net identifiable assets and liabilities acquired	(25,761)	(4,472)	**(30,233)**	(15,419)
Non-controlling interests arising on acquisition	15,552	(337)	**15,215**	4,132
Goodwill arising	**28,301**	**1,765**	**30,066**	9,522

The principal factor contributing to the recognition of €30,066,000 of goodwill is the realisation of costs savings and synergies expected to be achieved for integrating the acquired entities, and the value and skills of the assembled workforce in the acquired entities.

Cash flows relating to acquisition of subsidiaries

	2016 €'000	2015 €'000
Cash consideration for acquisition of subsidiary undertakings	**(32,887)**	(4,312)
Cash, cash equivalents and bank overdrafts acquired	**1,940**	2,235
Cash outflow per statement of cash flows	**(30,947)**	(2,077)

The Group incurred acquisition related costs of €922,000 on legal and professional fees and due diligence in respect of completed acquisitions. These costs have been included within operating expenses in the year.

Investment in joint ventures and associates
During 2016 the Group invested €11,948,000 (€8,620,000 in cash, €513,000 in deferred consideration and €2,815,000 estimated contingent consideration payable on achievement of certain profit targets). The fair value of the contingent consideration recognised at the date of acquisition of €2,815,000 was calculated using the expected present value technique. The principal acquisitions in the year were as follows:

- the acquisition in April 2016 of a 60% interest in Organic Trade Company Holland BV, a company headquartered in The Netherlands and specialising in organic fruit and vegetables.
- the incorporation in April 2016 of Vezet Convenience Nordic ('VCN'), jointly owned 50/50 with a Dutch based company G Kramer & Zonen trading as Vezet. Over a period of three to five years, VCN will invest in a state-of-the-art facility to be used for the production of fresh cut and pre-packed meal salads for supply to the Nordic market.
- the acquisition in December 2016 of a 50% shareholding in the El Parque Group, a fresh produce company headquartered in Chile and specialising in avocados, citrus and grapes.

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

Acquisition of non-controlling interests
During 2016, the Group acquired additional shares in subsidiaries in Continental Europe for consideration of €4,488,000 including €1,444,000 contingent on future profit targets being achieved. These changes in the Group's ownership interest in existing subsidiaries were accounted for as equity transactions. The difference of €692,000 between the fair value of the consideration of €4,488,000 and the book value of the non-controlling interest acquired of €3,796,000 was accounted for directly in retained earnings.

Disposal of shareholding to non-controlling interests
During the year, the Group disposed of a portion of its shareholding in a subsidiary company in Continental Europe to a non-controlling interest for a total value of €3,993,000. The Group received cash consideration of €273,000, with a deferred payment due of €700,000 and the extinguishment of a contingent consideration liability of €3,020,000 due to the non-controlling shareholder. No gain or loss resulted on this disposal. Per the terms of the shareholders agreement, the Group and the non-controlling interest have signed an agreement whereby it is agreed that Total Produce will acquire the 27.5% non-controlling interest in the subsidiary in early 2020 ('forward commitment'). The price paid for such shares is to be determined by an agreed formula based on profitability of the subsidiary.

Put option and forward commitment liabilities over shareholdings of non-controlling interests
Within certain current year transactions, non-controlling shareholders have a put option to put their shareholding to Total Produce or the Group and the non-controlling interests ('NCI') have an irrevocable agreement whereby Total Produce will acquire the non-controlling interest's shareholding ('forward commitment'). Up to the point of exercise of these put options or forward commitments, the non-controlling shareholder continues to have a right to dividends and voting rights on the shareholdings that are subject to the put option or the forward commitments. As outlined in Note 1 of this statement, where non-controlling shareholders retain a present ownership interest in such shares, the Group applies the partial recognition of non-controlling interest method for put options and forward commitment's. The non-controlling interest is therefore recognised in the traditional manner but is transferred against the put option liability reserve for presentation purposes in the balance sheet.

The estimated fair value at date of acquisition for the consideration on exercise of these put options was €20,522,000. This put option liability has been recognised in a put option reserve attributable to the equity holders of the parent. The valuation method applied for the purposes of this fair value assessment was the option price formula agreed in the share purchase agreements with the inputs based on the budget plan for 2016 and an application of a steady growth rate, discounted to a net present value with the assumption that the put option would be exercised at the earliest possible date. In accordance with the Group accounting policy for put options (partial recognition of NCI method), and for presentation purposes in the balance sheet, the carrying value of the NCI relating to these shareholdings with a put option at year end has been transferred to the put option reserve.

Payment of contingent and deferred consideration
In 2016, the Group paid €1,976,000 of contingent consideration and €2,778,000 of deferred consideration relating to prior period acquisitions.

