

NEWS RELEASE

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A world of dairy
foods and nutritional
ingredients

2007 Interim Results

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STRONG FIRST HALF PERFORMANCE DELIVERS 26% GROWTH IN EARNINGS PER SHARE
UPWARD REVISION IN EARNINGS GUIDANCE TO HIGH TEENS FOR FULL YEAR

29 August 2007 – Glanbia plc, the international dairy foods and nutritional ingredients Group, announces its interim results for the six months ended 30 June 2007.

2007 Interim Results Summary

Glanbia delivered strongly in terms of profits, margins and earnings per share growth in the first half of 2007. The Group benefited, in particular, from good underlying growth in Food Ingredients USA and the expansion of the global Nutritionals business, against a background of positive trends in world dairy markets.

	H1 2007	H1 2006	Change
Revenue	€1,040.3 m	€922.8 m	Up 13%
Operating profit	€48.5 m	€36.4 m	Up 33%
Operating margin	4.7%	3.9%	Up 80 bps
Net financing costs	€8.6 m	€6.5 m	Up 32%
Share of results of joint ventures and associates	€(1.3 m)	€0.3 m	Down €1.6m
Profit before tax	€38.6 m	€30.2 m	Up 28%
Profit for the period	€33.8 m	€26.9 m	Up 26%
Earnings per share	11.47 c	9.12 c	Up 26%
Adjusted earnings per share	11.47 c	9.12 c	Up 26%
Dividend per share	2.50 c	2.38 c	Up 5%
Net debt	€269.1 m	€301.2 m	Down 11%

John Moloney, Group Managing Director, said:

“Glanbia had a very good first half this year, with earnings per share up 26% which is ahead of market expectations.

The drivers of this performance were strong results from our Food Ingredients USA and the global Nutritionals businesses, both of which are key to our strategy to diversify our earnings base into higher value added ingredients. Buoyant world dairy markets were also a contributing factor, as expanded demand coupled with constrained supply, saw global markets rise to record levels in the first half of the year. These market developments are also significantly positive for the dairy farming sector.

Overall, the outlook for Glanbia is very satisfactory and we expect a strong performance again in the second half. Notwithstanding the fact that there are some short-term factors in our international joint ventures, we expect to deliver full year earnings growth in the high teens, which is an upgrade to current market expectations.”

Presentations

As part of the announcement of these results Glanbia plc will undertake a number of presentations for investors, analysts and media. In addition, the Group is hosting a conference call and webcast, details of which, together with the results presentation, can be accessed via the Results Centre on www.glanbia.com.

2007 Interim Statement

Results for the half year ended 30 June 2007

FINANCE REVIEW

Glanbia delivered a strong performance on an overall basis, with a significant increase in revenue, profits, margins and earnings per share recorded in the first half of 2007.

Income statement

Revenue increased 13% (€117.5 million) in the first half of 2007 to €1.04 billion (H1 2006: €922.8 million). This increase is a combination of price and volume growth in Food Ingredients USA and Nutritionals including a full six month contribution from Seltzer Companies Inc., the Nutritionals acquisition completed in October 2006. Operating profit grew 33% (€12.1 million) to €48.5 million (H1 2006: €36.4 million) and the operating margin improved 80 basis points to 4.7% (H1 2006: 3.9%). The operating profit and operating margin both reflect the changing mix of business towards higher added value food ingredients and buoyant world dairy markets.

Financing costs increased €2.1 million to €8.6 million (H1 2006: €6.5 million) mainly due to higher interest rates. Interest cover was 5.6 times in H1 2007 and H1 2006.

The Group's share of results of joint ventures and associates recorded a loss of €1.3 million (H1 2006: Group's share of profit €0.3 million), due to a lag in the recovery of the significant increases in world dairy raw material prices in their served markets.

Profit before tax grew 28% (€8.4 million) to €38.6 million (H1 2006: €30.2 million). Taxation amounted to €4.8 million in the first half of this year compared with €3.3 million for the same period last year. Profit for the period increased 26% (€6.9 million) to €33.8 million (H1 2006: €26.9 million).

Basic and adjusted earnings per share amounted to 11.47 cent per share (H1 2006: 9.12 cent per share), which is a 26% increase when compared to the first half of 2006.

