

Produce Investments plc**UNAUDITED INTERIM REPORT****For the 26 weeks ended 29 December 2012**

Produce Investments plc (the “Group”, AIM: PIL), a leading operator in the fresh potato sector with vertically integrated activities covering seed production, own growing, processing and packing and supply to the major retailers, is pleased to announce its interim results for the 26 weeks to 29 December 2012.

Key highlights are:

- Revenue up 13% to £89.67m (2011:£79.38m)
- Operating (loss)/profit of (£0.68)m (2011:£4.76m)
- Interim dividend per share 1.82p (2011:1.82p)
- Continued focus on driving operational efficiencies
- New Brand– Greenvale Farm Fresh continues to perform ahead of expectations
- Integration of Rowe Farming on schedule and excited about future prospects
- Remains on track to meet market expectations for full year

Commenting on the results, Chief Executive Angus Armstrong said:

“The well documented adverse wet weather throughout most parts of the UK in 2012 had a significant impact on the potato crop for the year, resulting in the lowest yielding and poorest quality crops since 1976. As a consequence of this low yield and high waste crop, free-buy prices for potatoes are exceptionally high and additional imported tonnages are being sourced to fulfil UK market requirements. Both of these factors have impacted our raw material costs in the first half of the year and it is likely that this will continue to be the case until we get into next season’s crop.

Whilst every effort is being made to mitigate the increased raw material costs by securing additional price increases across our extensive customer base, an inevitable time lag in achieving these increases has impacted our results in the first half year.

The results for the first half year include for the first time 3 months contribution from Rowe Farming, which was acquired at the beginning of October 2012. Given the timing of the acquisition, it has not had a significant impact on these results as the last few months of the period are a relatively quiet period in terms of both daffodils and potatoes for Rowe Farming. I am pleased to report that integration plans are on schedule and that there has been a positive reaction to the acquisition from our customers and suppliers. We are very confident about the future prospects for the business and this underpins the Group’s strategy to diversify both its customer and product base.

We are pleased to announce today the appointment of Tony Bambridge to the Board with immediate effect. Tony has been involved in the Company since 1999 in his role as chairman of Greenvale AP and with his extensive background in the agricultural sector will be a valuable addition to the Board.

We continue to maintain the consistently high service levels expected from our customers, despite the difficult season. We are confident about the future and the Group remains well placed to execute both its short and longer term objectives.”

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Operating and financial review

The Group presents its interim results for the 26 weeks to 29 December 2012, together with comparative information for the 27 weeks ending 31 December 2011.

Revenue in the first 26 weeks increased by 13% to £89.67m, compared to £79.38m for the comparative period last year. This was driven by increased selling prices across our entire customer base. The lowest yielding and poorest quality crop since 1976 resulted in increased raw material costs from additional imported tonnage and high free-buy prices in the UK. All efforts have been made to pass these onto our customers but a delay in achieving these increases has impacted operating profit during the period with the Group incurring an operating loss of £0.68m (2011: profit of £4.76m). Profitability by segment is disclosed in note 4 to the interim results.

(Loss)/Profit before tax for the half was (£1.24m) (2011: £4.10m) and basic (loss)/earnings per share were (4.86) pence (2011: 16.08 pence). Diluted earnings per share were (4.86) pence (2011: 15.00 pence)

Net debt has increased to £26.0m (2011: £9.17m) due largely to the acquisition of Rowe Farming but cash generation has also been impacted by the weather conditions in 2012 and increased stockholding as all efforts have been made to secure additional crop to cover the rest of the season.

The Board remains confident that the Company will meet market expectations for the full year and has approved an interim dividend of 1.82 pence per share (2011: 1.82 pence per share). This will be paid on 25 April 2013 to shareholders on the register at close of business on 5 April 2013. The shares will trade ex-dividend on 3 April 2013.

Principal risks and uncertainties

The Group set out in its 2012 Annual Report and Financial Statements the principal risks and uncertainties that could have an impact on its performance. These remain largely unchanged since the Annual report was published with the main areas of potential risk and uncertainty being the threat from competition and any disruption to the supply and quality of potatoes.

Outlook

Given the extreme climatic circumstances affecting the UK potato supply chain during the 2012 growing season we believe that the Group has delivered a credible set of results for the first half of the year. However we acknowledge that a loss making position is neither acceptable nor sustainable on an ongoing basis, and we believe that we will see the performance improve significantly during the second half year as further sales price increases continue to flow through which are necessary to reflect raw material price pressures. Consequently the Board remains confident that the Group will meet current market expectations for the year.

