



TOTAL PRODUCE PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

TOTAL PRODUCE ANNOUNCES INCREASE IN 2010 FIRST HALF EARNINGS

- Revenue ⁽ⁱ⁾ up 1.7% to €1.33 billion
- Adjusted EBITDA ⁽ⁱⁱ⁾ up 3.0% to €33.7m
- Adjusted EBITA ⁽ⁱⁱ⁾ up 2.9% to €27.1m
- Adjusted profit before tax ⁽ⁱⁱ⁾ up 3.8% to €25.3m
- Adjusted earnings per share ⁽ⁱⁱⁱ⁾ up 1.5 % to 4.12 cent
- Interim dividend maintained at 0.54 cent per share

(i), (ii) and (iii) As defined overleaf

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

“Total Produce has delivered a solid performance in the first half of 2010 with an increase of 1.5% in adjusted earnings per share to 4.12 cent per share. After a slow start to the year due to unusually cold weather throughout Europe, demand for the Group’s produce recovered with the Group also benefiting from favourable currency translation movements.

The Group’s interim dividend is unchanged at 0.54 cent per share. Total Produce is pleased to confirm that, assuming current trading conditions continue, it is now targeting adjusted earnings per share towards the upper end of its annual target range of 5.5 to 6.5 cent per share.”

2 September 2010

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**TOTAL PRODUCE PLC INTERIM RESULTS FOR THE
SIX MONTHS ENDED 30 JUNE 2010**

	2010	2009	
	€million	€million	% change
Revenue, including the Group's share of joint ventures and associates	1,333	1,311	+ 1.7%
Group revenue	1,200	1,172	+ 2.3%
Adjusted EBITDA ⁽ⁱⁱ⁾	33.7	32.7	+ 3.0%
Adjusted EBITA ⁽ⁱⁱ⁾	27.1	26.3	+ 2.9%
Adjusted profit before tax ⁽ⁱⁱ⁾	25.3	24.3	+ 3.8%
Operating profit (before 2009 exceptional items)	23.0	22.7	+ 1.3%
Profit before tax	21.7	20.6	+ 5.5%
	Euro cent	Euro cent	% change
Adjusted earnings per share ⁽ⁱⁱⁱ⁾	4.12	4.06	+ 1.5%
Basic and diluted earnings per share	3.58	3.42	+ 4.7%
Interim dividend per share	0.54	0.54	-

(i) *includes the Group's share of revenue of joint ventures and associates*

(ii) *excludes exceptional items and amortisation of intangible assets*

(iii) *excludes exceptional items, amortisation of intangible assets and related tax*

Summary Results

Total Produce (the 'Group') announces adjusted earnings per share ⁽¹⁾ growth of 1.5% to 4.12 cent for the six months ended 30 June 2010.

Revenue of €1.33 billion represents a 1.7% increase on the prior period. Overall, the Group's core Fresh Produce Division recorded a strong performance despite the difficult weather conditions in the first quarter of the year with some geographic areas performing better than others. The Consumer Goods and Healthfoods Distribution Division continued to be affected by adverse trading conditions in that sector. The Group benefited from the strength of the Swedish Krona and Sterling in the period. Revenue is marginally down 0.7% on a constant currency basis ⁽²⁾.

Adjusted EBITA ⁽³⁾ for the period is €27.1m, an increase of 2.9% primarily due to a strong performance in the Fresh Produce Division and the positive impact of currency translation which is offset to a lesser extent by the performance of the Consumer Goods and Healthfoods Distribution Division.

Operating Review

The table below details a segmental breakdown of the Group's revenue and adjusted EBITA for the six months ended 30 June 2010. Segment performance is evaluated based on revenue and adjusted EBITA.

	<i>(Unaudited)</i> 6 months to 30 June 2010		<i>(Unaudited)</i> 6 months to 30 June 2009	
	Segmental revenue €000	Adjusted EBITA €000	Segmental revenue €000	Adjusted EBITA €000
Eurozone Fresh Produce	655,785	14,870	618,779	13,545
Scandinavian Fresh Produce	313,519	8,692	299,215	7,664
UK Fresh Produce	255,902	2,635	282,359	3,810
Other Fresh Produce	81,625	2,497	66,449	1,702
Inter-segment revenue and unallocated costs	(14,977)	(1,443)	(15,191)	(1,434)
Total Fresh Produce	1,291,854	27,251	1,251,611	25,287
Consumer Goods and Healthfoods Distribution	41,214	(148)	59,021	1,049
Third party revenue and adjusted EBITA	1,333,068	27,103	1,310,632	26,336

Fresh Produce Division

The Group's core Fresh Produce Division is split into four distinct reporting segments. This division recorded a strong performance for the period ended 30 June 2010 despite a slow start due to abnormal weather conditions throughout much of Europe in the first quarter of the year. Revenue increased by 3.2% to €1.29 billion assisted by the strength of Swedish Krona and Sterling in the period, which led to higher translation values of non-euro revenues. Revenue in this division increased by 0.7% on a constant currency basis. Like-for-like volumes were marginally ahead with average selling prices unchanged.

Adjusted EBITA in the division grew 7.8% to €27.3m due to higher revenue and the strength of the Swedish Krona and Sterling in the period. Net adjusted EBITA margins in the Fresh Produce Division were 2.11% (2009: 2.02%) reflecting the Group's continued focus on synergies and operational efficiencies. Further information on each reporting segment follows.

Eurozone Fresh Produce

The performance in the Eurozone improved in the period with a strong outturn in some key markets, offset somewhat by the impact of adverse weather in some regions in the first quarter of the year. This led to a 6% increase in revenue to €56m with like-for-like volumes increasing and average selling prices unchanged. Adjusted EBITA increased by €1.3m to €4.9m due primarily to the increase in revenue and reflects an increase in net adjusted EBITA margins to 2.27% from 2.19%.

