2014
Half year results

Leading global performance nutrition and ingredients group

Wednesday, 20 August 2014

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glanbia

Good performance in first half driven by Global Performance Nutrition
Reiterating 2014 guidance of 8% to 10% constant currency adjusted EPS growth

20 August 2014 - Glanbia plc ("Glanbia", the "Group", the "plc"), the global performance nutrition and ingredients group, announces its results for the six months ended 5 July 2014.

Results highlights

- The Group delivered a good performance for the first half of the year. On a constant currency basis, Total Group revenue grew 10.7%, Total Group EBITA increased by 10.3% and adjusted earnings per share grew 11.5%. On a reported basis, Total Group revenue increased 8.1%, Total Group EBITA increased by 6.0% and adjusted earnings per share grew by 6.8%;
- Global Performance Nutrition was the key growth driver as revenue growth of 21.8% and a 110 basis point margin expansion drove a strong increase in EBITA on a constant currency basis;
- Global Ingredients delivered a satisfactory performance in the context of a difficult operating environment with EBITA largely unchanged versus the prior year on a constant currency basis;
- Dairy Ireland performance was behind the prior year as stabilisation in Consumer Products was more than offset by a lower performance in Agribusiness;
- Joint Ventures & Associates delivered a good performance overall; and
- The Group today announces a €60 million strategic investment programme in Global Ingredients aimed at maximising the value of our whey pool and further strengthening our position as a leader in value-added dairy ingredients.

2014 half year results[1]		Reported		Constant currency
€m	HY 2014	HY 2013	Change	Change[2]
Wholly-owned businesses				
Revenue	1,294.2	1,236.3	+4.7%	+7.7%
EBITA	107.3	102.3	+4.9%	+9.7%
EBITA margin	8.3%	8.3%	+0 bps	+20 bps
Joint Ventures & Associates[3]				
Revenue	503.4	426.8	+17.9%	+19.3%
EBITA	22.2	19.9	+11.6%	+13.3%
EBITA margin	4.4%	4.7%	-30 bps	-20 bps
Total Group[3]				
Revenue	1,797.6	1,663.1	+8.1%	+10.7%
EBITA	129.5	122.2	+6.0%	+10.3%
EBITA margin	7.2%	7.3%	-10 bps	+0 bps
Adjusted earnings per share	32.45c	30.39c	+6.8%	+11.5%

Commenting today Siobhán Talbot, Group Managing Director, said:

"Glanbia had a good first half in 2014 resulting in a constant currency increase of 11.5% in adjusted earnings per share. Global Performance Nutrition was the key contributor delivering strong branded revenue growth, through effective execution in core channels and continued international growth. Global Ingredients delivered a satisfactory first half in the context of milk procurement issues in Idaho and unfavourable whey pricing dynamics. Dairy Ireland performed in line with expectation, albeit behind the prior year while Joint Ventures & Associates was also in line with expectation. We continue to invest in our strategy of maximising the value of our ingredients. Today we announce a new €60 million programme in Global Ingredients to further our ambition to be a leader in science-led nutritional solutions and systems. The outlook for the remainder of the year is positive and we expect to achieve our guidance of 8% to 10% growth in adjusted earnings per share on a constant currency basis for 2014."

1. All figures shown are pre exceptional items.
2. A significant portion of our earnings are denominated in US dollars. Constant currency is based on translating HY 2013 results at the HY 2014 average market exchange rate (€1 = $1.371). The reported average exchange rate for HY 2013 was €1 = $1.313.
3. Total Group includes Glanbia's share of Joint Ventures & Associates.

2014 half year overview

For the six months ended 5 July 2014

Glanbia delivered a good performance in the first half of 2014 driven primarily by Global Performance Nutrition. Total Group revenues including the Group's share of Joint Ventures & Associates were €1.8 billion, up 8.1% (10.7% constant currency). Total Group EBITA was €129.5 million, up 6.0% (10.3% constant currency). Total Group EBITA margin was 7.2%, down 10 basis points (unchanged on a constant currency basis), reflecting an 8.3% margin in the wholly owned businesses and 4.4% in Joint Ventures & Associates. Adjusted earnings per share was 32.45 cents, up 6.8% (11.5% constant currency).

Capital investment update

Strategic capital investment is a core element of Glanbia's long term strategy and the Group continues to invest significantly behind its two growth platforms, Global Performance Nutrition and Global Ingredients. Global Performance Nutrition recently commissioned the first phase of a new €50 million investment in a state-of-the-art manufacturing facility in Aurora, Illinois and today we are pleased to announce a significant new capital investment programme within Global Ingredients.

The programme, totalling €60 million in our Idaho based facilities, is strongly aligned with our strategy of adding further value to our whey stream while also supporting the growth ambitions of Performance Nutrition. The programme, which we expect to be fully commissioned by the end of 2015, involves the development of increased production capacity of higher end whey as well as increased capacity of lactoferrin, a specialty milk component used in a variety of sectors including infant formula and supplements.

Board changes

Jerry Liston, Non-Executive Director, retired from the Board on 13 May 2014. Patrick Coveney joined the Board as a Non-Executive Director on 30 May 2014. Mr. Coveney, aged 43, is Chief Executive Officer of Greencore Group plc, a leading international convenience food group. Also on 30 May 2014, Brendan Hayes joined the Board as a Non-Executive Director nominated by Glanbia Co-operative Society Limited.

Investor Day 2014

Glanbia will hold its 2014 investor day in Chicago on Wednesday, 19 November 2014. This event will focus on our Global Performance Nutrition segment. As well as learning about the long term strategy of the business, attendees will gain an in-depth understanding of our approach to marketing, operations and international expansion. There will also be a visit to our recently commissioned manufacturing facility. All of Glanbia's executive management team will be in attendance as well as a number of senior Global Performance Nutrition management.

2014 outlook

Overall, the outlook for the Group for 2014 is positive. While Global Performance Nutrition is expected to be the main driver of growth, Dairy Ireland is expected to deliver an improved performance versus the prior year with Global Ingredients largely unchanged. On this basis, we are reiterating our guidance for 2014 of 8% to 10% growth in adjusted earnings per share on a constant currency basis.

2014 half year operations review

Commentary is on a constant currency basis throughout

Segmental analysis

	HY 2014			HY 2013		
€m	Revenue	EBITA	EBITA %	Revenue	EBITA	EBITA %
Global Performance Nutrition	374.6	42.9	11.5%	320.2	33.6	10.5%
Global Ingredients	565.8	53.9	9.5%	532.9	56.6	10.6%
Dairy Ireland	353.8	10.5	3.0%	383.2	12.1	3.2%
Total wholly-owned businesses	1,294.2	107.3	8.3%	1,236.3	102.3	8.3%
Joint Ventures & Associates	503.4	22.2	4.4%	426.8	19.9	4.7%
Total Group	1,797.6	129.5	7.2%	1,663.1	122.2	7.3%

Global Performance Nutrition

€m	HY 2014	Reported HY 2013	Change	Constant Currency Change
Revenue	374.6	320.2	+17.0%	+21.8%
EBITA	42.9	33.6	+27.7%	+33.6%
EBITA margin	11.5%	10.5%	+100 bps	+110 bps

Global Performance Nutrition ('GPN') delivered a strong performance in the first half of 2014. Revenues increased 21.8% driven primarily by organic volume growth of 19.6% and the impact of the Nutramino acquisition in January of 2.5%. Branded revenue growth remained strong at 18.6% primarily due to growth across key international markets. Overall branded revenue growth was weighted towards the first quarter of the year in advance of a price increase implemented in April. Contract manufacturing revenue growth was also strong, however, this is expected to moderate in the second half of the year. EBITA increased 33.6% reflecting the strong revenue performance partially offset by higher overheads associated with the ongoing investment in support of business and market growth. EBITA margin for the period was 11.5% reflecting a 110 basis point increase versus prior year.