Balance sheet and cash flow

Net cash used in investing activities amounted to €26.5 million (H1 2006: €25.9 million). Net cash generated from operations pre movement in working capital was €52.7 million (H1 2006: €34.2 million). Group net debt reduced by €32.1 million to €269.1 million compared with net debt at 1 July 2006 (H1 2006: €301.2 million).

Since 2006 year end, the pension deficit reduced from €124.9 million to €83.3 million as a result of increased bond rates and improved investment returns during the period. The principal effect of this on the Group's balance sheet was to increase shareholders equity in the business from €193.9 million at 30 December 2006 to €244.9 million at 30 June 2007.

Dividends

The Board is recommending an interim dividend of 2.50 cent per share (H1 2006: 2.38 cent per share), representing an increase of 5%. Dividends will be paid on 3 October 2007 to shareholders on the register as at 14 September 2007, the record date. Irish dividend withholding tax will be deducted at the standard rate, where appropriate.

OPERATIONS REVIEW

Ireland

Alongside international expansion, Glanbia has also consistently invested in Ireland to ensure that these core divisions continue to maintain or improve performance, notwithstanding the competitive operating and cost environment in the domestic market. In the first half of 2007, continued solid business execution helped Irish operations deliver overall results in line with expectations.

CONSUMER FOODS

Consumer Foods	€'000	H1 2007	H1 2006	Change
This division includes: Consumer Foods incorporating nutritional beverages, fresh dairy products and cheeses, soups and spreads; and, Pigmaet, which produces a range of pork and bacon products.	Revenue	249,042	252,282	Down 1.3%
	Operating profit	8,335	8,470	Down 1.6%
	Operating margin	3.3%	3.4%	Down 10 bps

Revenue at the Consumer Foods division declined 1.3% to €249 million. (H1 2006: €252.3 million). Operating profit decreased 1.6% (€0.2 million) to €8.3 million (H1 2006: €8.5 million) and the operating margin decreased slightly to 3.3% (H1 2006: 3.4%).

Consumer Foods Ireland

Consumer Foods had a satisfactory first half and revenues, profits and margins remained stable. This business unit continued to focus on widening its consumer offering with a number of new products in the nutritional area and in the convenience food segment. The business also continues to increase its marketing investment to deepen its brand franchise, which currently has seven of the top 100 Irish grocery brands.

Outlook: The consumer foods retail environment in Ireland is very competitive and Glanbia continues to counteract this through innovation, delivering new products, reformulations and repackaging to the marketplace and consumers, together with significant investment in marketing and promotions. For the full year this business is expected to deliver a reduced performance on last year; the key issue being the timing of the recovery from the marketplace of higher milk cost.

Pigmaet

The Glanbia Meats performance was neutral when compared to the same period last year. The rationalisation benefits of the closure of the cannery operation in 2006 were offset by a weaker performance in the slaughtering plants driven by weak international pork markets.

Outlook: A reasonable recovery is anticipated in this business in the second half as markets are expected to improve somewhat, in addition to the normal seasonal performance uplift. A recent fire at one of the Group's pig processing plants will not materially impact the 2007 results and performance for the full year is expected to be largely in line with 2006.

AGRIBUSINESS AND PROPERTY

Agribusiness & Property	€'000	H1 2007	H1 2006	Change
This division includes: Agribusiness which is the key linkage with the Group's Irish farmer supply base; and Property, which has responsibility for the maximisation of value from the Group's property portfolio.	Revenue	170,011	165,615	Up 2.7%
	Operating profit	11,811	15,857	Down 26%
	Operating margin*	4.9%	5.8%	Down 90 bps

*Note: the operating margin excludes Property

In the first half, revenue for Agribusiness and Property was up 2.7% to €170 million (H1 2006: €165.6 million). Operating profit declined €4 million or 26% to €11.8 million (H1 2006: €15.9 million) mainly due to lower property disposals in comparison with the first half of 2006, when the majority of the 2006 property transactions were completed.

Agribusiness

This business had a reasonable first half. Feed and fertiliser volumes were in line with expectations, although margins reduced in what is a competitive environment. The CountryLife retail offering continues to make good progress.

Outlook: A positive outlook for key sectors, including dairy and cereals, will help to underpin the Agribusiness performance and deliver results in line with 2006.