Scandinavian Fresh Produce

Revenue in the Group's Scandinavian business increased by 4.8% to €14m assisted by a 10% strengthening of Swedish Krona in the period. Local currency revenue is 2% behind the equivalent period in the prior year, with a marginal decrease in both volume and average selling prices. Adjusted EBITA has increased by €1.0m to €8.7m due to currency translation and the increase in adjusted EBITA margins to 2.77% from 2.56%.

UK Fresh Produce

The adverse weather conditions experienced in the UK in the first quarter of 2010 led to a 12% decrease in local currency revenue. On a like-for-like basis, there were mid-single digit decreases in both volumes and average selling prices. The strength of Sterling in the period led to a lower reported decrease in revenue of 9.4% to €256m on translation to euro. Adjusted EBITA for the period was down €1.2m to €2.6m, reflecting a decrease in margin to 1.0% from 1.3% in the equivalent period in 2009, again due to the poor weather in the first quarter of the year.

Other Fresh Produce

This segment includes a number of other fresh produce businesses in the Czech Republic, India and South Africa. Revenue increased by €15m to €82m with adjusted EBITA up €0.8m to €2.5m due to improved trading performance in some of these entities.

Consumer Goods and Healthfoods Distribution Division

Revenue in the Consumer Goods and Healthfoods Distribution Division decreased by €18m to €11m, with a net adjusted EBITA loss of €0.1m in the period compared to a contribution of €1.0m for the equivalent period in 2009. The result reflects the continuing difficult trading conditions in this sector.

Financial Review

Financial expense, net

Net financial expense for the period is €1.3m compared to €1.8m in 2009. The decrease is due to lower average net debt balances and the Group has continued to benefit from the low interest rate environment. The Group's share of the net interest expense in joint ventures and associates is €0.5m compared to €0.3m in the same period in 2009.

Profit before tax

Adjusted profit before tax ⁽⁴⁾ increased by 3.8% to €25.3m. Profit before tax amounted to €21.7m in the six months to 30 June 2010 (2009: €20.6m).

Exceptional items

There were no exceptional items in the period (2009: €0.4m). The exceptional item in 2009 related to a share of joint ventures' fair value losses on properties.

Non-controlling interests

The non-controlling interest's share of after-tax profits was €3.7m for the first six months of 2010, an increase of €0.4m on the same period in 2009. This increase is primarily due to improved performance in certain non-wholly-owned subsidiaries in the Eurozone.

Adjusted and basic earnings per share

Adjusted earnings per share of 4.12 cent for the six months ended 30 June 2010 represents an increase of 1.5% on the equivalent period in 2009. Basic earnings per share amounted to 3.58 cent (2009: 3.42 cent).

Net Debt and Cash Flow

The Group generated €22.8m in operating cash flows in the first six months of 2010 before mid-year seasonal working capital outflows of €8.9m. Cash outflows on capital expenditure, net of disposals, were €2.7m representing a decrease on the €5.9m net spend in the same period in 2009. Cash outflows on acquisitions decreased from €5.3m to €0.6m in the six months to 30 June 2010. Free cash flow for the twelve months ended 30 June 2010 amounted to €5.2m.

Net debt at 30 June 2010 was €1.8m compared to €2.3m at 30 June 2009 and €0.6m at 31 December 2009. There was an adverse impact of €3.3m in the period on net debt due to stronger Sterling and Swedish Krona.

In addition, the Group concluded a new US\$100m multi-currency facility under which the Group may issue loan notes over a three year period with a maturity of up to ten years. During the current period, the Group issued loan notes under this facility with a face value of €30m and a maturity of seven years. This extends the Group's debt maturity profile and further increases the Group's capacity to finance future expansion.

	<i>(Unaudited)</i> 6 months to 30 June 2010 €million	<i>(Unaudited)</i> 6 months to 30 June 2009 €million	<i>(Audited)</i> Year ended 31 Dec 2009 €million
Adjusted EBITDA	33.7	32.7	57.1
Deduct adjusted EBITA of joint ventures and associates	(3.0)	(2.4)	(4.1)
Net interest and tax paid	(5.7)	(5.3)	(10.5)
Other	(2.2)	(2.1)	(3.6)
Operating cash flows before working capital movements	22.8	22.9	38.9
Working capital movements	(28.9)	(26.6)	(0.1)
Operating cash flows	(6.1)	(3.7)	38.8
Capital expenditure net of disposal proceeds	(2.7)	(5.9)	(8.4)
Dividends received from joint ventures	0.8	1.7	1.8
Dividends paid to non-controlling interests	(4.7)	(2.8)	(5.0)
Free cash flow	(12.7)	(10.7)	27.2
Acquisition of subsidiaries, investment in joint ventures, net	(0.6)	(5.3)	(7.9)
Other	(0.6)	(0.3)	(1.2)
Dividends paid to equity shareholders	(4.0)	(4.0)	(5.9)
Total cash flow	(17.9)	(20.3)	12.2
Net debt at beginning of period	(50.6)	(60.2)	(60.2)
Foreign currency translation	(3.3)	(1.8)	(2.6)
Net debt at end of period	(71.8)	(82.3)	(50.6)

Shareholders' Equity

The balance sheet has strengthened in the period with shareholders' equity increasing by €5.4m to €170.6m since 31 December 2009. The increase was primarily due to earnings in the period of €12.6m attributable to equity shareholders and a gain on the translation of the net assets of foreign currency operations of €7.3m. This was primarily offset by actuarial losses of €10.3m (net of deferred tax) on the Group's defined benefit pension schemes and the payment of the final 2009 dividend of €4.0m to equity shareholders of the Company.

Defined Benefit Pension Obligations

The net liability of the Group's defined benefit pension schemes (net of deferred tax) increased from €6.3m at 31 December 2009 to €15.3m at 30 June 2010. The increase in the liability is due to a decrease in the discount rates underlying the calculation of the present value of scheme obligations along with lower than expected returns on pension scheme assets. As explained in the 2009 Annual Report, the Group changed the benefit structure of two of its defined benefit pension schemes which reduced the Group's existing pension obligations. Please refer to Note 7 of the accompanying financial information for more details.