Demand trends within the US sports nutrition market remain positive. Within the US market, the specialty and internet channels, which are the largest and amongst the fastest growing segments of the market, remain our primary focus. International revenue growth remains strong reflecting the awareness of and high regard for our brands across the globe. This growth endorses our strategy of building strong in-market teams in each of our key geographies and we continue to invest in our people and infrastructure to sustain our international growth trajectory. The acquisition of Nutramino, a leading Scandinavian sports nutrition business, in January 2014, is fully aligned with this strategy and further strengthens our international presence as well as providing us with an entry point into the convenience channel in Europe.

Innovation is central to our growth model in GPN and we had a number of exciting product launches in the first half of the year. In addition to the launch of BSN's Syntha 6 bar in EMEA and Optimum Nutrition's PRO Series, the recent launch of the new BSN N.O.-Xplode pre-workout supplement represented our first global product launch.

The first phase of our new state-of-the-art manufacturing plant in Aurora was successfully commissioned in May. This plant offers improved efficiencies versus our existing facilities and allows us to produce the majority of our products internally. The second phase, bringing the total cost to approximately €50 million, will be commissioned in early 2015 and will support the delivery of our growth targets for the next 3-4 years.

Global Ingredients

€m	HY 2014	Reported HY 2013	Change	Constant Currency Change
Revenue	565.8	532.9	+6.2%	+10.7%
EBITA	53.9	56.6	-4.8%	+0.5%
EBITA margin	9.5%	10.6%	-110 bps	-100 bps

Global Ingredients delivered a satisfactory performance in the first half of the year in the context of challenging milk procurement conditions in Idaho. Revenues increased 10.7% reflecting a 13.9% impact from higher pricing and 1.6% from the acquisition of a small specialty cheese plant in Blackfoot, Idaho in March 2013. These were partially offset by an organic volume decline of 4.8%. EBITA increased marginally in the period as a good performance in Customised Solutions was offset by a somewhat weaker performance in US Cheese and Ingredient Technologies. Global Ingredients' EBITA margin declined 100 basis points in the period to 9.5%.

US Cheese

While cheese prices in the USA have declined from their first half peaks, they remain at relatively high levels. This has primarily reflected a tighter supply environment across the USA as demand across key channels has been broadly stable.

In response to a competitive milk procurement environment in Idaho, we revised milk procurement policies in the period. While this resulted in increased milk input costs, we have achieved greater security of supply with two year supply contracts now in place with the majority of our suppliers.

In this context, US Cheese had a satisfactory performance in the first half of the year. Revenues increased as significantly stronger cheese pricing more than offset the volume decline that resulted from tighter milk procurement conditions. EBITA was behind the prior year as the impact of lower volumes and higher input costs was not fully offset by operational efficiency measures and pricing changes.

Ingredient Technologies

Underlying demand conditions across Ingredient Technologies' key end markets remain positive. Overall performance was behind the prior year with positive revenue growth more than offset by lower margins. The performance of the dairy side of the business was negatively impacted as base whey prices, which are a key driver of milk input costs, increased relative to high-end whey prices. Development of the non-dairy grain and beverage platforms continues with positive customer engagements to date.

Our strategy of maximising the value of our ingredient pool remains on track as demonstrated by the €60 million investment programme announced today. The additional high-end whey and lactoferrin production capabilities will strengthen our position in these product categories and facilitate our goal of being a leader in the development of science-led nutritional solutions and systems.

Customised Solutions

Customised Solutions delivered a good performance in the first half of the year. Revenue growth was positive reflecting volume growth combined with a positive price and mix effect. An increase in margins driven primarily by a favourable mix effect combined with positive revenue growth resulted in a good EBITA performance for the period.

While the sector remains competitive we continue to see good growth potential across key end market segments including beverage, infant formula, supplement and nutrition bar segments. Our existing global footprint and reputation for market leading customer service provides us with a strong platform to optimise these market opportunities as they present themselves.

Dairy Ireland

	Reported			Constant Currency
€m	HY 2014	HY 2013	Change	Change
Revenue	353.8	383.2	-7.7%	-7.7%
EBITA	10.5	12.1	-13.2%	-13.2%
EBITA margin	3.0%	3.2%	-20 bps	-20 bps

Consumer Products was relatively stable in the period with the decline in overall performance a result of lower Agribusiness sales in the period against a relatively good prior year. Revenues declined 7.7% reflecting a 4.9% organic volume decline and a 2.8% decline in pricing. EBITA was 13.2% behind the prior year reflecting a 20 basis point decline in margins.

Consumer Products

Consumer Products delivered a satisfactory performance in the period against a continued challenging market backdrop. Revenue growth was positive driven primarily by a favourable price and mix effect. While milk input costs have reduced modestly in recent months, average milk cost for the first half of the year was well above prior year levels. Overall, Consumer Products delivered an EBITA broadly in line with the prior year as higher input costs were offset by cost savings associated with our efficiency programme. Further costs associated with this programme are expected to be incurred in the second half of the year. The new UHT (Ultra-Heat-Treated) facility in Co. Monaghan was successfully commissioned in the second quarter of the year and we continue to work to develop market opportunities for our branded long-life liquid milk and cream across China, Europe and the Middle East.

Agribusiness

Agribusiness' revenues declined versus the prior year due to a combination of lower prices and volumes. The decline in volumes related primarily to animal feed and reflected particularly strong demand in the prior year as a result of poor weather conditions for much of the first half of 2013. Volume performance across other product categories was satisfactory and, in particular, the recently commissioned oats mill in Portlaoise continues to perform well. Overall, EBITA was behind the prior year as lower revenues more than offset the benefit of ongoing cost and efficiency measures.

Joint Ventures & Associates (Glanbia Share)

	Reported			Constant Currency
€m	HY 2014	HY 2013	Change	Change
Revenue	503.4	426.8	+17.9%	+19.3%
EBITA	22.2	19.9	+11.6%	+13.3%
EBITA margin	4.4%	4.7%	-30 bps	-20 bps

Joint Ventures & Associates delivered a good performance in the first half of the year. Revenues increased 19.3% reflecting 6.3% organic volume growth and 13.0% pricing growth. Volume growth was positive across all key joint ventures and associates with Glanbia Ingredients Ireland and Glanbia Cheese, in particular, benefiting from favourable milk supply environments. The main driver of the increase in pricing was global dairy market prices which, despite a downward trend in the first half of the year, are above prior year levels. EBITA increased 13.3% driven primarily by the strong volume growth performance.

The construction of Glanbia Ingredients Ireland's new €150 million milk processing plant in Belview, Co. Kilkenny is progressing well and is expected to commission in early 2015. Long term supply contracts, which have been successfully agreed with 94% of our suppliers to date, provide increased security and visibility in respect of milk supply volumes post elimination of quotas in 2015.

2014 outlook

Global Performance Nutrition is expected to deliver a good performance in 2014 reflecting positive revenue growth combined with an expected uplift in margins. After a strong performance in the first half of the year, revenue growth is expected to slow in the second half reflecting an anticipated decline in contract manufacturing revenues, the potential impact of the Russian import ban on international revenue growth and increased competition in the US market. Notwithstanding these challenges, our branded business remains strong and is underpinned by our market leading brands and our ongoing investment in operations, innovation, marketing and international expansion.

Global Ingredients performance for the full year is targeted to be broadly in line with the prior year. Milk throughput in the cheese and whey facilities in Idaho is expected to be below 2013 levels for the rest of the year. This, together with higher input costs, will impact performance for both US Cheese and Ingredient Technologies in the second half. Within Global Ingredients these challenges will be largely offset by the ongoing progress being made by Ingredient Technologies in respect of its non-dairy platforms as well as the continued positive performance in the Customised Solutions business.

Dairy Ireland is expected to deliver an improved performance for both the second half of the year and the full year. This is expected to be driven primarily by Consumer Products due to the ongoing rationalisation measures being implemented across the business.

Joint Ventures & Associates are expected to deliver a 2014 performance broadly in line with the prior year as overall dairy markets are expected to be more challenging in the second half of the year resulting in some margin pressure.

