

DARLING INGREDIENTS INC.
Notes to Consolidated Financial Statements (continued)

Accounts receivable	\$	337,278
Inventory		375,306
Prepaid expense		23,135
Other current assets		3,525
Deferred tax assets		48,639
Property plant and equipment		981,009
Identifiable intangibles		464,193
Goodwill		702,672
Investment in unconsolidated subsidiaries		27,069
Other long term assets		1,101
Accounts payable		(210,477)
Current portion of long-term debt		(26,347)
Accrued expenses		(149,345)
Deferred tax liability		(350,003)
Long Term debt obligations		(4,109)
Other noncurrent liabilities		(57,721)
Noncontrolling interests		(90,919)
Purchase price, net of cash acquired of \$91.2 million	<u>\$</u>	<u>2,075,006</u>

During the fourth quarter of fiscal 2014, the Company completed the purchase accounting for the VION Acquisition. Subsequent to the preliminary purchase price allocation in the first quarter of fiscal 2014, the Company made adjustments to the provisional amounts to increase working capital of approximately \$84.0 million, decrease property, plant and equipment of approximately \$27.3 million, decrease identifiable intangibles of \$17.6 million, decrease goodwill of approximately \$72.1 million and increase other of approximately \$27.0 million. The impact of these adjustments during the measurement period did not have a material impact to earnings for fiscal 2014 or any quarterly period during fiscal 2014.

Goodwill of approximately \$223.2 million was assigned to the Feed Ingredients segment, approximately \$375.6 million was assigned to the Food Ingredients segment and approximately \$103.8 million was assigned to the Fuel Ingredients segment, respectively. Of the VION Acquisition goodwill, approximately 33% is expected to be deductible for tax purposes. Identifiable intangibles include trademarks and trade names with indefinite lives of approximately \$32.0 million and definite lived intangible assets including routes of approximately \$190.2 million with a weighted average useful life of 10 years, \$225.6 million in permits with a weighted average useful life of 15 years and patents and other intangibles of approximately \$16.5 million with a weighted average useful life of 25 years. The VION Acquisition is a taxable stock sale and as a result there were deferred taxes that were created.

The Company notes that the pro forma results of operations for the below acquisition has not been presented because the effect is not deemed material to revenues and net income of the Company for any fiscal period presented.

On October 1, 2014, the Company acquired substantially all of the assets of Custom Blenders Arkansas, LLC, an Indiana limited liability company, Custom Blenders Georgia, LLC, a Georgia limited liability company, Custom Blenders Indiana, Inc., an Indiana corporation, and Custom Blenders Texas, LLC, an Indiana limited liability company (collectively "Custom Blenders"), one of the leading bakery residuals recyclers in the United States. The acquisition includes Custom Blenders' operations in Indiana, Georgia, Texas, and Arkansas. The acquisition provided significant synergies to the Company's suppliers and customers in the Feed Ingredients segment. The Company paid approximately \$18.8 million in cash less a contingent receivable of approximately \$0.8 million recorded against goodwill and an adjustment to inventory of approximately \$0.5 million recorded in fiscal 2015. The purchase price for assets consisting of property, plant and equipment of approximately \$3.2 million, intangible assets of approximately \$8.6 million, goodwill of approximately \$5.2 million and inventory of approximately \$1.0 million. The identifiable intangibles have a weighted average life of 14 years.