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

Disposal of business
In April 2016, the Group disposed of a sports nutrition business in the US. Details of the proceeds received and assets and liabilities disposed of are outlined below.

	2016 **€'000**
Consideration received	
Cash consideration	6,419
Deferred payments (all due within one year)	1,327
Total fair value of consideration	**7,746**
Identifiable assets and liabilities disposed including goodwill	**8,689**
Loss on disposal of business (recognised within operating expenses)	**(943)**

11. Cash Generated From Operations

	2016 **€'000**	2015 €'000
Operating activities		
Profit for the year	**39,304**	37,502
Non-cash adjustments to reconcile profit to net cash flows:		
Income tax expense	**11,324**	9,281
Income tax paid	**(11,531)**	(10,747)
Depreciation of property, plant and equipment	**17,423**	15,527
Impairment of property, plant and equipment	–	743
Insurance income receivable	–	(743)
Exceptional items (Note 5)	**1,409**	(2,028)
Fair value movements on contingent consideration	**73**	1,384
Amortisation of intangible assets - acquisition related	**7,675**	5,183
Amortisation of intangible assets – capitalised development costs	**407**	249
Amortisation of intangible assets - computer software	**1,356**	988
Amortisation of government grants	**(602)**	(332)
Defined benefit pension scheme expense	**3,237**	4,693
Contributions to defined benefit pension schemes	**(5,010)**	(5,411)
Share based payment expense	**436**	381
Net gain on disposal of property, plant and equipment	**(416)**	(516)
Financial income	**(1,309)**	(1,017)
Financial expense	**6,833**	6,832
Financial income received	**1,349**	1,149
Financial expense paid	**(7,093)**	(7,155)
Gain on non-hedging derivative financial instruments	**31**	(23)
Loss on disposal of subsidiary	**943**	–
Fair value movements in biological assets	**128**	–
Loss on disposal of joint ventures and associates	–	15
Share of profit of joint ventures	**(7,258)**	(7,706)
Share of profit of associates	**(5,012)**	(2,393)
Net cash flows from operating activities before working capital movements	**53,697**	45,856
Movements in working capital:		
Movements in inventories	**1,695**	(10,798)
Movements in receivables	**(24,537)**	14,598
Movements in payables	**13,293**	11,155
Total movements in working capital	**(9,549)**	14,955
Net cash flows from operating activities	**44,148**	60,811

12. Analysis of Net Debt and Cash and Cash Equivalents

Net debt is a non-IFRS measure which comprises bank deposits, cash and cash equivalents and current and non-current interest-bearing loans and borrowings. The calculation of net debt at 31 December 2016 and 31 December 2015 is as follows:

	2016	2015
	€'000	€'000
Current assets		
Bank deposits	**2,500**	2,500
Cash and cash equivalents	**127,280**	129,738
Current liabilities		
Bank overdrafts	**(10,193)**	(6,533)
Current bank borrowings	**(36,276)**	(10,073)
Current finance leases	**(1,515)**	(1,802)
Non-current liabilities		
Non-current bank borrowing	**(128,729)**	(129,555)
Non-current finance leases	**(1,433)**	(2,330)
Net debt at end of year	**(48,366)**	(18,055)

Average net debt
Average net debt for 2016 was €95,945,000 (2015: €66,623,000).

Trade receivables financing
The Group has a number of sales of receivables arrangements. Under the terms of these agreements, the Group has transferred substantially all of the credit risk of these trade receivables which are subject to these agreements. Accordingly €43,024,000 (2015: €40,501,000) has been derecognised at year-end.

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

	2016	2015
	€'000	€'000
Cash and cash equivalents per balance sheet	**127,280**	129,738
Bank overdrafts	**(10,193)**	(6,533)
Cash, cash equivalents and bank overdrafts per cash flow statement	**117,087**	123,205

13. Reduction in company share premium account

On 8 July 2016, the High Court of Ireland confirmed approval for the reduction of the Company's share premium account by an amount of €108,071,000. Following registration of this court order with the registrar of Companies on 11 July 2016, the Company reduced its share premium by the sum of €108,071,000 and transferred this amount to retained earnings.

14. Post balance sheet events

Post year end, on 1 March 2017 the Group has agreed to invest €28m to increase its shareholding in the North American based Oppenheimer Group ("Oppy") from 35% to 65%, and Oppy has entered into strategic agreements in North America with the New Zealand based T&G Global. There have been no other material events subsequent to 31 December 2016 which would require disclosure or adjustment in the report.

15. Related party transactions

There have been no related party transactions or changes to related party transactions other than those described in the 2015 Annual Report that materially affect the financial position or the performance of the Group for the year ended 31 December 2016.

16. Board approval

This announcement was approved by the Board of Directors of Total Produce plc on 1 March 2017.