Overall, the outlook for the Group for 2014 is positive. While Global Performance Nutrition is expected to be the main driver of growth, Dairy Ireland is expected to deliver an improved performance for the year with Global Ingredients largely unchanged. On this basis, we are reiterating our guidance for 2014 of 8% to 10% growth in adjusted earnings per share on a constant currency basis.

2014 half year finance review

Results summary pre exceptional €m	HY 2014	HY 2013	Change	Constant Currency Change
Revenue	**1,294.2**	**1,236.3**	**+4.7%**	**+7.7%**
EBITA	107.3	102.3	+4.9%	+9.7%
EBITA margin	*8.3%*	*8.3%*	+0 bps	+20 bps
- Amortisation of intangible assets	(10.6)	(10.0)		
- Net finance costs	(10.5)	(10.8)		
- Share of results of Joint Ventures & Associates	15.3	13.6		
- Income tax	(14.7)	(13.9)		
Profit for the period	**86.8**	**81.2**		

Income statement

Revenue increased 4.7% (7.7% constant currency) to €1.3 billion (HY 2013: €1.2 billion). EBITA grew by 4.9% (9.7% constant currency) to €107.3 million (HY 2013: €102.3 million). EBITA margin was unchanged at 8.3% (+20 basis points constant currency).

The Group's share of results of Joint Ventures & Associates increased by €1.7 million to €15.3 million (HY 2013: €13.6 million). Share of results of Joint Ventures & Associates is an after tax and interest amount.

Net financing costs decreased by €0.3 million to €10.5 million (HY 2013: €10.8 million). The Group's average interest rate for the period was 4.4% (HY 2013: 4.8%). Glanbia operates a policy of fixing a significant amount of its interest exposure, with 85% of projected 2014 debt currently contracted at fixed rates for 2014.

The HY 2014 tax charge increased by €0.8 million to €14.7 million (HY 2013: €13.9 million). This represents an effective rate, excluding Joint Ventures & Associates, of 17.0% (HY 2013: 17.0%).

Adjusted earnings per share

	HY 2014	HY 2013	Change	Constant Currency Change
Adjusted earnings per share	32.45c	30.39c	+6.8%	+11.5%

Adjusted EPS is calculated as the profit for the year attributable to the equity holders of the parent before exceptional items and amortisation of intangible assets (net of tax). Adjusted EPS increased 6.8% (11.5% constant currency) to 32.45 cents per share (HY 2013: 30.39 cents per share).

Exceptional items

	€m
1. Rationalisation costs	(0.6)
2. Transaction costs	(3.0)
3. Taxation credit	0.9
Total exceptional charge	(2.7)

Exceptional items incurred in the first half of 2014 resulted in an exceptional charge of €2.7 million. Details of these items are as follows:

1. Rationalisation costs amounting to €0.6 million were incurred in Dairy Ireland in the first six months of the year. These costs relate to the ongoing rationalisation and efficiency programmes being implemented in both Consumer Products and Agribusiness. We expect to incur exceptional costs of €11 million related to these programmes for the full year 2014.
2. Transaction costs relate to acquisition activities that did not come to fruition. The primary costs incurred were legal, taxation, due diligence, other consultancy and loan facility fees.
3. The tax credit applicable to exceptional items 1 and 2 above amounted to €0.9 million.

Dividend per share

The Board is recommending an interim dividend of 4.43 cents per share (HY 2013: 4.03 cents per share) an increase of 10%. Dividends will be paid on Friday, 10 October 2014 to shareholders on the register of members as at Friday, 29 August 2014. Irish withholding tax will be deducted at the standard rate where appropriate.

Net debt and cash flow

The Group's net debt position at 5 July 2014 increased by €27.1 million to €471.8 million relative to the first half of 2013 (HY 2013: €444.7 million). Relative to the year ended 4 January 2014, the Group's net debt increased by €97.4 million (FY 2013: €374.4 million). The main uses of cash since the year end include an increase in working capital of €83.9 million, capital expenditure of €57.2 million and the acquisition of Nutramino for €21.1 million.

Group financing

Following the redemption at maturity of €39.1 million of cumulative redeemable preference shares on 31 July 2014, the Group currently has two sources of committed debt finance totalling €705.9 million;

- Bilateral multicurrency revolving loan facilities totalling €466.8 million with eight banks, all maturing January 2018, which were renewed during 2012 on common terms and conditions; and
- A $325 million (€239.1 million) private placement of senior loan notes, due June 2021.

At 5 July 2014, the Group had a net debt to adjusted EBITDA leverage ratio of 2.0 times (HY 2013: 2.0 times) compared to the Group's banking covenant of 3.5 times. Adjusted EBIT to net financing cost cover stood at 8.1 times (HY 2013: 8.6 times) compared to the Group's banking covenant of 3.5 times.

Pension

The Group's net pension liability at 5 July 2014, under IAS 19 (revised) 'Employee Benefits', before deferred tax, increased by €6.5 million to €91.4 million relative to the first half of 2013 (HY 2013: €84.9 million). Relative to the year end 2013, the net pension liability increased by €13.4 million (FY 2013: €78.0 million). This increase was driven primarily by changes in actuarial assumptions, the most important of which was the 60 basis point reduction in the discount rate applicable to the Irish pension schemes to 3.00% (FY 2013: 3.60%).

Principal risks and uncertainties affecting the Group's performance in 2014

The Board of Glanbia plc has ultimate responsibility for risk management. The performance of the Group is influenced by global economic growth and consumer confidence in the markets in which it operates. In the second half of 2014, the principal risks affecting the Group's performance are:

- Milk availability and raw material input cost fluctuations in US Cheese and Ingredient Technologies;
- The potential impact of geopolitical unrest on our international growth strategy;
- The continued challenging market backdrop in Consumer Products; and
- The effective execution of our growth strategy in Global Ingredients and Global Performance Nutrition.

Further details on the principle risks and uncertainties are provided on pages 38 to 41 in the 2013 Annual Report. The Group actively manages these and all other known risks through its systems of risk management and internal control.

Cautionary statement

This announcement contains forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The Directors undertake no obligation to update any forward-looking statements contained in this announcement, whether as a result of new information, future events, or otherwise.

Results webcast and dial-in details

There will be a webcast and presentation to accompany this results announcement at 8.30 a.m. today. Please access the webcast from our website at http://glanbia.com/1H14-webcast, where the presentation can also be viewed or downloaded. In addition, a dial-in facility is available using the following numbers:

Ireland	01 246 5603
UK	020 3427 1915
Europe	+44 20 3427 1915
USA	212 444 0896
Passcode	7382302

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Responsibility statement

The Directors are responsible for preparing the half yearly financial report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Central Bank of Ireland and with IAS 34 - Interim Financial Reporting, as adopted by the European Union.

The Directors confirm that, to the best of their knowledge:

- The Group condensed financial statements for the half year ended 05 July 2014 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- The half yearly financial report includes a fair review of the development and performance of the business and the position of the Group;
- The half yearly financial report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the Group condensed financial statements for the half year ended 05 July 2014, and a description of the principal risks and uncertainties for the remaining six months;
- The half yearly financial report includes a fair review of related party transactions that have occurred during the first six months of the current financial year that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or the performance of the Group in the first six months of the current financial year; and
- The Directors of Glanbia plc are as listed in the Glanbia plc 2013 Annual Report, with the exception of the following changes in the period:

  Jerry Liston retired on 13 May 2014.
  Patrick Coveney and Brendan Hayes were appointed on 30 May 2014.
  A list of current directors is maintained on the Glanbia plc website: www.glanbia.com