Development Activity

During the period, the Group invested €0.6m in a number of existing business interests. The Group continues to actively pursue further investment opportunities in both new and existing markets.

Dividends

The Board has declared an interim dividend of 0.54 cent per share, unchanged from the 2009 interim dividend. This dividend will be paid on the 2 November 2010 to shareholders on the register at 8 October 2010 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 2010.

Current Trading and Outlook

Total Produce has delivered a solid performance in the first half of 2010 with an increase of 1.5% in adjusted earnings per share to 4.12 cent per share. After a slow start to the year due to unusually cold weather throughout Europe, demand for the Group's produce recovered with the Group also benefiting from favourable currency translation movements.

The Group's interim dividend is unchanged at 0.54 cent per share. Total Produce is pleased to confirm that, assuming current trading conditions continue, it is now targeting adjusted earnings per share towards the upper end of its annual target range of 5.5 to 6.5 cent per share.

Carl McCann, Chairman

On behalf of the Board

2 September 2010

- (1) *Adjusted earnings per share excludes exceptional items, amortisation of intangible assets and related tax. This calculation is set out in Note 6 of the accompanying financial information.*
- (2) *Percentage changes in constant currency reflect the 2010 and 2009 half year reported numbers of foreign operations retranslated at 2009 half-year average exchange rates.*
- (3) *Adjusted EBITA is operating profit excluding exceptional items, amortisation of intangible assets and excludes interest and tax (including the equivalent share of joint ventures). This calculation is set out in Note 4 of the accompanying financial information.*
- (4) *Adjusted profit before tax excludes exceptional items, amortisation of intangible assets and the Group's share of joint ventures tax which, under IFRS rules, is reflected in profit before tax. This calculation is set out in Note 4 of the accompanying financial information.*

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

Total Produce plc

Condensed Group Income Statement

for the half year ended 30 June 2010

	<i>(Unaudited)</i> 6 months to 30 June 2010	<i>(Unaudited)</i> 6 months to 30 June 2009	<i>(Unaudited)</i> 6 months to 30 June 2009	<i>(Unaudited)</i> 6 months to 30 June 2009	<i>(Audited)</i> Year ended 31 Dec 2009	<i>(Audited)</i> Year ended 31 Dec 2009	<i>(Audited)</i> Year ended 31 Dec 2009
	Total	Pre- exceptional	Exceptional items	Total	Pre- exceptional	Exceptional items	Total
	€000	€000	€000	€000	€000	€000	€000
Revenue, including Group share of joint ventures and associates	1,333,068	1,310,632	–	1,310,632	2,431,423	–	2,431,423
Group revenue	1,199,508	1,172,204	–	1,172,204	2,186,442	–	2,186,442
Cost of sales	(1,042,376)	(1,019,094)	–	(1,019,094)	(1,891,238)	–	(1,891,238)
Gross profit	157,132	153,110	–	153,110	295,204	–	295,204
Operating expenses	(135,579)	(131,651)	–	(131,651)	(260,514)	2,590	(257,924)
Share of profit / (loss) of joint ventures and associates	1,493	1,287	(429)	858	1,635	(7,385)	(5,750)
Operating profit	23,046	22,746	(429)	22,317	36,325	(4,795)	31,530
Net financial expense	(1,341)	(1,752)	–	(1,752)	(3,166)	–	(3,166)
Profit before tax	21,705	20,994	(429)	20,565	33,159	(4,795)	28,364
Income tax expense	(5,409)	(5,263)	–	(5,263)	(8,352)	(805)	(9,157)
Profit for the period	16,296	15,731	(429)	15,302	24,807	(5,600)	19,207
<i>Attributable to:</i>							
Equity holders of the parent	12,583			12,024			13,018
Non-controlling interests	3,713			3,278			6,189
	16,296			15,302			19,207
Earnings per ordinary share							
Basic	3.58 cent			3.42 cent			3.70 cent
Fully diluted	3.58 cent			3.42 cent			3.70 cent
Adjusted fully diluted	4.12 cent			4.06 cent			6.47 cent

Total Produce plc
Condensed Group Statement of Comprehensive Income
for the half year ended 30 June 2010

	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Profit for the period	16,296	15,302	19,207
Other comprehensive income:			
Movement on translation of net equity investments and borrowings	7,265	5,923	6,293
Revaluation gains on property, plant and equipment, net	–	–	2,358
Gains on re-measuring available-for-sale financial assets, net	39	1,957	2,619
Fair value adjustment on joint venture becoming a subsidiary	–	–	219
Actuarial (losses)/gains on defined benefit pension schemes	(12,474)	(3,796)	2,908
Effective portion of cash flow hedges, net	(31)	(490)	(748)
Deferred tax on items taken directly to other comprehensive income	1,997	1,141	153
Share of joint ventures' actuarial loss on defined benefit pension scheme	–	–	(21)
Share of joint ventures' loss on re-measuring available-for-sale financial assets	–	–	(10)
Share of joint ventures' effective portion of cash flow hedges, net	–	–	9
Share of joint ventures' deferred tax on items taken directly to other comprehensive income	–	–	3
Other comprehensive income for the period	(3,204)	4,735	13,783
Total comprehensive income for the period	13,092	20,037	32,990
<i>Attributable to:</i>			
Equity holders of the parent	9,506	16,669	25,852
Non-controlling interests	3,586	3,368	7,138
	13,092	20,037	32,990