Property

The pace of transactions in 2007 will be evenly spread between the first and second half and the outcome for the year as a whole is expected to be broadly similar to 2006.

FOOD INGREDIENTS AND NUTRITIONALS

Food Ingredients & Nutritionals	€'000	H1 2007	H1 2006	Change
This division has Food Ingredients operations in Ireland and the USA that produce cheese, butter, casein and protein ingredients. It also includes the Group's global Nutritionals business – which supplies advanced technology whey proteins/fractions and customised vitamin and mineral premixes to the global nutrition industry.	Revenue	621,284	504,896	Up 23%
	Operating profit	28,398	12,079	Up 135%
	Operating margin	4.6%	2.4%	Up 220 bps

In the first half, revenue from this division was €621.3 million (H1 2006: €504.9 million). Operating profit increased 135% (€16.3 million) to €28.4 million (H1 2006: €12.1 million) and operating margins improved 220 basis points to 4.6% (H1 2006: 2.4%). Food Ingredients USA and the global Nutritionals businesses were the drivers of this improved performance. The further expansion of operations and the buoyant global dairy markets contributed to the strong result from Food Ingredients USA while the profit and margin growth in the global Nutritionals business was driven by continued organic expansion and the contribution from Seltzer Companies Inc. The performance of Food Ingredients Ireland was in line with the same period last year.

Food Ingredients Ireland

This business delivered a flat performance in the first half, compared with the same period in 2006. While volumes and prices were ahead, these benefits were largely offset by significant milk price increases to suppliers in the first half. Margins in this business remained in line with 2006.

Outlook: In light of continuing strong world dairy markets, the performance for the full year for Food Ingredients Ireland is expected to be ahead of 2006.

International

Food Ingredients USA

This business had an excellent first half driven by high cheese and whey markets and strong volume growth, resulting from the capacity expansion programme undertaken in 2006.

Outlook: We expect this business to perform strongly in the second half, supported by good demand, strong volumes and a positive pricing and market environment. Overall returns continue to be leveraged by operational excellence and world class production.

Nutritionals

Organic growth in the Nutritionals business was good and revenues, profits and margins grew in line with expectations. The Seltzer acquisition also performed well in the first half contributing to the growth in overall performance of this business.

Outlook: We continue to develop this business through investment in acquisitions, new product development, innovation and people. The Seltzer acquisition is integrated into the Group and performing in line with expectations. The Nutritionals business unit overall is expected to deliver a strong performance in the second half.

INTERNATIONAL JOINT VENTURES

Joint Ventures & Associates (GLANBIA SHARE)	€'000	H1 2007	H1 2006	Change
Glanbia has three principle international joint ventures, based in the UK, USA and Nigeria	Revenue ⁽¹⁾	176,130	96,306	Up 83%
	Operating profit ⁽²⁾	(1,308)	283	Down €1.6 m

⁽¹⁾ Not included in Group revenue

⁽²⁾ Included in the income statement as share of results of joint ventures and associates

Glanbia's long-term strategy is to build international relevance in cheese, nutritional ingredients and selected consumer foods and this incorporates a number of joint ventures producing cheese, whey and milk products. These investments are based in the UK (Glanbia Cheese), the USA (Southwest Cheese) and Nigeria (Nutricima). Collectively these businesses had a challenging first half.

Glanbia Cheese is the No. 1 producer of mozzarella cheese for the European market. This business had a difficult first half as the purchase price for its raw material milk supply increased dramatically in line with world dairy markets, resulting in margin pressure. Cheese price increases are being secured, however there is a time lag given the scale of milk cost increases. Full year performance will be less than last year.

Southwest Cheese (SWC) is the Group's cheese and whey joint venture in New Mexico. This business had good volume growth in the first half of the year and operationally the plant is performing very well. However, this good progress was more than offset in the first half by a margin squeeze resulting from high raw material costs. Based on market conditions, a breakeven performance is expected for the full year.

Nutricima is a joint venture with PZ Cussons plc which manufactures and markets branded dairy based consumer products for the Nigerian market. In developing economies, such as Nigeria, there are timing issues in passing sharp raw material price increases onto consumers and this, coupled with the need for strong marketing spend to build the Nutricima brands, more than offset a good operational performance and top line growth that delivered to plan. The performance for the year is expected to be marginally lower than last year.