On behalf of the Board

Siobhán Talbot	Mark Garvey
Group Managing Director	Group Finance Director

19 August 2014

Condensed income statement
for the half year ended 05 July 2014

		Half year 2014			Half year 2013			Year 2013		
		Pre-exceptional	Exceptional	Total	Pre-exceptional	Exceptional	Total	Pre-exceptional	Exceptional	Total
		2014	2014	2014	2013	2013	2013	2013	2013	2013
	Notes	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
			(note 7)			(note 7)			(note 7)	
Revenue	6	**1,294,157**	**-**	**1,294,157**	1,236,349	-	1,236,349	2,382,133	-	2,382,133
Earnings before interest, tax and amortisation (EBITA)		**107,314**	**(3,638)**	**103,676**	**102,269**	**-**	**102,269**	**187,665**	**5,804**	**193,469**
Intangible asset amortisation		**(10,565)**	**-**	**(10,565)**	(10,020)	-	(10,020)	(21,011)	-	(21,011)
Operating profit		**96,749**	**(3,638)**	**93,111**	**92,249**	**-**	**92,249**	**166,654**	**5,804**	**172,458**
Finance income	8	**841**	**-**	**841**	1,077	-	1,077	2,168	-	2,168
Finance costs	8	**(11,337)**	**-**	**(11,337)**	(11,870)	-	(11,870)	(25,110)	-	(25,110)
Share of results of Joint Ventures & Associates		**15,276**	**-**	**15,276**	13,580	-	13,580	26,488	-	26,488
Profit before taxation		**101,529**	**(3,638)**	**97,891**	**95,036**	**-**	**95,036**	**170,200**	**5,804**	**176,004**
Income taxes	9	**(14,663)**	**874**	**(13,789)**	(13,847)	-	(13,847)	(24,692)	(316)	(25,008)
Profit for the period		**86,866**	**(2,764)**	**84,102**	**81,189**	**-**	**81,189**	**145,508**	**5,488**	**150,996**
Attributable to:										
Equity holders of the Parent				**83,592**			80,738			150,330
Non-controlling interests				**510**			451			666
				84,102			**81,189**			**150,996**
Earnings per share attributable to the equity holders of the Parent										
Basic earnings per share (cents)	11			**28.33**			**27.39**			**51.01**
Diluted earnings per share (cents)	11			**28.20**			**27.22**			**50.66**

Condensed statement of comprehensive income
for the half year ended 05 July 2014

	Notes	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Profit for the period		**84,102**	**81,189**	**150,996**
Other comprehensive income/(expense)				
Items that are not reclassified subsequently to the Condensed income statement:				
Remeasurements – defined benefit schemes	17	**(16,857)**	8,512	(1,546)
Deferred tax credit/(charge) on remeasurements		**1,760**	(1,007)	(166)
Share of remeasurements – Joint Ventures & Associates		**(3,582)**	1,802	(1,149)
Deferred tax credit/(charge) on remeasurements – Joint Ventures & Associates		**452**	(225)	220
Items that may be reclassified subsequently to the Condensed income statement:				
Currency translation differences	16	**4,040**	4,187	(24,592)
Net investment hedge	16	**(245)**	(588)	2,472
Revaluation of available for sale financial assets	16	**1,409**	779	1,425
Fair value movements on cash flow hedges	16	**2,009**	264	898
Deferred tax on cash flow hedges and revaluation of available for sale financial assets	16	**(519)**	(292)	(541)
Other comprehensive (expense)/income for the period, net of tax		**(11,533)**	**13,432**	**(22,979)**
Total comprehensive income for the period		**72,569**	**94,621**	**128,017**
Total comprehensive income attributable to:				
Equity holders of the Parent		**72,059**	94,170	127,351
Non-controlling interests		**510**	451	666
Total comprehensive income for the period		**72,569**	**94,621**	**128,017**

Condensed statement of changes in equity
for the half year ended 05 July 2014

		Attributable to equity holders of the Parent					
Half year 2013	Notes	**Share capital and share premium €'000**	**Other reserves €'000**	**Retained earnings €'000**	**Total €'000**	**Non – controlling interests €'000**	**Total €'000**
Balance at 29 December 2012		**102,095**	**145,289**	**289,997**	**537,381**	**7,275**	**544,656**
Profit for the period		-	-	80,738	**80,738**	451	**81,189**
Other comprehensive income/(expense)							
Remeasurements - defined benefit schemes	17	-	-	8,512	**8,512**	-	**8,512**
Deferred tax on remeasurements		-	-	(1,007)	**(1,007)**	-	**(1,007)**
Share of remeasurements - Joint Ventures & Associates		-	-	1,577	**1,577**	-	**1,577**
Fair value movements	16	-	1,043	-	**1,043**	-	**1,043**
Deferred tax on fair value movements	16	-	(292)	-	**(292)**	-	**(292)**
Currency translation differences	16	-	4,187	-	**4,187**	-	**4,187**
Net investment hedge	16	-	(588)	-	**(588)**	-	**(588)**
Total comprehensive income		**-**	**4,350**	**89,820**	**94,170**	**451**	**94,621**
Dividends paid during the period	10	-	-	(16,009)	**(16,009)**	-	**(16,009)**
Cost of share based payments	16	-	2,292	-	**2,292**	-	**2,292**
Transfer on exercise, vesting or expiry of share based payments	16	-	6,317	(6,317)	**-**	-	**-**
Shares issued	15	36	-	-	**36**	-	**36**
Premium on shares issued	15	1,529	-	-	**1,529**	-	**1,529**
Purchase of own shares	16	-	(4,642)	-	**(4,642)**	-	**(4,642)**
Balance at 29 June 2013		**103,660**	**153,606**	**357,491**	**614,757**	**7,726**	**622,483**

		Attributable to equity holders of the Parent					
Half year 2014		**Share capital and share premium €'000**	**Other reserves €'000**	**Retained earnings €'000**	**Total €'000**	**Non – controlling interests €'000**	**Total €'000**
Balance at 04 January 2014		**103,997**	**126,600**	**405,289**	**635,886**	**7,634**	**643,520**
Profit for the period		-	-	83,592	**83,592**	510	**84,102**
Other comprehensive income/(expense)							
Remeasurements - defined benefit schemes	17	-	-	(16,857)	**(16,857)**	-	**(16,857)**
Deferred tax on remeasurements		-	-	1,760	**1,760**	-	**1,760**
Share of remeasurements – Joint Ventures & Associates		-	-	(3,130)	**(3,130)**	-	**(3,130)**
Fair value movements	16	-	3,418	-	**3,418**	-	**3,418**
Deferred tax on fair value movements	16	-	(519)	-	**(519)**	-	**(519)**
Currency translation differences	16	-	4,040	-	**4,040**	-	**4,040**
Net investment hedge	16	-	(245)	-	**(245)**	-	**(245)**
Total comprehensive income		**-**	**6,694**	**65,365**	**72,059**	**510**	**72,569**
Dividends paid during the period	10	-	-	(17,650)	**(17,650)**	-	**(17,650)**
Cost of share based payments	16	-	2,931	-	**2,931**	-	**2,931**
Transfer on exercise, vesting or expiry of share based payments		-	4,444	(4,444)	**-**	-	**-**
Shares issued	15	5	-	-	**5**	-	**5**
Premium on shares issued	15	333	-	-	**333**	-	**333**
Purchase of own shares		-	(5,793)	-	**(5,793)**	-	**(5,793)**
Balance at 05 July 2014		**104,335**	**134,876**	**448,560**	**687,771**	**8,144**	**695,915**