The remainder of this financial year will no doubt continue to have its challenges, but the Board believes the Group, its management team and all employees are well placed to capitalise on any opportunities that may arise and remains confident of making further progress.

Barrie Clapham
Non-Executive Chairman

Angus Armstrong
Chief Executive

22.03.2013

CONSOLIDATED CONDENSED INCOME STATEMENT (UNAUDITED)

For the 26 weeks ended 29 December 2012

	2012	2011
	£'000	£'000
CONTINUING OPERATIONS		
Revenue	89,675	79,385
Cost of sales	(69,350)	(55,807)
Gross profit	<u>20,325</u>	<u>23,578</u>
Administrative and other operating expenses	(21,006)	(18,815)
Operating (loss) / profit, being (loss) / profit before interest and tax	(681)	4,763
Finance costs	(556)	(662)
(Loss) / Profit before tax from continuing operations	(1,237)	4,101
Income tax credit/(charge)	305	(851)
(Loss) / Profit after tax	<u>(932)</u>	<u>3,250</u>
Attributable to:		
Equity holders of the parent	(1,004)	3,194
Non- controlling interests	72	56
	<u>(932)</u>	<u>3,250</u>
Basic (loss)/earnings per share	(4.86) pence	16.08 pence
Diluted (loss)/earnings per share	(4.86) pence	15.00 pence

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the 26 weeks ended 29 December 2012

	2012	2011
	£'000	£'000
(Loss) / Profit for the 26 weeks	<u>(932)</u>	<u>3,250</u>
Other comprehensive income for the 26 weeks	-	-
Total comprehensive income for the 26 weeks, net of tax	<u>(932)</u>	<u>3,250</u>
Attributable to:		
Equity holders of the parent	(1,004)	3,194
Non- controlling interests	<u>72</u>	<u>56</u>
	<u>(932)</u>	<u>3,250</u>

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 29 December 2012

	<i>Notes</i>	2012 £'000	2011 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	27,015	25,373
Intangible assets		15,622	11,201
Investment in an associate		233	169
Deferred tax assets		1,949	1,719
		<u>44,819</u>	<u>38,462</u>
Current assets			
Inventories		14,747	9,727
Biological assets		10,250	5,573
Trade and other receivables		25,564	17,912
Prepayments		1,751	530
Cash and short-term deposits	11	973	2,748
Deferred tax assets		-	-
		<u>53,285</u>	<u>36,490</u>
Total assets		<u>98,104</u>	<u>74,952</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	18,573	15,784
Other capital reserves		3,500	3,500
Retained earnings		4,481	6,514
Equity attributable to equity holders of the parent		<u>26,554</u>	<u>25,798</u>
Non-controlling interests		150	74
Total equity		<u>26,704</u>	<u>25,872</u>
Non-current liabilities			
Interest-bearing loans and borrowings	11	25,000	10,602
Other non-current financial liabilities		-	1,731
Deferred revenue		150	130
Pensions and other post employment benefit obligations	12	4,144	2,259
Deferred tax liability		4,540	5,121
		<u>33,834</u>	<u>19,843</u>
Current liabilities			
Trade and other payables		34,389	26,321
Interest-bearing loans and borrowings	12	2,000	1,312
Deferred revenue		247	163
Income tax payable		930	1,368
Deferred tax liability		-	73
		<u>37,566</u>	<u>29,237</u>
Total liabilities		<u>71,400</u>	<u>49,080</u>
Total equity and liabilities		<u>98,104</u>	<u>74,952</u>

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the 26 weeks ended 29 December 2012

	Equity Share capital	Other capital reserves	Retained earnings	Total	Non-controlling interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
As at 26 June 2011	15,734	3,500	4,032	23,266	18	23,284
Profit and total comprehensive income for the period	-	-	3,194	3,194	56	3,250
Equity dividends paid	-	-	(722)	(722)	-	(722)
Share Issue	50	-	-	50	-	50
Share-based payment transactions	-	-	10	10	-	10
As at 31 December 2011	15,784	3,500	6,514	25,798	74	25,872

	Equity Share capital	Other capital reserves	Retained earnings	Total	Non-controlling interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000
As at 30 June 2012	15,791	3,500	5,871	25,162	78	25,240
(Loss) / Profit and total comprehensive income for period	-	-	(1,004)	(1,004)	72	(932)
Equity dividends paid	-	-	(396)	(396)	-	(396)
Share Issue	2,782	-	-	2,782	-	2,782
Share-based payment transactions	-	-	10	10	-	10
As at 29 December 2012	18,573	3,500	4,481	26,554	150	26,704

CONSOLIDATED CONDENSED CASH FLOW STATEMENT (UNAUDITED)