2007 Outlook

Glanbia continues to benefit from its spread of businesses against a backdrop of positive trends in world dairy markets. 2007 has seen an unprecedented shift in global dairy markets, which on an overall basis has had a positive effect on Glanbia's performance in the first six months of the year. Food Ingredients and Nutritionals, the Group's largest division is performing well. Irish milk processing operations are recovering from a difficult 2006 and Food Ingredients USA and our global Nutritionals business are having an excellent year. Other aspects of the business are performing in line with expectations although the operating and cost environment in the Irish market creates a challenging place to do business. Overall, the outlook for Glanbia is very satisfactory and we expect a strong performance again in the second half. Notwithstanding the fact that there are some short-term factors in our international joint ventures, we expect to deliver full year earnings growth in the high teens, which is an upgrade to current market expectations.

Consolidated income statement

for the half year ended 30 June 2007

	Notes	Half year 2007			Half year 2006			Year 2006		
		Pre- exceptional €'000	Exceptional €'000	Total €'000	Pre- exceptional €'000	Exceptional €'000	Total €'000	Pre- exceptional €'000	Exceptional €'000	Total €'000
Revenue	3	<u>1,040,337</u>	-	<u>1,040,337</u>	<u>922,793</u>	-	<u>922,793</u>	<u>1,853,427</u>	-	<u>1,853,427</u>
Operating profit		48,544	-	48,544	36,406		36,406	85,567	(12,455)	73,112
Finance income	5	2,335	-	2,335	2,125	-	2,125	4,883	-	4,883
Finance costs	5	(10,965)	-	(10,965)	(8,662)	-	(8,662)	(18,918)	-	(18,918)
Share of results of joint ventures and associates		<u>(1,308)</u>	-	<u>(1,308)</u>	<u>283</u>	-	<u>283</u>	<u>2,842</u>	-	<u>2,842</u>
Profit before taxation		38,606	-	38,606	30,152	-	30,152	74,374	(12,455)	61,919
Income taxes		<u>(4,790)</u>	-	<u>(4,790)</u>	<u>(3,226)</u>	-	<u>(3,226)</u>	<u>(7,970)</u>	<u>12,321</u>	<u>4,351</u>
Profit for the period		<u>33,816</u>	-	<u>33,816</u>	<u>26,926</u>	-	<u>26,926</u>	<u>66,404</u>	<u>(134)</u>	<u>66,270</u>
Attributable to:										
Equity holders of the Parent				33,599			26,725			65,934
Equity minority interest				<u>217</u>			<u>201</u>			<u>336</u>
				<u>33,816</u>			<u>26,926</u>			<u>66,270</u>
Earnings per share (cent)	7									
- Basic				11.47			9.12			22.51
- Diluted				11.46			9.11			22.47

Consolidated statement of recognised income and expense

for the half year ended 30 June 2007

	Notes	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Actuarial gain - defined benefit schemes	10	34,557	42,536	37,082
Deferred tax on pension gain	10	(3,575)	(4,796)	(3,923)
Currency translation differences	9	(2,790)	(943)	(9,401)
Fair value adjustments		<u>(943)</u>	<u>4,557</u>	<u>2,734</u>
Net income recognised directly in equity		27,249	41,354	26,492
Profit for the period		<u>33,816</u>	<u>26,926</u>	<u>66,270</u>
Total recognised income for the period		<u>61,065</u>	<u>68,280</u>	<u>92,762</u>
Attributable to:				
Equity holders of the Parent		60,848	68,079	92,426
Equity minority interest		<u>217</u>	<u>201</u>	<u>336</u>
		<u>61,065</u>	<u>68,280</u>	<u>92,762</u>