Condensed balance sheet
as at 05 July 2014

	Notes	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
ASSETS				
Non-current assets				
Property, plant and equipment		**409,704**	335,108	373,972
Intangible assets		**471,856**	475,214	454,486
Investments in associates		**86,380**	76,063	80,492
Investments in joint ventures		**68,098**	61,758	62,894
Trade and other receivables		**9,735**	16,436	9,376
Deferred tax assets		**24,224**	18,781	22,464
Available for sale financial assets		**10,111**	8,140	9,498
		1,080,108	**991,500**	**1,013,182**
Current assets				
Inventories		**302,251**	281,879	314,481
Trade and other receivables		**372,381**	397,520	257,216
Derivative financial instruments		**1,861**	2,090	1,750
Cash and cash equivalents	13	**89,014**	73,060	106,259
		765,507	**754,549**	**679,706**
Total assets		**1,845,615**	**1,746,049**	**1,692,888**
EQUITY				
Issued capital and reserves attributable to equity holders of the Parent				
Share capital and share premium	15	**104,335**	103,660	103,997
Other reserves	16	**134,876**	153,606	126,600
Retained earnings		**448,560**	357,491	405,289
		687,771	**614,757**	**635,886**
Non-controlling interests		**8,144**	7,726	7,634
Total equity		**695,915**	**622,483**	**643,520**
LIABILITIES				
Non-current liabilities				
Borrowings	13	**521,331**	517,753	441,641
Deferred tax liabilities		**98,477**	82,592	95,584
Retirement benefit obligations	17	**91,360**	84,888	78,035
Provisions for other liabilities and charges	14	**19,268**	21,803	18,492
Capital grants		**2,368**	2,577	2,471
		732,804	**709,613**	**636,223**
Current liabilities				
Trade and other payables		**358,345**	374,476	344,642
Current tax liabilities		**472**	16,646	1,415
Borrowings	13	**39,447**	-	39,062
Derivative financial instruments		**1,325**	2,585	1,725
Provisions for other liabilities and charges	14	**17,307**	20,246	26,301
		416,896	**413,953**	**413,145**
Total liabilities		**1,149,700**	**1,123,566**	**1,049,368**
Total equity and liabilities		**1,845,615**	**1,746,049**	**1,692,888**

Condensed statement of cash flows
for the half year ended 05 July 2014

	Notes	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Cash flows from operating activities				
Cash generated from operating activities	20	**27,225**	17,799	163,493
Interest received		**308**	332	2,253
Interest paid		**(10,418)**	(12,238)	(26,409)
Tax paid		**(14,514)**	(11,974)	(31,600)
Net cash inflow/(outflow) from operating activities		**2,601**	**(6,081)**	**107,737**
Cash flows from investing activities				
Acquisition of subsidiary	21	**(21,135)**	-	-
Insurance proceeds		**-**	-	7,670
Purchase of property, plant and equipment	12	**(53,020)**	(37,678)	(94,897)
Purchase of intangible assets	12	**(4,155)**	(8,800)	(11,543)
Dividends received from joint ventures		**3,171**	1,524	10,937
Loans repaid from joint ventures and associates		**-**	-	7,178
Decrease in available for sale financial assets		**815**	1,785	1,752
Proceeds from sale of property, plant and equipment		**47**	104	780
Net cash (outflow) from investing activities		**(74,277)**	**(43,065)**	**(78,123)**
Cash flows from financing activities				
Proceeds from issue of ordinary shares	15	**338**	1,565	1,902
Purchase of own shares		**(5,793)**	(4,642)	(7,387)
Increase/(decrease) in borrowings		**77,500**	(134,088)	(162,921)
Dividends paid to Company shareholders	10	**(17,650)**	(16,009)	(27,929)
Dividends paid to non-controlling interests		**-**	-	(307)
Finance lease payments		**(238)**	-	-
Net cash inflow/(outflow) from financing activities		**54,157**	**(153,174)**	**(196,642)**
Net decrease in cash and cash equivalents		**(17,519)**	**(202,320)**	**(167,028)**
Cash and cash equivalents at the beginning of the period		**106,259**	275,572	275,572
Effects of exchange rate changes on cash and cash equivalents		**274**	(192)	(2,285)
Cash and cash equivalents at the end of the period	13	**89,014**	**73,060**	**106,259**

Reconciliation of net cash flow to movement in net debt		Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Net decrease in cash and cash equivalents		**(17,519)**	(202,320)	(167,028)
Cash movements from debt financing		**(77,262)**	134,088	162,921
Acquisition of subsidiary – debt acquired	21	**(1,401)**	-	-
		(96,182)	**(68,232)**	**(4,107)**
Fair value movement of currency swaps		**(269)**	1,106	674
Exchange translation adjustment on net debt		**(869)**	(1,007)	5,549
Movement in net debt in the period		**(97,320)**	**(68,133)**	**2,116**
Net debt at the beginning of the period		**(374,444)**	(376,560)	(376,560)
Net debt at the end of the period		**(471,764)**	**(444,693)**	**(374,444)**
Net debt comprises:				
Borrowings	13	**(560,778)**	(517,753)	(480,703)
Cash and cash equivalents	13	**89,014**	73,060	106,259
		(471,764)	**(444,693)**	**(374,444)**

Notes to the condensed financial statements
for the half year ended 05 July 2014

1. General information

Glanbia plc (the "Company") and its subsidiaries (together the "Group") is a leading global performance nutrition and ingredients Group with its main operations in Europe, USA, Middle East, Africa, Asia Pacific and Latin America.

The Company is a public limited company incorporated and domiciled in Ireland. The address of its registered office is Glanbia House, Kilkenny, Ireland. The Group is controlled by Glanbia Co-operative Society Limited ("the Society"). The Society can nominate up to 14 members of the Board of Directors of Glanbia plc for the years 2014 to 2015 (inclusive) and currently holds, together with its subsidiaries, 41.3% of the issued share capital of the Company and is the ultimate parent of the Group.

The Company shares are quoted on the Irish and London Stock Exchanges.

2. Basis of preparation

The condensed interim financial statements for the six months ended 05 July 2014 and for the six months ended 29 June 2013 have not been audited by the Group's auditors. The amounts disclosed for the full year ended 04 January 2014 represent an abbreviated version of the Group's financial statements for that year, which received an unqualified audit report. The statutory accounts for the financial year ended 04 January 2014 were approved by the Board of Directors on 11 March 2014 and have been filed with the Companies Registration Office.

The Group's condensed interim financial statements for the six months ended 05 July 2014 have been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Central Bank of Ireland and with IAS 34 – Interim Financial Reporting. These condensed interim financial statements do not constitute statutory accounts within the meaning of section 19 of the Companies (Amendment) Act 1986. The condensed interim financial statements should be read in conjunction with the financial statements for the year ended 04 January 2014, which have been prepared in accordance with IFRS.

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of changes in trading performance, show that the Group expects to be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. In forming this view, the Directors have reviewed the Group's budget for a period of not less than 12 months, the medium term plans as set out in the five year strategic plan, and have taken into account the cash flow implications of the plans, including proposed capital expenditure, and compared these with the Group's committed borrowing facilities and Group financing key performance indicators (KPIs). The Group therefore continues to adopt the going concern basis in preparing its condensed interim financial statements for the six months ended 05 July 2014.

3. Accounting policies

The methods of computation and accounting policies adopted in the preparation of the Group's condensed interim financial statements are consistent with those applied in the Annual Report for the year ended 04 January 2014 ("2013 Annual Report") except for the IFRSs outlined below. The Group's accounting policies are set out in the financial statements in the 2013 Annual Report.

The following standards and interpretations, issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'), are effective for the Group for the first time in the current financial period and where relevant have been adopted by the Group:

- IAS 27 (revised) – Separate financial statements
- IAS 28 (revised) – Associates and joint ventures
- IFRS 10 – Consolidated financial statements
- IFRS 11 – Joint arrangements
- IFRS 12 – Disclosure of interests in other entities
- Amendments to IFRS 10,11,12 – Transition guidance
- Amendments to IFRS 10, IFRS 12 and IAS 27 – Exception from consolidation for 'investment entities'
- Amendments to IAS 32 – Financial instruments: Presentation, offsetting financial assets and financial liabilities
- Amendments to IAS 36 – Impairment of assets, recoverable amount disclosures for non – financial assets

- Amendments to IAS 39 – Financial instruments; Recognition and measurement, novation of derivatives and continuation of hedge accounting
- IFRIC 21 - Levies (Not yet endorsed by EU)

Adoption of the standards above had no significant impact on the results or financial position of the Group during the period.

4. Changes in estimates and assumptions

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 04 January 2014.

5. Financial risk management

The Group's activities expose it to a variety of financial risks as follows: market risk, currency risk, interest rate risk, price risk, liquidity risk, cash flow risk and credit risk. The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2013 Annual Report.

There have been no changes to the risk management procedures or policies since 2013 year end.