For the 26 weeks ended 29 December 2012

	Note	2012 £'000	2011 £'000
Operating activities			
(Loss) / Profit before tax from continuing operations		(1,237)	4,101
Adjustments to reconcile profit before tax for the period to net cash inflow from operating activities			
Depreciation and amortisation		2,026	1,972
Share-based payment transaction expense		10	10
(Gain) on disposal of property, plant and equipment	8	(8)	(353)
Finance costs		556	662
Difference between pension contributions paid and amounts recognised in the income statement		(276)	(276)
Working capital adjustments:			
(Increase)/decrease in trade and other receivables and prepayments		(7,368)	940
Increase in inventories		(8,369)	(5,750)
Increase in trade and other payables		9,062	1,656
Increase in deferred revenue		205	59
Income tax paid		(242)	(783)
Net cash inflows arising from operating activities		(5,641)	2,238
Investing activities			
Acquisition of subsidiary net of cash acquired		(12,586)	-
Proceeds from sale of property, plant and equipment		50	853
Purchase of property, plant and equipment	8	(1,049)	(2,889)
Purchase of Intangible assets		(17)	(9)
Net cash outflows arising from investing activities		(13,602)	(2,045)
Financing activities			
Dividend		(396)	(722)
Proceeds from share issues		37	50
Increase / (Repayment) of bank borrowings		14,180	(1,476)
Interest paid		(556)	(568)
Net cash inflow/(out) arising from financing activities		13,265	(2,716)
Net decrease in cash and cash equivalents		(5,978)	(2,523)
Cash and cash equivalents at beginning of period		6,951	5,271
Cash and cash equivalents at end of period		973	2,748

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

1. General information

The Company is a public limited company incorporated and domiciled in the UK. The address of its registered office is Produce Investments plc, Greenvale AP, Floods Ferry Road, Doddington, March, Cambridgeshire, PE15 0UW. The Company is listed on the London Stock Exchange AIM market.

The condensed consolidated interim financial statements of the Group were approved for issue on 22 March 2013. These interim financial results do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the 53 weeks ended 30 June 2012 were approved by the Board of Directors on 2 October 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

2. Basis of preparation

The condensed consolidated interim financial statements for the 26 weeks ended 29 December 2012 have been prepared on the same basis and using the same accounting policies of the Group from the year ended 30 June 2012. These consolidated interim financial statements have not been prepared in accordance with IAS 34 Interim Financial Reporting and do not include all of the information required for full annual financial information and should be read in conjunction with the annual financial statements for the year ended June 2011 which have been prepared in accordance with IFRS as adopted by the EU.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are discussed in the Operating and Financial Review. The Group net debt position is highlighted in note 11 of the condensed consolidated interim financial statements. The interim information contained in these condensed interim financial statements is unaudited. The Directors report that having reviewed current performance and forecast they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the period ended 30 June 2012, as described in those annual financial statements.

There has been no impact on the Group's financial position or performance from new and amended IFRS and IFRIC interpretations mandatory as of 30 June 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

4. Operating segment information

Management have determined the operating segments based on the reports utilised by the directors that are used to make strategic decisions. These are split as follows:

- Fresh
- Processing
- Other

Fresh comprises the sites, staff and assets that grow, source, pack and deliver fresh potatoes to customers, ranging from large retailers, wholesalers to small private businesses. As an element of raw material is not suitable for this purpose it also includes any supplementary sales achieved. Also included under the fresh segment are the operational activities of Rowe Farming. These cover the growing, packing and selling of both early season fresh potatoes and daffodil flowers and bulbs.

Processing comprises the staff and assets that supply pre-prepared potato products which are ultimately sold as ingredients for food manufacturers.

Other comprises seed sales for both the UK and export, traded volume where Greenvale acts as an intermediary between the farmer and the end customer taking a small margin to cover costs, and all sales activities of Restrain Company Limited, a 70% owned subsidiary that provides ethylene based storage solutions for potatoes and onions. No element within 'other' is large enough to require additional segmentation.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, Group financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Inventory procurement, receivables and payables are managed centrally and as a result assets and liabilities are managed at Group level. Consequently, no segmental analysis of these items is presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

4. Operating segment information (continued)

26 weeks ended 29 December
2012

	Fresh	Processing	Other	Total
	£'000	£'000	£'000	£'000
Revenue	69,928	3,814	15,933	89,675
Depreciation and amortisation	(1,426)	(301)	(299)	(2,026)
Gain on disposal of fixed assets	8	-	-	8
Other operating costs	(68,799)	(3,447)	(16,092)	(88,338)
Operating profit/(loss)	(289)	66	(458)	(681)
Costs not allocated:				
Finance costs				(556)
Profit before tax				(1,237)
Capital expenditure	(701)	(172)	(176)	(1,049)
Development costs			(17)	(17)