Consolidated balance sheet

as at 30 June 2007

	Notes	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
ASSETS				
Non-current assets				
Property, plant and equipment		331,076	337,597	335,152
Intangible assets		135,312	58,330	138,724
Investments in associates		10,976	11,066	10,933
Investments in joint ventures		58,731	58,107	58,668
Available for sale investments		12,363	29,452	12,527
Trade and other receivables		-	58,220	-
Derivative financial instruments		2,430	2,730	2,095
Deferred tax assets		20,348	11,073	23,923
		<u>571,236</u>	<u>566,575</u>	<u>582,022</u>
Current assets				
Inventories		164,629	157,619	145,158
Trade and other receivables		288,801	237,203	169,540
Derivative financial instruments		12,173	5,463	6,776
Cash and cash equivalents	8	148,891	33,183	259,311
		<u>614,494</u>	<u>433,468</u>	<u>580,785</u>
Total assets		<u>1,185,730</u>	<u>1,000,043</u>	<u>1,162,807</u>
EQUITY				
Issued capital and reserves attributable to equity holders of the Parent				
Share capital		98,378	98,309	98,304
Other reserves	9	109,963	123,885	113,696
Retained earnings	10	36,519	(45,756)	(18,116)
		<u>244,860</u>	<u>176,438</u>	<u>193,884</u>
Equity minority interest		6,852	6,500	6,635
		<u>251,712</u>	<u>182,938</u>	<u>200,519</u>
LIABILITIES				
Non-current liabilities				
Borrowings	8	417,110	333,392	444,570
Deferred tax liabilities		38,424	34,104	38,611
Trade and other payables		-	-	11,373
Retirement benefit obligations		83,269	120,124	124,888
Provisions for other liabilities and charges		6,689	6,616	6,032
Derivative financial instruments		4,655	-	3,406
Capital grants		10,267	14,382	10,660
		<u>560,414</u>	<u>508,618</u>	<u>639,540</u>
Current liabilities				
Borrowings	8	854	986	39,235
Provisions for other liabilities and charges		-	2,357	7,110
Trade and other payables		355,542	295,993	270,773
Current tax liabilities		6,732	7,416	1,942
Derivative financial instruments		10,476	1,735	3,688
		<u>373,604</u>	<u>308,487</u>	<u>322,748</u>
Total liabilities		<u>934,018</u>	<u>817,105</u>	<u>962,288</u>
Total equity and liabilities		<u>1,185,730</u>	<u>1,000,043</u>	<u>1,162,807</u>

Consolidated cash flow statement

for the half year ended 30 June 2007

	Notes	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Cash flows from operating activities				
Cash (absorbed by)/generated from operations	11	(1,732)	(51,169)	58,486
Interest received		2,335	301	1,000
Interest paid		(11,109)	(8,837)	(19,967)
Tax refunded/(paid)		-	415	(6,274)
Net cash (absorbed by)/generated from operating activities		(10,506)	(59,290)	33,245
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired (deferred consideration)		(7,166)	(811)	(69,892)
Purchase of property, plant and equipment		(17,382)	(28,112)	(38,085)
Purchase of available for sale investments		(2,287)	(2,667)	(3,406)
Disposal of subsidiary, net of cash disposed		-	812	(323)
Disposal of investments		-	4,147	22,185
Repayment of loan note		-	-	52,822
Proceeds from sale of property, plant and equipment		296	716	8,665
Net cash used in investing activities		(26,539)	(25,915)	(28,034)
Cash flows from financing activities				
Proceeds from issue of ordinary shares		74	190	190
Sharesave Scheme - receipt from Trustees		-	-	122
(Repayment)/drawdown of borrowings		(61,844)	17,329	169,851
Finance lease principal (payments)/drawdowns		(632)	7,809	(1,077)
Dividends paid to Company's shareholders		(9,946)	(9,499)	(16,472)
Capital grants received		-	-	123
Net cash (used in)/generated from financing activities		(72,348)	15,829	152,737
Net (decrease)/increase in cash and cash equivalents		(109,393)	(69,376)	157,948
Cash and cash equivalents at the beginning of the year		259,311	104,405	104,405
Effects of exchange rate changes on cash and cash equivalents		(1,027)	(1,846)	(3,042)
Cash and cash equivalents at the end of the period		148,891	33,183	259,311

Notes to the interim financial statements

for the half year ended 30 June 2007

1 Basis of preparation

This condensed interim financial information for the half year ended 30 June 2007 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 30 December 2006.

The figures for the half years ended 30 June 2007 and 1 July 2006 have not been audited. The figures for the full year ended 30 December 2006 represent an abbreviated version of the Group's financial statements for that year, which received an unqualified audit report.