Fair value estimation

The fair value of financial instruments traded in active markets (such as available for sale financial assets) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using generally accepted valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

In accordance with IFRS 7 – Financial Instruments: Disclosures, the Group has disclosed the fair value of instruments by the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)
- inputs, other than quoted prices included in level 1, that are observable for the asset and liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's assets and liabilities that are measured at fair value at 05 July 2014 and 04 January 2014:

05 July 2014	**Level 1 €'000**	**Level 2 €'000**	**Level 3 €'000**	**Total €'000**
Assets				
Derivatives used for hedging	-	1,861	-	**1,861**
Available for sale financial assets - equity securities	344	3,161	-	**3,505**
Total assets	**344**	**5,022**	**-**	**5,366**
Liabilities				
Derivatives used for hedging	-	(1,325)	-	**(1,325)**
Total liabilities	**-**	**(1,325)**	**-**	**(1,325)**

04 January 2014	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
Assets				
Derivatives used for hedging	-	1,750	-	**1,750**
Available for sale financial assets - equity securities	307	1,789	-	**2,096**
Total assets	**307**	**3,539**	**-**	**3,846**
Liabilities				
Derivatives used for hedging	-	(1,725)	-	**(1,725)**
Total liabilities	**-**	**(1,725)**	**-**	**(1,725)**

There were no transfers between levels 1, 2 and 3 during the period.

There were no changes in valuation techniques during the periods.

Valuation techniques used to derive level 2 fair values

Level 2 equities are fair valued using the latest prices quoted in the grey market as at 05 July 2014.

Level 2 trading and hedging derivatives comprise mainly of foreign exchange contracts. These foreign exchange contracts have been fair valued using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for Level 2 derivatives.

Level 2 debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

Group's valuation process

The Group's finance department includes a team that performs the valuations of financial assets and financial liabilities required for financial reporting purposes. This team reports directly to the Group Finance Director who in turn reports to the Audit Committee. Discussions of valuation processes and results are held between the Group Finance Director and the Audit Committee.

Changes in level 2 fair values are analysed at each reporting date. As part of this discussion, the valuation team presents a report that explains the reasons for the fair value movements.

Fair value of financial assets and liabilities measured at amortised cost

The fair value of borrowings are as follows:

	05 July 2014	04 January 2014
Non-current	539,383	456,064
Current	39,447	39,062
	578,830	**495,126**

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Cash and cash equivalents (excluding bank overdrafts)
- Trade and other payables

6. Segment information

In accordance with IFRS 8 – Operating Segments, the Group has four segments, as follows: Global Performance Nutrition, Global Ingredients, Dairy Ireland and Joint Ventures & Associates. These segments align with the Group's internal financial reporting system and the way in which the Chief Operating Decision Maker assesses performance and allocates the Group's resources. A segment manager is responsible for each segment and is directly accountable for the performance of that segment to the Glanbia Operating Executive Committee which acts as the Chief Operating Decision Maker for the Group.

Each segment derives its revenues as follows: Global Performance Nutrition earns its revenue from sports nutrition solutions; Global Ingredients earns its revenue from the manufacture and sale of cheese, whey protein and other customised solutions; Dairy Ireland earns its revenue from the manufacture and sale of a range of consumer products and farm inputs and Joint Ventures & Associates revenue arises from the manufacture and sale of cheese, whey proteins and dairy consumer products. Each segment is reviewed in its totality by the Chief Operating Decision Maker. The Glanbia Operating Executive Committee assesses the trading performance of operating segments based on a measure of earnings before interest, tax, amortisation and exceptional items.

6.1 The segment results for the period ended 05 July 2014 are as follows:

		Global Performance Nutrition	Global Ingredients	Dairy Ireland	JVs & Associates	Group including JVs & Associates
		€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	(a)	374,627	585,140	353,824	503,444	**1,817,035**
Inter-segment revenue		-	(19,434)	-	-	**(19,434)**
Segment external revenue		**374,627**	**565,706**	**353,824**	**503,444**	**1,797,601**
Segment earnings before interest, tax, amortisation and exceptional items	(b)	**42,907**	**53,871**	**10,536**	**22,158**	**129,472**
Segment assets	(c)	**585,454**	**648,620**	**336,298**	**164,213**	**1,734,585**
Segment liabilities	(d)	**95,902**	**200,155**	**188,750**	**-**	**484,807**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €5.3 million and related party sales between Global Ingredients and Joint Ventures & Associates of €9.1 million. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

6.1(a) Total gross segment revenue is reconciled to reported external revenue as follows:

	€'000
Total gross segment revenue	**1,817,035**
Inter-segment revenue	(19,434)
Joint Ventures & Associates revenue	(503,444)
Reported external revenue	**1,294,157**

Notes to the condensed financial statements
for the half year ended 05 July 2014

6.1(b) Segment earnings before interest, tax, amortisation and exceptional items are reconciled to reported profit before tax and profit after tax as follows:

	€'000
Segment earnings before interest, tax, amortisation and exceptional items	**129,472**
Amortisation	(10,565)
Exceptional items	(3,638)
Joint Ventures & Associates interest, tax and amortisation	(6,882)
Finance income	841
Finance costs	(11,337)
Reported profit before tax	**97,891**
Income tax	(13,789)
Reported profit after tax	**84,102**

Finance income, finance costs and income taxes are not allocated to segments, as this type of activity is driven by central treasury and taxation functions which manage the cash and taxation position of the Group.

6.1(c) Segment assets are reconciled to reported assets as follows:

	€'000
Segment assets	**1,734,585**
Unallocated assets	111,030
Reported assets	**1,845,615**

Unallocated assets primarily include tax, cash and cash equivalents, available for sale financial assets and derivatives.

6.1(d) Segment liabilities are reconciled to reported liabilities as follows:

	€'000
Segment liabilities	**484,807**
Unallocated liabilities	664,893
Reported liabilities	**1,149,700**

Unallocated liabilities primarily include items such as tax, borrowings and derivatives.

6.2 The segment results for the period ended 29 June 2013 are as follows:

		Global Performance Nutrition €'000	Global Ingredients €'000	Dairy Ireland €'000	JVs & Associates €'000	Group including JVs & Associates €'000
Total gross segment revenue	(a)	320,202	550,048	383,247	426,797	**1,680,294**
Inter-segment revenue		-	(17,148)	-	-	**(17,148)**
Segment external revenue		**320,202**	**532,900**	**383,247**	**426,797**	**1,663,146**
Segment earnings before interest, tax, amortisation and exceptional items	(b)	**33,606**	**56,636**	**12,027**	**19,907**	**122,176**
Segment assets	(c)	**562,496**	**585,989**	**357,879**	**154,257**	**1,660,621**
Segment liabilities	(d)	**111,959**	**207,975**	**207,454**	**-**	**527,388**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures and Associates of €6.6 million, and related party sales between Global Ingredients and Joint Ventures & Associates of €7.5 million. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

6.2(a) Total gross segment revenue is reconciled to reported external revenue as follows:

	€'000
Total gross segment revenue	**1,680,294**
Inter-segment revenue	(17,148)
Joint Ventures & Associates revenue	(426,797)
Reported external revenue	**1,236,349**

6.2(b) Segment earnings before interest, tax, amortisation and exceptional items is reconciled to reported profit before tax and profit after tax as follows:

	€'000
Segment earnings before interest, tax, amortisation and exceptional items	**122,176**
Amortisation	(10,020)
Joint Ventures & Associates interest, tax and amortisation	(6,327)
Finance income	1,077
Finance costs	(11,870)
Reported profit before tax	**95,036**
Income taxes	(13,847)
Reported profit after tax	**81,189**

Finance income, finance costs and income taxes are not allocated to segments, as this type of activity is driven by central treasury and taxation functions which manage the cash and taxation position of the Group.

6.2(c) Segment assets are reconciled to reported assets as follows:

	€'000
Segment assets	**1,660,621**
Unallocated assets	85,428
Reported assets	**1,746,049**

Unallocated assets primarily include tax, cash and cash equivalents, available for sale financial assets and derivatives.