27 weeks ended 30 December 2011

	Fresh	Processing	Other	Total
	£'000	£'000	£'000	£'000
Revenue	61,846	4,155	13,384	79,385
Depreciation and amortisation	(1,445)	(314)	(213)	(1,972)
Gain on disposal of fixed assets	-	353	-	353
Other operating costs	(56,260)	(3,430)	(13,313)	(73,003)
Operating profit / (loss)	4,141	764	(142)	4,763
Costs not allocated:				
Finance costs				(662)
Profit before tax				4,101
Capital expenditure	(2,650)	(91)	(148)	(2,889)
Development costs	-	-	(9)	(9)

The accounting policies for the segments are the same as those described in the summary of significant accounting policies. The revenues and operating profit / (loss) per reportable segment agree in aggregate to the consolidated totals per the interim financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

4. Operating segment information (continued)

Segmentation of Assets and liabilities

Investments in associates are not segmented. Such items are managed at board level and are not integral to the operations of any of the Group segments.

Other non current financial assets and liabilities are not segmented. Such items are managed at board level with the support of the Group central services team. These items are not integral to the operations of any of the Group segments.

No segmentation is presented in respect of receivables, payables and cash. The Group central services team manages Group treasury, cashflow, payables and receivables independently from the operating segments.

Taxation matters are managed by the Group central services team and are not segmented.

Inventories and biological assets are managed centrally by the Group procurement team. Inventories are usually stored at a Group location most appropriate for the supplier to deliver the goods to, usually the closest geographical location to the supplier. The inventories are then used in the delivery of goods and services to all segments within the Group.

The Group central services team coordinates prepayments, accruals and provisions and these are not segmented.

The deferred revenue is managed by the central services team. All deferred revenue relates to the 'other' segment.

Intangible assets

	2012 £'000	2011 £'000
Fresh	5,015	-
Processing	10,516	11,092
Other	91	109
Total	15,622	11,201

Property, plant and equipment analysis

	2012 £'000	2011 £'000
Fresh	16,489	14,322
Processing	2,133	2,240
Other	1,733	1,779
Unallocated	6,660	7,032
Total	27,015	25,373

The amounts for items which are not segmented are disclosed in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

4. Operating segment information (continued)

Geographical information

Revenues from external customers

	2012	2011
	£'000	£'000
UK	86,275	75,732
Other EU countries	902	1,460
Rest of the world	2,498	2,193
Total revenue per consolidated income statement	89,675	79,385

The revenue information above is based on the location of the customer.

5. Earnings per share

	2012	2011
Profit/(loss) attributable to equity shareholders (£'000)	(1,004)	3,194
Number of ordinary shares for basic eps calculation	20,637,529	19,859,561
Number of options with dilutive effect	1,359,127	1,430,874
Total number of shares for fully diluted eps calculation	21,996,656	21,290,435
Basic (loss)/earnings per share – pence	(4.86)	16.08
Diluted (loss)/earnings per share – pence	(4.86)	15.00

For details relating to the changes in share options and issued equity, please refer to the notes below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

6. Taxation

Tax in these interim statements has been computed at 25%, which is the anticipated effective tax rate for the year ended 30 June 2013.

7. Dividends

	2012	2011
	£000	£000
Dividends paid in period	396	722

In the 26 week period ended 29 December 2012, the directors paid a final dividend of 1.82 pence per share on 30 October 2012. The total cash outflow was £396,000.

On 21 March 2013, the Board approved an interim dividend for the period ended 29 December 2012 of 1.82p per share. This dividend has not been included as a liability as at 29 December 2012, in accordance with IAS 10 'Events after the balance sheet date'.

8. Property Plant and equipment

During the 26 weeks ended 29 December 2012, the Group acquired assets with a cost of £1,049,000 (2011: £2,889,000). In addition assets of £3,564,000 were acquired as part of Rowe Farming Ltd acquisition

Assets with a net book value of £43,000 were disposed of by the Group during the 26 weeks ended 29 December 2012 (2011: £500,000), resulting in a net gain on disposal of £8,000 (2011: £353,000). The 2011 disposal includes the sale of assets held for resale which were being carried at 25 December 2010 and 25 June 2011 at £500,000. These were sold for £853,000 resulting in a net gain of £353,000. All assets held for resale have now been disposed of.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

9. Issued capital and reserves

	Number of ordinary shares (thousands)	Ordinary shares £'000	Share premium £'000	Total £'000
As at 25 June 2011 (audited)	19,840	198	15,536	15,734
Issued in period	68	1	49	50
As at 31 December 2011	19,908	199	15,585	15,784
As at 30 June 2012 (audited)	19,918	199	15,592	15,791
Issued in period	1,868	19	2,763	2,782
As at 29 December 2012	21,786	218	18,355	18,573

At 25 December 2010, there were 19,744,548 ordinary shares in issue.