Total Produce plc
Condensed Group Balance Sheet
as at 30 June 2010

	<i>(Unaudited)</i> 30 June 2010 €000	<i>(Unaudited)</i> 30 June 2009 €000	<i>(Audited)</i> 31 Dec 2009 €000
<i>Assets</i>			
Non-current assets			
Property, plant and equipment	124,379	124,835	124,126
Investment property	13,813	13,750	12,949
Goodwill and intangible assets	130,859	124,877	127,232
Investments in joint ventures and associates	35,405	39,455	32,959
Other financial assets	10,360	10,217	10,343
Other receivables	4,334	3,813	3,960
Deferred tax assets	6,815	7,284	5,808
Employee benefits	1,258	1,596	2,524
Total non-current assets	327,223	325,827	319,901
Current assets			
Inventories	43,861	42,740	35,685
Trade and other receivables	328,598	311,992	245,751
Corporation tax receivable	–	–	1,084
Derivative financial instruments	41	24	55
Cash and cash equivalents	96,265	90,954	88,961
Total current assets	468,765	445,710	371,536
Total assets	795,988	771,537	691,437
<i>Equity</i>			
Called-up share capital	3,519	3,519	3,519
Share premium	252,574	252,574	252,574
Retained earnings and other reserves	(85,538)	(98,717)	(90,905)
Total equity attributable to equity holders of the parent	170,555	157,376	165,188
Non-controlling interests	54,652	54,070	55,771
Total equity	225,207	211,446	220,959
<i>Liabilities</i>			
Non-current liabilities			
Interest-bearing loans and borrowings	126,250	98,827	122,768
Deferred government grants	1,612	1,969	1,783
Other payables	3,396	3,177	3,434
Provisions	3,189	10,276	11,010
Corporation tax payable	8,265	8,185	8,265
Deferred tax liabilities	18,025	20,476	18,891
Employee benefits	19,959	21,612	10,455
Total non-current liabilities	180,696	164,522	176,606
Current liabilities			
Interest-bearing loans and borrowings	41,839	74,436	16,753
Trade and other payables	331,147	314,529	268,087
Provisions	12,585	4,764	4,644
Derivative financial instruments	150	282	356
Corporation tax payable	4,364	1,558	4,032
Total current liabilities	390,085	395,569	293,872
Total liabilities	570,781	560,091	470,478
Total liabilities and equity	795,988	771,537	691,437

Total Produce plc
Condensed Group Statement of Changes in Equity
for the half year ended 30 June 2010

For the half year ended 30 June 2010 (Unaudited)

As at 1 January 2010

Comprehensive income

Profit for the period

Other comprehensive income:

Foreign currency translation effects

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

Actuarial losses on defined benefit pension schemes, net

Effective portion of cash flow hedges, net

Deferred tax on items taken directly to other comprehensive income

Total other comprehensive income

Total comprehensive income

Transactions with equity holders of the parent

Buyout of non-controlling interests arising on acquisition

Dividends

Share-based payment transactions

Total transactions with equity holders of the parent

As at 30 June 2010

	<i>Attributable to equity holders of the parent</i>							<i>Non-controlling interest</i>	<i>Total equity</i>	
	<i>Share capital</i>	<i>Share premium</i>	<i>Currency translation reserve</i>	<i>Revaluation reserve</i>	<i>De-merger reserve</i>	<i>Other equity reserves</i>	<i>Retained earnings</i>			<i>Total</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	
As at 1 January 2010	3,519	252,574	(13,171)	17,797	(122,521)	3,637	23,353	165,188	55,771	220,959
Comprehensive income										
Profit for the period	–	–	–	–	–	–	12,583	12,583	3,713	16,296
Other comprehensive income:										
Foreign currency translation effects	–	–	7,252	–	–	–	–	7,252	13	7,265
Gains on re-measuring available-for-sale financial assets, net	–	–	–	–	–	39	–	39	–	39
Actuarial losses on defined benefit pension schemes, net	–	–	–	–	–	–	(12,292)	(12,292)	(182)	(12,474)
Effective portion of cash flow hedges, net	–	–	–	–	–	(53)	–	(53)	22	(31)
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	18	1,959	1,977	20	1,997
Total other comprehensive income	–	–	7,252	–	–	4	(10,333)	(3,077)	(127)	(3,204)
Total comprehensive income	–	–	7,252	–	–	4	2,250	9,506	3,586	13,092
Transactions with equity holders of the parent										
Buyout of non-controlling interests arising on acquisition	–	–	–	–	–	–	(210)	(210)	(45)	(255)
Dividends	–	–	–	–	–	–	(4,047)	(4,047)	(4,660)	(8,707)
Share-based payment transactions	–	–	–	–	–	118	–	118	–	118
Total transactions with equity holders of the parent	–	–	–	–	–	118	(4,257)	(4,139)	(4,705)	(8,844)
As at 30 June 2010	3,519	252,574	(5,919)	17,797	(122,521)	3,759	21,346	170,555	54,652	225,207

Total Produce plc
Condensed Group Statement of Changes in Equity
for the half year ended 30 June 2010 (Continued)

For the half year ended 30 June 2009 (Unaudited)

As at 1 January 2009

Comprehensive income

Profit for the period

Other comprehensive income:

Foreign currency translation effects

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

Actuarial (losses)/gains on defined benefit pension schemes, net

Effective portion of cash flow hedges, net

Deferred tax on items taken directly to other comprehensive income

Total other comprehensive income

Total comprehensive income

Transactions with equity holders of the parent

Non-controlling interests arising on acquisition

Dividends

Share-based payment transactions

Total transactions with equity holders of the parent

As at 30 June 2009

	<i>Attributable to equity holders of the parent</i>							<i>Non-controlling interests</i>	<i>Total equity</i>	
	<i>Share capital</i>	<i>Share premium</i>	<i>Currency translation reserve</i>	<i>Revaluation reserve</i>	<i>De-merger reserve</i>	<i>Other equity reserves</i>	<i>Retained earnings</i>			<i>Total</i>
	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	<i>€'000</i>	
As at 1 January 2009	3,519	252,574	(19,354)	16,568	(122,521)	816	13,005	144,607	53,528	198,135
Comprehensive income										
Profit for the period	–	–	–	–	–	–	12,024	12,024	3,278	15,302
Other comprehensive income:										
Foreign currency translation effects	–	–	5,897	–	–	–	–	5,897	26	5,923
Gains on re-measuring available-for-sale financial assets, net	–	–	–	–	–	1,957	–	1,957	–	1,957
Actuarial (losses)/gains on defined benefit pension schemes, net	–	–	–	–	–	–	(3,895)	(3,895)	99	(3,796)
Effective portion of cash flow hedges, net	–	–	–	–	–	(455)	–	(455)	(35)	(490)
Deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	1,141	1,141	–	1,141
Total other comprehensive income	–	–	5,897	–	–	1,502	(2,754)	4,645	90	4,735
Total comprehensive income	–	–	5,897	–	–	1,502	9,270	16,669	3,368	20,037
Transactions with equity holders of the parent										
Non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	(51)	(51)
Dividends	–	–	–	–	–	–	(4,047)	(4,047)	(2,775)	(6,822)
Share-based payment transactions	–	–	–	–	–	147	–	147	–	147
Total transactions with equity holders of the parent	–	–	–	–	–	147	(4,047)	(3,900)	(2,826)	(6,726)
As at 30 June 2009	3,519	252,574	(13,457)	16,568	(122,521)	2,465	18,228	157,376	54,070	211,446

Total Produce plc
Condensed Group Statement of Changes in Equity
for the half year ended 30 June 2010 (Continued)

For the year ended 31 December 2009 (Audited)

As at 1 January 2009

Comprehensive income

Profit for the year

Other comprehensive income:

Foreign currency translation effects

Revaluation gains on property, plant and equipment, net

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

Fair value adjustment on joint venture becoming a subsidiary

Actuarial gains on defined benefit pension schemes, net

Effective portion of cash flow hedges, net

Deferred tax on items taken directly to other comprehensive income

Share of joint ventures' actuarial loss on defined benefit pension scheme

Share of joint ventures' loss on re-measuring available-for-sale financial assets

Share of joint ventures' effective portion of cash flow hedges, net

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

Total other comprehensive income

Total comprehensive income

Transactions with equity holders of the parent

Buyout of non-controlling interests arising on acquisition

Dividends

Share-based payment transactions

Total transactions with equity holders of the parent

As at 31 December 2009

	Attributable to equity holders of the parent							Non-controlling interests €000	Total equity €'000	
	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Revaluation reserve €'000	De-merger reserve €'000	Other equity reserves €'000	Retained earnings €'000			Total €'000
As at 1 January 2009	3,519	252,574	(19,354)	16,568	(122,521)	816	13,005	144,607	53,528	198,135
Comprehensive income										
Profit for the year	–	–	–	–	–	–	13,018	13,018	6,189	19,207
Other comprehensive income:										
Foreign currency translation effects	–	–	6,183	–	–	–	–	6,183	110	6,293
Revaluation gains on property, plant and equipment, net	–	–	–	1,546	–	–	–	1,546	812	2,358
Gains on re-measuring available-for-sale financial assets, net	–	–	–	–	–	2,619	–	2,619	–	2,619
Fair value adjustment on joint venture becoming a subsidiary	–	–	–	–	–	–	219	219	–	219
Actuarial gains on defined benefit pension schemes, net	–	–	–	–	–	–	2,656	2,656	252	2,908
Effective portion of cash flow hedges, net	–	–	–	–	–	(664)	–	(664)	(84)	(748)
Deferred tax on items taken directly to other comprehensive income	–	–	–	(317)	–	190	421	294	(141)	153
Share of joint ventures' actuarial loss on defined benefit pension scheme	–	–	–	–	–	–	(21)	(21)	–	(21)
Share of joint ventures' loss on re-measuring available-for-sale financial assets	–	–	–	–	–	–	(10)	(10)	–	(10)
Share of joint ventures' effective portion of cash flow hedges, net	–	–	–	–	–	–	9	9	–	9
Share of joint ventures' deferred tax on items taken directly to other comprehensive income	–	–	–	–	–	–	3	3	–	3
Total other comprehensive income	–	–	6,183	1,229	–	2,145	3,277	12,834	949	13,783
Total comprehensive income	–	–	6,183	1,229	–	2,145	16,295	25,852	7,138	32,990
Transactions with equity holders of the parent										
Buyout of non-controlling interests arising on acquisition	–	–	–	–	–	–	–	–	102	102
Dividends	–	–	–	–	–	–	(5,947)	(5,947)	(4,997)	(10,944)
Share-based payment transactions	–	–	–	–	–	676	–	676	–	676
Total transactions with equity holders of the parent	–	–	–	–	–	676	(5,947)	(5,271)	(4,895)	(10,166)
As at 31 December 2009	3,519	252,574	(13,171)	17,797	(122,521)	3,637	23,353	165,188	55,771	220,959

Total Produce plc

Condensed Group Statement of Cash Flows

for the half year ended 30 June 2010

	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Net cash flows from operating activities before working capital movements (Note 10)	22,780	22,886	38,909
Increase in working capital	(28,877)	(26,589)	(104)
Net cash flows from operating activities	(6,097)	(3,703)	38,805
Investing activities			
Acquisition of subsidiaries, net of cash, cash equivalents and bank overdrafts acquired	(286)	(2,718)	(5,058)
Acquisition of, and investment in, joint ventures, including loans	(311)	(2,512)	(2,848)
Acquisition of other financial assets	–	(16)	(15)
Payments of deferred consideration	(385)	(292)	(1,142)
Acquisition of property, plant and equipment	(3,968)	(6,422)	(9,543)
Proceeds from disposal of property, plant & equipment	1,252	555	1,134
Dividends received from joint ventures and associates	853	1,695	1,779
Proceeds from disposal of joint ventures and associates	–	–	293
Research and development expenditure capitalised	(208)	(178)	(348)
Government grants received	2	208	214
Net cash flows from investing activities	(3,051)	(9,680)	(15,534)
Financing activities			
Net (decrease)/increase in borrowings	(2,041)	15,659	(6,624)
Capital element of finance lease repayments	(170)	(202)	(354)
Dividends paid to shareholders of the parent	(4,047)	(4,047)	(5,947)
Dividends paid to non-controlling interests	(4,660)	(2,775)	(4,997)
Net cash flows from financing activities	(10,918)	8,635	(17,922)
Net (decrease)/increase in cash and cash equivalents, including bank overdrafts	(20,066)	(4,748)	5,349
Cash and cash equivalents, including bank overdrafts at start of period	84,624	77,221	77,221
Effect of exchange rate fluctuations on cash held	1,760	1,050	2,054
Cash and cash equivalents, including bank overdrafts at end of period	66,318	73,523	84,624