6.2(d) Segment liabilities are reconciled to reported liabilities as follows:

	€'000
Segment liabilities	**527,388**
Unallocated liabilities	596,178
Reported liabilities	**1,123,566**

Unallocated liabilities primarily include items such as tax, borrowings and derivatives.

6.3 The segment results for the year ended 04 January 2014 are as follows:

		Global Performance Nutrition €'000	Global Ingredients €'000	Dairy Ireland €'000	JVs & Associates €'000	Group including JVs & Associates €'000
Total gross segment revenue	(a)	655,289	1,118,526	652,192	900,466	**3,326,473**
Inter-segment revenue		-	(43,874)	-	-	**(43,874)**
Segment external revenue		**655,289**	**1,074,652**	**652,192**	**900,466**	**3,282,599**
Segment earnings before interest, tax, amortisation and exceptional items	(b)	**70,545**	**101,982**	**15,138**	**39,026**	**226,691**
Segment assets	(c)	**539,849**	**600,543**	**273,305**	**152,762**	**1,566,459**
Segment liabilities	(d)	**104,231**	**222,620**	**166,059**	**-**	**492,910**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €11.0 million and related party sales between Global Ingredients and Joint Ventures & Associates of €15.8 million. Inter-segment transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

6.3(a) Total gross segment revenue is reconciled to reported external revenue as follows:

	€'000
Total gross segment revenue	**3,326,473**
Inter-segment revenue	(43,874)
Joint Ventures & Associates revenue	(900,466)
Reported external revenue	**2,382,133**

6.3(b) Segment earnings before interest, tax, amortisation and exceptional items is reconciled to reported profit before tax and profit after tax as follows:

	€'000
Segment earnings before interest, tax, amortisation and exceptional items	**226,691**
Amortisation	(21,011)
Exceptional items	5,804
Joint Ventures & Associates interest, tax and amortisation	(12,538)
Finance income	2,168
Finance costs	(25,110)
Reported profit before tax	**176,004**
Income taxes	(25,008)
Reported profit after tax	**150,996**

Finance income, finance costs and income taxes are not allocated to segments, as this type of activity is driven by central treasury and taxation functions which manage the cash and taxation position of the Group.

6.3(c) Segment assets are reconciled to reported assets as follows:

	€'000
Segment assets	**1,566,459**
Unallocated assets	126,429
Reported assets	**1,692,888**

Unallocated assets primarily include tax, cash and cash equivalents, available for sale financial assets and derivatives.

6.3(d) Segment liabilities are reconciled to reported liabilities as follows:

	€'000
Segment liabilities	**492,910**
Unallocated liabilities	556,458
Reported liabilities	**1,049,368**

Unallocated liabilities primarily include items such as tax, borrowings and derivatives.

7. Exceptional items

	Notes	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Irish defined benefit pension schemes	(a)	-	-	13,833
Rationalisation costs	(b)	(644)	-	(8,029)
Transaction costs	(c)	(2,994)	-	-
Total exceptional (charge)/credit before tax		**(3,638)**	**-**	**5,804**
Exceptional tax credit/(charge)		874	-	(316)
Total exceptional (charge)/credit		**(2,764)**	**-**	**5,488**

(a) The Group undertook a review of pension arrangements during 2009 and 2010 across its main Irish defined benefit pension schemes. In 2013, revisions to the Group's pension arrangements for two smaller Irish defined benefit schemes was completed giving rise to an exceptional gain in the year, in accordance with IAS 19, of €13.8 million. This gain relates to negative past service cost, settlement, and curtailment of €8.9 million, €4.0 million and €0.9 million respectively. The curtailment gains and negative past service costs arise following the removal of guaranteed increases to pensions in payment for all members and the provision of benefits for members in employment on a career average basis from a final salary basis.

(b) Rationalisation costs primarily relate to the ongoing redundancy programmes in the Dairy Ireland segment.

(c) Transaction costs relate to acquisition activities that did not come to fruition. The primary costs incurred were legal, taxation, due diligence, other consultancy and loan facility fees.

8. Finance income and costs

	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Finance income			
Interest income	841	1,077	2,168
Total finance income	**841**	**1,077**	**2,168**
Finance costs			
Bank borrowings repayable within five years	(3,416)	(3,982)	(9,327)
Unwinding of discounts	(158)	(58)	(118)
Finance lease costs	(40)	-	-
Finance cost of private debt placement	(6,385)	(6,492)	(12,989)
Finance cost of preference shares	(1,338)	(1,338)	(2,676)
Total finance costs	**(11,337)**	**(11,870)**	**(25,110)**
Net finance costs	**(10,496)**	**(10,793)**	**(22,942)**

9. Income taxes

The Group's income tax charge after exceptional items of €13.8 million (HY 2013: €13.8 million) has been prepared based on the Group's best estimate of the weighted average tax rate that is expected for the full financial year.

10. Dividends

A final dividend in respect of the year ended 04 January 2014 of 5.97 cents per share was paid during the period. On 19 August 2014, the Directors declared the payment of an interim dividend for 2014 of 4.43 cents per share (2013 interim dividend: 4.03 cents per share). The interim dividend will be reflected in the financial statements for the full year 2014 in line with IAS 10 - Events After the Reporting Period.

11. Earnings per share

	Half year 2014	Half year 2013	Year 2013
Basic			
Profit attributable to equity holders of the Parent (€'000)	83,592	80,738	150,330
Weighted average number of ordinary shares in issue	295,028,064	294,804,164	294,712,649
Basic earnings per share (cents per share)	**28.33**	**27.39**	**51.01**
Diluted			
Weighted average number of ordinary shares in issue	295,028,064	294,804,164	294,712,649
Adjustments for share options and share awards	1,420,214	1,807,398	2,041,339
Adjusted weighted average number of ordinary shares	296,448,278	296,611,562	296,753,988
Diluted earnings per share (cents per share)	**28.20**	**27.22**	**50.66**
Adjusted			
Profit attributable to equity holders of the Parent (€'000)	83,592	80,738	150,330
Amortisation of intangible assets (net of related tax) (€'000)	9,244	8,768	18,385
Amortisation of joint ventures and associates intangible assets (net of related tax) (€'000)	129	94	222
Net exceptional charge/(credit) (€'000)	2,764	-	(5,488)
Adjusted net income (€'000)	**95,729**	**89,600**	**163,449**
Adjusted earnings per share (cents per share)	**32.45**	**30.39**	**55.46**
Diluted adjusted earnings per share (cents per share)	**32.29**	**30.21**	**55.08**

12. Property, plant & equipment and intangible assets

During the six month period to 05 July 2014 the Group spent €57.2 million (HY 2013: €46.5 million) on additions to property, plant & equipment and intangible assets. In addition, the Group also acquired Nutramino Holding ApS which included €2.2 million property, plant & equipment, €15.1 million intangible assets and €7.3 million goodwill. There were no significant disposals during the period. At 05 July 2014 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €48.8 million (HY 2013: €39.0 million).

13. Net debt

	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Borrowings due within one year	39,447	-	39,062
Borrowings due after one year	521,331	517,753	441,641
Less:			
Cash and cash equivalents	(89,014)	(73,060)	(106,259)
Net debt	**471,764**	**444,693**	**374,444**

The Group has the following undrawn borrowing facilities:

	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Expiring within one year	63,351	65,256	63,020
Expiring beyond one year	185,545	238,006	263,394
	248,896	**303,262**	**326,414**

Movement in net borrowings to the period ended 29 June 2013 is analysed as follows:

	€'000
Balance at 29 December 2012	**376,560**
- Net drawdown of borrowings	68,232
- Fair value of interest rate swaps qualifying as fair value hedges	(1,106)
- Exchange translation adjustment on net debt	1,007
Balance at 29 June 2013	**444,693**

Movement in net borrowings to the period ended 05 July 2014 is analysed as follows:

	€'000
Balance at 04 January 2014	**374,444**
- Acquisition of subsidiary	21,135
- Acquisition of subsidiary - net debt	1,401
- Other borrowings	73,646
- Fair value movement of currency swaps	269
- Exchange translation adjustment on net debt	869
Balance at 05 July 2014	**471,764**

On 31 July 2014 all of the Group's remaining cumulative preference shares were redeemed. The shares were redeemed at their issue price for a total of €39 million in accordance with their terms.