Between 25 June 2011 and 31 December 2011, 67,449 ordinary shares were issued to various individuals as a result of the exercise of share options. The gross proceeds of additional share issues was £50,000 and these proceeds are included within share capital.

At 31 December 2011 there were 19,907,733 ordinary shares in issue.

Between 30 June 2012 and 29 December 2012, 59,285 ordinary shares were issued to various individuals as a result of the exercise of share options. The gross proceeds of additional share issues was £44,000 and these proceeds are included within share capital.

In addition 1,818,182 were issued to the vendors of Rowe Farming Ltd, as part of the consideration.

At 31 December 2012 there were 21,785,895 ordinary shares in issue

All shares carry equal voting rights.

10. Employee share options

No changes have occurred in respect of CSOP schemes that were in existence at 25 June 2012 and disclosed within the financial statements for the period then ended. In respect of options within these existing schemes (and disclosed in the year end financial statements) a charge for the 26 weeks ended 29 December 2012 of £10,000 (2011: £10,000) has been recorded within the income statement.

These interim statements should therefore be read in conjunction with the full year audited financial statements of the Group, which include full IFRS 2 disclosures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

11. Net debt and cash equivalents

Reconciliation of net debt between 26 June 2011 and 31 December 2011

	26 June 2011	Cash flow	Non cash	31 December 2011
	£'000	£'000	£'000	£'000
Cash and cash equivalents	5,271	(2,523)	-	2,748
Long term cash deposits	-	-	-	-
Loans	(13,130)	1,261	-	(11,869)
Finance leases	(260)	215	-	(45)
	(8,119)	(1,047)	-	(9,166)

Reconciliation of net debt between 30 June 2012 and 29 December 2012

	30 June 2012	Cash flow	Non cash	29 December 2012
	£'000	£'000	£'000	£'000
Cash and cash equivalents	6,951	(5,978)	-	973
Long term cash deposits	-	-	-	-
Loans	(11,236)	(15,764)	-	(27,000)
Finance leases	-	-	-	-
	(4,285)	(21,742)	-	(26,027)

Reconciliation to statement of financial position

	29 December 2012	31 December 2011	30 June 2012	25 June 2011
	£'000	£'000	£'000	£'000
Other non current financial assets	-	-	-	-
Cash and short term deposits	973	2,748	6,951	5,271
Non current interest bearing loans and borrowings	(25,000)	(10,602)	(9,844)	(12,089)
Current interest bearing loans and borrowings	(2,000)	(1,312)	(1,392)	(1,301)
	(26,027)	(9,166)	(4,285)	(8,119)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the 26 weeks ended 29 December 2012

12. Pensions

The Group operates a defined benefit pension scheme which is closed to new members and no longer accrues benefits to existing member employees.

There were no changes to the members, their accrued future benefits or the scheme funding arrangements at any time between 30 June 2012 and 29 December 2012. Group management therefore regard the key assumptions, in the medium to long term, as unchanged. Given the highly volatile nature of inflation rates and asset markets in the short term, management conclude that computing an interim valuation on an IAS 19 basis at either 31 December 2011 or 29 December 2012 would not provide significant additional benefit to the reader. Consequently, no actuarial valuation at either interim date has been performed.

The movement in the pension liability of £(1,885,000) in the 53 week period from 25 June 2011 to 30 June 2012 is consistent with the movement presented in these interim statements – i.e. the same movement is assumed between corresponding December periods as June periods. These interim statements should therefore be read in conjunction with the full year audited financial statements of the Group, which include full IAS 19 disclosures.

13. Business Combinations

On 2 October 2012 the Group acquired 100% of the issued share capital of Rowe Farming Ltd, a company incorporated in England.

The consideration was as follows:

- Cash consideration £12,434,000
- 1,818,182 shares in Produce Investments plc valued at £1.51

The provisional amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below:

	Book and fair value At 2 October 2012 <u>£'000</u>
Property, plant & equipment	3,564
Financial assets	8,169
Financial liabilities	(1,532)
Net tangible assets acquired	10,201
Goodwill and intangibles arising on acquisition	4,978
Total consideration	15,179

Acquisition related costs (included in administration expenses) amount to £323,000.