Summary Group Reconciliation of Net Debt

for the half year ended 30 June 2010

	<i>(Unaudited)</i> 30 June 2010 €000	<i>(Unaudited)</i> 30 June 2009 €000	<i>(Audited)</i> 31 Dec 2009 €000
Net (decrease) / increase in cash, cash equivalents, including bank overdrafts	(20,066)	(4,748)	5,349
Net decrease / (increase) in borrowings	2,041	(15,659)	6,624
Capital element of finance lease repayments	170	202	354
Other movements on finance leases	(129)	(109)	(128)
Foreign exchange movement	(3,280)	(1,795)	(2,559)
Movement in net debt	(21,264)	(22,109)	9,640
Net debt at beginning of period	(50,560)	(60,200)	(60,200)
Net debt at end of period	(71,824)	(82,309)	(50,560)

Total Produce plc

Notes to the Interim Results for the half year ended 30 June 2010

1. Basis of preparation

The interim financial information has been prepared in accordance with the recognition and measurement requirements of IAS34 *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 2009, which were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU Commission, except as noted below.

The preparation of the interim financial information requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses together with disclosure of certain contingent assets and liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis as outlined in Note 12.

The interim financial information for both the six months ended 30 June 2010 and the comparative six months ended 30 June 2009 are unaudited. The financial information for the year ended 31 December 2009 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.

Changes in accounting policies

A number of changes in accounting policies arise in the current period from the adoption of amended or revised International Financial Reporting Standards as follows:

IFRS 3 *Business Combinations* has been revised. The revised standard, which has been adopted by the Group with effect from 1 January 2010, introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

Amendments have also been made to IAS 27 *Consolidated and Separate Financial Statements* and this amended standard has been adopted by the Group with effect from 1 January 2010. IAS 27(Amended) requires that a change in ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or a loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

The financial information is presented in euro, rounded to the nearest thousand.

2. Translation of foreign currencies

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

	Average rate 6 months to		% change	Closing rate		% change
	30 June 2010	30 June 2009		30 June 2010	31 Dec 2009	
Pound Sterling	0.8619	0.8884	3.0%	0.8187	0.8885	7.9%
Swedish Krona	9.7774	10.8542	9.9%	9.5323	10.2445	7.0%
Czech Koruna	25.6784	27.0510	5.1%	25.6852	26.4057	2.7%
Danish Kroner	7.4422	7.4531	0.1%	7.4491	7.4411	(0.1%)
South African Rand	10.0081	12.2811	18.5%	9.3899	10.5654	11.1%

3. Segmental Analysis

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

- *Eurozone Fresh Produce*: This segment is an aggregation of operating segments in the Eurozone involved in the procurement and distribution of fresh produce. These operating segments have been aggregated because they have similar economic characteristics.
- *Scandinavian Fresh Produce*: This operating segment is involved in the procurement and distribution of fresh produce in Sweden and Denmark.
- *UK Fresh Produce*: This operating segment is involved in the procurement and distribution of fresh produce in UK.
- *Consumer Goods and Healthfoods Distribution*: This operating segment includes the Group's consumer goods distribution business and its healthfoods distribution business which is a full service distributor and marketing partner to the grocery, pharmacy, optical and healthfood sectors.

A further number of other operating segments involved in the fresh produce business have been identified which are combined under 'Other Fresh Produce' as they are not individually material.

Segment performance is evaluated based on revenue and adjusted EBITA. Management believes that adjusted EBITA, while not a defined term under IFRS, gives a fair reflection of the underlying trading performance of the Group. Adjusted EBITA represents earnings before interest, tax and amortisation of intangible assets, and also excludes exceptional items, fair value movements on investment properties and the Group's share of joint ventures tax and financial expense. 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, income taxes and certain corporate costs are managed on a centralised basis. These items are not allocated between operating segments for the purpose of the information presented to the Chief Operating Decision Maker and are, accordingly, omitted from the detailed segmental analysis that follows.

3. Segmental Analysis (continued)

	<i>(Unaudited)</i> 6 months to 30 June 2010		<i>(Unaudited)</i> 6 months to 30 June 2009		<i>(Audited)</i> Year ended 31 Dec 2009	
	Segmental revenue €000	Adjusted EBITA €000	Segmental revenue €000	Adjusted EBITA €000	Segmental revenue €000	Adjusted EBITA €000
Eurozone Fresh Produce	655,785	14,870	618,779	13,545	1,150,812	23,352
Scandinavian Fresh Produce	313,519	8,692	299,215	7,664	549,864	13,719
UK Fresh Produce	255,902	2,635	282,359	3,810	519,369	6,016
Other Fresh Produce	81,625	2,497	66,449	1,702	132,132	3,067
Inter-segment revenue and unallocated costs	(14,977)	(1,443)	(15,191)	(1,434)	(26,927)	(3,044)
Total Fresh Produce	1,291,854	27,251	1,251,611	25,287	2,325,250	43,110
Consumer Goods and Healthfoods	41,214	(148)	59,021	1,049	106,173	770
Third party revenue and adjusted EBITA	1,333,068	27,103	1,310,632	26,336	2,431,423	43,880

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

Reconciliation of segmental profit to operating profit

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

	<i>Note</i>	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Adjusted EBITA per management reporting		27,103	26,336	43,880
Amortisation of intangible assets in subsidiaries	(i)	(2,548)	(2,500)	(5,087)
Share of joint ventures amortisation	(ii)	(228)	(129)	(579)
Share of joint ventures and associates interest	(ii)	(508)	(259)	(591)
Share of joint ventures and associates tax	(ii)	(773)	(702)	(1,298)
Operating profit before exceptional items		23,046	22,746	36,325
Exceptional items	(iii)	–	(429)	(4,795)
Operating profit after exceptional items		23,046	22,317	31,530
Financial income/(expense), net	(iv)	(1,341)	(1,752)	(3,166)
Profit before tax		21,705	20,565	28,364