2 Accounting policies

The accounting policies adopted are consistent with those adopted in the preparation of the annual financial statements for the year ended 30 December 2006 and are as described therein.

The Group has considered all amendments to current standards and interpretations together with all new standards and interpretations and have identified the following as being applicable to the current year reporting:

IFRS 7 – Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures

The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment to IAS 1. The Group has determined that such disclosures are not significant to an understanding of its 2007 Interim Results and the Group will adopt the provisions of IFRS 7 for its full year Financial Statements.

3 Segment information

At 30 June 2007 the Group is organised into three main business segments:

- Consumer Foods
- Agribusiness and Property
- Food Ingredients and Nutritionals

	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Turnover by business segment			
Consumer Foods	249,042	252,282	511,022
Agribusiness and Property	170,011	165,615	264,492
Food Ingredients and Nutritionals	<u>621,284</u>	<u>504,896</u>	<u>1,077,913</u>
	<u>1,040,337</u>	<u>922,793</u>	<u>1,853,427</u>
Pre-exceptional operating profit by business segment			
Consumer Foods	8,335	8,470	24,525
Agribusiness and Property	11,811	15,857	16,876
Food Ingredients and Nutritionals	<u>28,398</u>	<u>12,079</u>	<u>44,166</u>
	<u>48,544</u>	<u>36,406</u>	<u>85,567</u>

Notes to the interim financial statements

for the half year ended 30 June 2007

4 Exceptional items

	Notes	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Restructuring cost	(a)	-	-	(3,277)
The Cheese Company Holdings Limited	(b)	<u>-</u>	<u>-</u>	<u>(9,178)</u>
		-	-	(12,455)
Exceptional tax credit	(c)	<u>-</u>	<u>-</u>	<u>12,321</u>
Net exceptional items		<u>-</u>	<u>-</u>	<u>(134)</u>

- (a) Restructuring costs relate to the closure of the Pigmear cannery operation. Costs include redundancy and the release of unamortised capital grants.
- (b) On 29 December 2006, the Group disposed of its 25% interest and related 2008-2018 loan note in The Cheese Company Holdings Limited to the majority shareholder, Milk Link Limited.
- (c) A deferred tax asset of €12.1 million arising from the expected use in future years of UK tax losses, which previously had not been recognised due to uncertainty as to recoverability, has been recognised in the 2006 financial statements. Also, in 2006, the restructuring provision in the Pigmear Division resulted in a corporation tax credit of €699,000 and a deferred tax charge of €489,000.

5 Finance income and costs

(a) Finance income

	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Interest income	<u>2,335</u>	<u>2,125</u>	<u>4,883</u>

Notes to the interim financial statements

for the half year ended 30 June 2007

5 Finance income and costs (continued)

(b) Finance costs

	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Interest expense			
- Bank borrowings repayable within five years	(5,706)	(6,695)	(15,096)
- Bank borrowings repayable after five years	(3,480)	-	-
- Finance leases	(156)	(147)	(380)
	<u>(9,342)</u>	<u>(6,842)</u>	<u>(15,476)</u>
Finance cost of preferred securities and preference shares	<u>(1,623)</u>	<u>(1,820)</u>	<u>(3,442)</u>
Total finance costs	<u>(10,965)</u>	<u>(8,662)</u>	<u>(18,918)</u>

6 Dividends

A final dividend in respect of the year ended 30 December 2006 of 3.41 cent per share was paid during the period. On 28 August 2006, the Directors approved the payment of an interim dividend for 2007 of 2.50 cent per share (2006 interim dividend: 2.38 cent per share). This interim dividend will be reflected in the financial statements for the full year 2007 in line with IAS 10.