- (i) Intangible asset amortisation is not allocated to operating segments in the Group's management accounts
- (ii) Under IFRS, included within profit before tax is the share of joint ventures and associates profit after intangible asset amortisation charges, tax and interest. In the Group's management accounts, the Group's share of these items is excluded from the adjusted EBITA calculation
- (iii) Exceptional items (Note 5) are not allocated to operating segments in the management reports
- (iv) Financial income and expense is primarily managed at Group level and not allocated to individual operating segments in the management reports

4. Adjusted profit before tax and adjusted EBITA

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

	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Profit before tax per income statement	21,705	20,565	28,364
<i>Adjustments</i>			
Exceptional items before share of joint venture tax (Note 5)	–	429	4,859
Group share of tax charge of joint ventures and associates	773	702	1,234
Amortisation of intangibles including share of joint ventures	2,776	2,629	5,666
Adjusted profit before tax	25,254	24,325	40,123
<i>Exclude</i>			
Financial income/(expense), net – Group	1,341	1,752	3,166
Financial income/(expense), net – share of joint ventures and associates	508	259	591
Adjusted EBITA	27,103	26,336	43,880

5. Exceptional items

	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Pension curtailment gain (a)	–	–	4,084
Profit on disposal of property, plant and equipment (b)	–	–	1,040
Share of JV's fair value losses on property (c)	–	(429)	(7,449)
Impairment of property (d)	–	–	(1,197)
Revaluation of property (e)	–	–	(312)
Impairment of goodwill (f)	–	–	(1,025)
Total exceptional items (before joint venture tax)	–	(429)	(4,859)
Share of JV's tax on fair value losses on property	–	–	64
Total exceptional items (after share of joint venture tax)	–	(429)	(4,795)
Tax on exceptional items	–	–	(805)
Total	–	(429)	(5,600)

Analysis of 2009 exceptional items

(a) *Pension curtailment gain*

In 2009 an exceptional gain of €4,084,000 arose from the change in the benefit structure of two defined benefit pension schemes. The tax charge on this exceptional gain amounted to €11,000.

(b) *Profit on disposal of property, plant and equipment*

A profit of €1,040,000 arose in 2009 on disposal of an asset which, considering the materiality of the gain, the directors believed appropriate to regard as exceptional in order to distinguish it from income in the Group's core activities. The tax charge on this exceptional gain amounted to €30,000.

(c) *Share of joint ventures' fair value losses on property*

The Group's share of changes in the fair value of joint ventures' property of €7,385,000, net of deferred tax, was recognised in the income statement in 2009. These losses primarily relate to property owned by a joint venture in Dublin. €429,000 of this loss was recognised in the six months to 30 June 2009.

(d) *Impairment of property*

On revaluation of the Group's properties in 2009, in addition to the revaluation gain included in the statement of comprehensive income, properties where the carrying value exceeded market value were identified, resulting in an impairment charge in the amount of €1,197,000.

(e) *Revaluation of property*

Fair value losses arising in 2009 amounting to €312,000 were recognised in the income statement. A deferred tax credit of €36,000 was recognised in the income statement as a result of these revaluations.

(f) *Impairment of goodwill*

On completion of the Group's annual goodwill impairment testing for 2009, a charge of €1,025,000 was recognised in relation to the goodwill associated with part of the Consumer Goods and Healthfoods Distribution Division.

6. Earnings per share

	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Profit attributable to equity holders of the parent	12,583	12,024	13,018
	‘000	‘000	‘000
Weighted average number of ordinary shares for the period	351,887	351,887	351,887
Basic and diluted earnings per share - €cent	<u>3.58</u>	<u>3.42</u>	<u>3.70</u>
	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Calculation of adjusted earnings per share			
Profit attributable to equity holders of the parent	12,583	12,024	13,018
Adjustments:			
Amortisation of intangible assets (including share of joint ventures)	2,776	2,629	5,666
Exceptional items (Note 5)	–	429	4,795
Tax effect of exceptional items and amortisation charges	(637)	(579)	(400)
Non-controlling interest's impact of exceptional items, intangible amortisation charges and related tax	(219)	(202)	(302)
Adjusted fully diluted earnings	<u>14,503</u>	<u>14,301</u>	<u>22,777</u>
Adjusted fully diluted earnings per share	<u>4.12</u>	<u>4.06</u>	<u>6.47</u>

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

Share options outstanding at the 30 June 2010 (7,310,000), 30 June 2009 (7,485,000) and 31 December 2009 (7,310,000) were non-dilutive for all periods. Therefore, the weighted average number of shares outstanding applied in the calculation of basic and adjusted earnings per share is the same.

7. Employee benefits

	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Net liability at beginning of period	(7,931)	(16,678)	(16,678)
Current/past service cost less net finance income recognised in income statement	(790)	(1,281)	(2,314)
Curtailment gain recognised in the income statement	–	–	4,084
Employer contributions to schemes	2,898	2,029	4,090
Actuarial (losses) / gains recognised in other comprehensive income	(12,474)	(3,796)	2,908
Translation adjustment	(404)	(290)	(21)
Net liability at end of period	(18,701)	(20,016)	(7,931)
Related deferred tax asset, net	3,404	3,241	1,676
Net liability after tax at the end of the period	(15,297)	(16,775)	(6,255)

The table above summarises the movements in the net liability of the Group's various defined benefit pension schemes in Ireland, the UK and Continental Europe. The Group's balance sheet at 30 June 2010 reflects pension assets of €1.3m in respect of schemes in surplus and pension liabilities of €20.0m in respect of schemes in deficit, resulting in a net deficit of €18.7m before deferred tax.

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

In determining the valuation of pension obligations, consultation with independent actuaries is required. The estimation of employee benefit obligations requires the determination of appropriate assumptions such as discount rates and expected future rates of return as explained and set out in Note 26 of the 2009 Annual Report. A number of significant assumptions changed for the period ended 30 June 2010 as follows;

- The discount rate for schemes in Ireland and Continental Europe decreased from 6.0% at 31 December 2009 to 5.2% at 30 June 2010.
- The discount rate for schemes in the UK decreased from 5.7% at 31 December 2009 to 5.4% at 30 June 2010.
- The inflation rate assumption in the UK decreased from 3.5% at 31 December 2009 to 3.2% at 30 June 2010.

The increase in the net deficit during the period was due to the decrease in the discount rates in the Irish and UK pension schemes which led to an increase in the net present value of the schemes' obligations. This was slightly offset by the impact of a decrease in the long term UK inflation assumption.

As explained in the 2009 Annual Report, the Group changed the benefit structure of two of its defined benefit pension schemes, which reduced the Group's existing pension obligations.

8. Dividends

The Board has approved an interim dividend of 0.54 cent per share (2009: 0.54 cent per share). This dividend, which will be subject to Irish withholding tax rules, will be paid on 2 November 2010 to shareholders on the register at 8 October 2010. In accordance with company law and IFRS, this dividend has not been provided for in the balance sheet at 30 June 2010.

9. Businesses acquired and other developments

During the period, the Group invested €0.6m in a number of existing business interests.

Other than the valuation of intangible assets, there are no material differences between the fair value of assets and liabilities acquired and the acquiree's carrying value at acquisition date. The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of these acquisitions given the timing of closure of these deals, and will be finalised within twelve months from the acquisition date, as permitted by IFRS 3 *Business Combinations*.

10. Cash flows generated from operations

	<i>(Unaudited)</i> 6 months to 30 June 2010 €000	<i>(Unaudited)</i> 6 months to 30 June 2009 €000	<i>(Audited)</i> Year ended 31 Dec 2009 €000
Operating activities			
Profit before tax	21,705	20,565	28,364
<i>Adjustments for non cash items:</i>			
Depreciation of property, plant and equipment	6,590	6,375	13,210
Goodwill impairment	–	–	1,025
Impairment of property, plant and equipment	–	–	1,197
Fair value movement on investment property	–	–	312
Amortisation of intangible assets (excluding amortisation within JV's)	2,548	2,500	5,087
Amortisation of research and development	268	237	287
Amortisation of grants	(173)	(169)	(363)
Movement on provisions	–	(1,943)	(1,943)
Share-based payment expense	118	147	676
Contributions to defined benefit pension schemes	(2,898)	(2,029)	(4,090)
Defined benefit pension scheme expense	790	1,281	2,314
Curtailment gains in respect of defined benefit pension schemes	–	–	(4,084)
Net gain on disposal of property, plant & equipment	(490)	(163)	(1,316)
Net (gain)/loss on non-hedging derivative financial instruments	(255)	115	(151)
Net interest expense	1,341	1,752	3,166
Income from available-for-sale financial assets	411	352	352
Share of (profits)/losses of joint ventures and associates	(1,493)	(858)	5,750
Loss/(gain) recycled to income statement on disposal of available-for-sale financial asset	65	–	(294)
Gain on disposal of joint ventures and associates	–	–	(106)
Income tax paid	(4,131)	(3,274)	(7,628)
Net interest paid	(1,616)	(2,002)	(2,856)
Cash flows from operations before working capital movements	22,780	22,886	38,909
Increase in working capital	(28,877)	(26,589)	(104)
Cash flows from operating activities	(6,097)	(3,703)	38,805

11. Analysis of movement in net debt in the period

<i>(Unaudited)</i> 30 June 2010	1 Jan 2010 €000	Cash flow €000	Non-cash €000	Translation €000	30 June 2010 €000
Bank balances and deposits	88,961	5,349	-	1,955	96,265
Overdrafts	(4,337)	(25,415)	-	(195)	(29,947)
Cash, cash equivalents and bank overdrafts per cash flow statement	84,624	(20,066)	-	1,760	66,318
Bank loans – non-current	(122,418)	12,432	(10,849)	(4,999)	(125,834)
Bank loans - current	(12,191)	(10,391)	10,849	-	(11,733)
Finance leases	(575)	170	(129)	(41)	(575)
Total interest bearing borrowings	(135,184)	2,211	(129)	(5,040)	(138,142)
Net debt	(50,560)	(17,855)	(129)	(3,280)	(71,824)

<i>(Unaudited)</i> 30 June 2009	1 Jan 2009 €000	Cash flow €000	Non-cash €000	Translation €000	30 June 2009 €000
Bank balances and deposits	85,293	3,977	-	1,684	90,954
Overdrafts	(8,072)	(8,725)	-	(634)	(17,431)
Cash, cash equivalents and bank overdrafts per cash flow statement	77,221	(4,748)	-	1,050	73,523
Bank loans – non-current	(79,112)	(4,894)	(12,480)	(1,980)	(98,466)
Bank loans - current	(57,564)	(10,765)	12,480	(824)	(56,673)
Finance leases	(745)	202	(109)	(41)	(693)
Total interest bearing borrowings	(137,421)	(15,457)	(109)	(2,845)	(155,832)
Net debt	(60,200)	(20,205)	(109)	(1,795)	(82,309)

12. Accounting estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities, income and expenses.

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates, and their application.

Particular areas which are subject to accounting estimates and judgments in these financial statements are areas such as impairment testing, employee benefits, fair value of properties, fair value of equity investments and in relation to judgmental provisions and accruals particularly those related to deferred consideration obligations based on earn out arrangements.

Impairment testing assets, particularly goodwill, involves estimating the future cash flows for a cash generating unit and an appropriate discount rate to determine a recoverable value. The estimation of employee benefit costs requires the use of actuaries and the determination of appropriate assumptions such as discount rates and expected future rates of return are explained in Note 7 to this announcement.