Notes to the interim financial statements

for the half year ended 30 June 2007

7 Earnings per share

	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Basic			
Profit attributable to equity holders of the Company	<u>33,599</u>	<u>26,725</u>	<u>65,934</u>
Weighted average number of ordinary shares in issue	<u>292,984,514</u>	<u>292,943,460</u>	<u>292,958,667</u>
Basic earnings per share (cent per share)	<u>11.47</u>	<u>9.12</u>	<u>22.51</u>
Diluted			
Weighted average number of ordinary shares in issue	<u>292,984,514</u>	<u>292,943,460</u>	<u>292,958,667</u>
Adjustments for share options	<u>254,170</u>	<u>493,424</u>	<u>480,072</u>
Adjusted weighted average number of ordinary shares	<u>293,238,684</u>	<u>293,436,884</u>	<u>293,438,739</u>
Diluted earnings per share (cent per share)	<u>11.46</u>	<u>9.11</u>	<u>22.47</u>
Adjusted			
Profit attributable to equity holders of the Company	<u>33,599</u>	<u>26,725</u>	<u>65,934</u>
Exceptional items	<u>-</u>	<u>-</u>	<u>134</u>
	<u>33,599</u>	<u>26,725</u>	<u>66,068</u>
Adjusted earnings per share (cent per share)	<u>11.47</u>	<u>9.12</u>	<u>22.55</u>
Diluted adjusted earnings per share (cent per share)	<u>11.46</u>	<u>9.11</u>	<u>22.52</u>

8 Borrowings

	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Borrowings due within one year	854	986	39,235
Borrowings due after one year	417,110	333,392	444,570
Less:			
Cash and cash equivalents	<u>(148,891)</u>	<u>(33,183)</u>	<u>(259,311)</u>
Net Group borrowings	<u>269,073</u>	<u>301,195</u>	<u>224,494</u>

Notes to the interim financial statements

for the half year ended 30 June 2007

9 Other reserves

	Capital and mergers reserves €'000	Currency reserve €'000	Fair value reserves €'000	Total €'000
Balance at 31 December 2006	116,421	(7,603)	4,878	113,696
Translation differences on foreign currency net investments	-	(2,790)	-	(2,790)
Revaluation of investments	-	-	(199)	(199)
Gain on interest rate swaps	-	-	620	620
Interest rate swaps reclassified as fair value hedges	-	-	(1,291)	(1,291)
Foreign exchange contracts - gain in period	-	-	1,148	1,148
Transfers to income statement				
- Foreign exchange contracts	-	-	(749)	(749)
- Forward commodity contracts	-	-	(594)	(594)
- Interest rate swaps	-	-	(717)	(717)
Revaluation of forward commodity contracts	-	-	1,124	1,124
Deferred tax on fair value adjustments	-	-	(285)	(285)
Balance at 30 June 2007	116,421	(10,393)	3,935	109,963

10 Retained earnings

	Retained earnings €'000	Goodwill reserve €'000	Total €'000
Balance at 31 December 2006	74,845	(92,961)	(18,116)
Actuarial gain - defined benefit schemes	34,557	-	34,557
Deferred tax on pension gain	(3,575)	-	(3,575)
Net income recognised directly in equity	30,982	-	30,982
Profit for the period	33,599	-	33,599
Total recognised income for the period	64,581	-	64,581
Dividends paid in the period	(9,946)	-	(9,946)
Balance at 30 June 2007	129,480	(92,961)	36,519

Notes to the interim financial statements

for the half year ended 30 June 2007

11 Cash generated

	Half year 2007 €'000	Half year 2006 €'000	Year 2006 €'000
Profit for the period	33,816	26,926	66,270
Non-cash loss on repayment of loan note	-	-	9,178
Share of results of joint ventures and associates	1,308	(283)	(2,842)
Income taxes	4,790	3,226	(4,351)
Depreciation	14,938	13,122	25,415
Amortisation	2,340	1,788	4,452
Cost of share options	201	123	199
Exchange losses	-	66	-
Gain on disposal of investments	-	(1,538)	(1,541)
Gain on disposal of property, plant and equipment	(4,079)	(7,128)	(7,531)
Interest income	(2,335)	(2,125)	(4,883)
Interest expense	10,965	8,662	18,918
Amortisation of government grants received	(393)	(471)	(4,322)
Net profit before changes in working capital	61,551	42,368	98,962
Change in net working capital			
Increase in inventory	(20,204)	(15,379)	(2,684)
Increase in short term receivables	(124,721)	(91,792)	(25,137)
Increase/(decrease) in short term liabilities	88,752	19,710	(11,332)
Decrease in provisions	(7,110)	(6,076)	(1,323)
Cash (absorbed by)/generated from operations	(1,732)	(51,169)	58,486