14. Provisions for other liabilities and charges

	Restructuring €'000 note (a)	UK pension €'000 note (b)	Legal claims €'000 note (c)	Property & lease commitments €'000 note (d)	Operational €'000 note (e)	Total €'000
At 04 January 2014	**13,320**	**18,126**	**6,046**	**1,554**	**5,747**	**44,793**
Charged in the period	644	-	-	-	-	**644**
Utilised in the period	(9,159)	(233)	(174)	(217)	(124)	**(9,907)**
Exchange differences	-	863	12	8	4	**887**
Unwinding of discounts	-	128	-	30	-	**158**
At 05 July 2014	**4,805**	**18,884**	**5,884**	**1,375**	**5,627**	**36,575**
Non-current	-	18,021	-	1,247	-	**19,268**
Current	4,805	863	5,884	128	5,627	**17,307**
	4,805	**18,884**	**5,884**	**1,375**	**5,627**	**36,575**

(a) The restructuring provision relates to the rationalisation programme that the Group is currently undertaking. The provision, which relates mainly to termination payments is expected to be fully utilised during 2014.

(b) The UK pension provision relates to administration and certain costs associated with pension schemes attached to businesses disposed of in prior years. This provision is expected to be fully utilised over the next 29 years.

(c) The legal claims provision represents legal claims brought against the Group. Due to the nature of these claims there is some uncertainty around the amount and timing of payments. In the opinion of the Directors, after taking appropriate legal advice, the outcome of these legal claims is not expected to give rise to any significant loss beyond the amounts provided for at 05 July 2014.

(d) The property and lease commitments provision relates to onerous leases in respect of three properties where the Group has a present and future obligation to make lease payments. It is expected that €0.1 million will be utilised during 2014 and the balance will be fully utilised over the next 3 years.

(e) It is expected that €5.6 million of this provision will be utilised during 2014. Due to the nature of these items, there is some uncertainty around the amount and timing of payments.

15. Share capital and share premium

Half year 2013	Number of shares (thousands)	Ordinary shares €'000	Share premium €'000	Total €'000
At 29 December 2012	**294,956**	**17,697**	**84,398**	**102,095**
Shares issued	600	36	1,529	**1,565**
At 29 June 2013	**295,556**	**17,733**	**85,927**	**103,660**

Half year 2014	Number of shares (thousands)	Ordinary shares €'000	Share premium €'000	Total €'000
At 04 January 2014	**295,646**	**17,738**	**86,259**	**103,997**
Shares issued	85	5	333	**338**
At 05 July 2014	**295,731**	**17,743**	**86,592**	**104,335**

During the period ended 05 July 2014 85,000 of the 2002 Long Term Incentive Plan ('the 2002 LTIP') shares were exercised with exercise proceeds of €0.3 million. The related weighted average exercise price was €3.98 per share.

The total authorised number of ordinary shares is 350 million shares (HY 2013: 306 million shares) with a par value of €0.06 per share (HY 2013: €0.06 per share). All issued shares are fully paid.

Notes to the condensed financial statements
for the half year ended 05 July 2014

16. Other reserves

Half year 2013	Capital and merger reserve €'000	Currency reserve €'000	Hedging reserve €'000	Available for sale financial asset reserve €'000	Own shares €'000	Share based payment reserve €'000	Total €'000
Balance at 29 December 2012	**115,973**	**32,655**	**(2,254)**	**441**	**(8,221)**	**6,695**	**145,289**
Currency translation differences	-	4,187	-	-	-	-	**4,187**
Net investment hedge	-	(588)	-	-	-	-	**(588)**
Revaluation of interest rate swaps - gain in period	-	-	532	-	-	-	**532**
Foreign exchange contracts – loss in period	-	-	(503)	-	-	-	**(503)**
Transfers to income statement:							
- Foreign exchange contracts – loss in period	-	-	155	-	-	-	**155**
- Forward commodity contracts – loss in period	-	-	161	-	-	-	**161**
Revaluation of forward commodity contracts - loss in period	-	-	(81)	-	-	-	**(81)**
Revaluation of available for sale financial assets - gain in period	-	-	-	779	-	-	**779**
Deferred tax on fair value movements	-	-	(35)	(257)	-	-	**(292)**
Cost of share based payments	-	-	-	-	-	2,292	**2,292**
Transfer on exercise, vesting or expiry of share based payments	-	-	-	-	9,094	(2,777)	**6,317**
Purchase of own shares	-	-	-	-	(4,642)	-	**(4,642)**
Balance at 29 June 2013	**115,973**	**36,254**	**(2,025)**	**963**	**(3,769)**	**6,210**	**153,606**

Half year 2014	Capital and merger reserve €'000	Currency reserve €'000	Hedging reserve €'000	Available for sale financial asset reserve €'000	Own shares €'000	Share based payment reserve €'000	Total €'000
Balance at 04 January 2014	**115,973**	**10,535**	**(1,427)**	**1,396**	**(8,191)**	**8,314**	**126,600**
Currency translation differences	-	4,040	-	-	-	-	**4,040**
Net investment hedge	-	(245)	-	-	-	-	**(245)**
Revaluation of interest rate swaps – gain in period	-	-	105	-	-	-	**105**
Foreign exchange contracts – gain in period	-	-	1,539	-	-	-	**1,539**
Transfers to income statement:							
- Foreign exchange contracts – loss in period	-	-	271	-	-	-	**271**
- Forward commodity contracts – gain in period	-	-	(79)	-	-	-	**(79)**
Revaluation of forward commodity contracts - gain in period	-	-	173	-	-	-	**173**
Revaluation of available for sale financial assets - gain in period	-	-	-	1,409	-	-	**1,409**
Deferred tax on fair value movements	-	-	(54)	(465)	-	-	**(519)**
Cost of share based payments	-	-	-	-	-	2,931	**2,931**
Transfer on exercise, vesting or expiry of share based payments	-	-	-	-	8,188	(3,744)	**4,444**
Purchase of own shares	-	-	-	-	(5,793)	-	**(5,793)**
Balance at 05 July 2014	**115,973**	**14,330**	**528**	**2,340**	**(5,796)**	**7,501**	**134,876**

17. Retirement benefit obligations

The movement in the liability recognised in the Condensed balance sheet is as follows:

	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
At the beginning of the period	**(78,035)**	**(98,133)**	**(98,133)**
Exchange differences	(1,134)	1,137	436
Total expenses	(4,174)	(4,318)	(8,801)
Negative past service costs, gains and losses on settlements	-	-	13,833
Remeasurements - defined benefit schemes	(16,857)	8,512	(1,546)
Contributions paid by employer	8,840	7,914	16,176
At the end of the period	**(91,360)**	**(84,888)**	**(78,035)**

The amounts recognised in the Condensed balance sheet are determined as follows:

	Half year 2014 €'000	Half year 2013 €'000	Year 2013 €'000
Fair value of plan assets	374,343	341,576	346,484
Present value of funded obligations	(465,703)	(426,464)	(424,519)
Liability in Condensed balance sheet	**(91,360)**	**(84,888)**	**(78,035)**

The following actuarial assumptions have been made in determining the Group's retirement benefit obligations for the half year ended 05 July 2014 and full year ended 04 January 2014:

	Half year 2014		Year 2013	
	IRL	UK	IRL	UK
Discount rate	3.00%	4.25%	3.60%	4.40%
Inflation rate	1.70%	2.25% - 3.25%	2.00%	2.35% - 3.35%
Future salary increases	2.70%	4.00%	3.00%	4.10%
Future pension increases	0.00%	2.30% - 3.00%	0.00%	2.40% - 3.05%

Mortality rates
The mortality assumptions imply the following life expectancies in years of an active member on retiring at age 65, 20 years from now:

	Half year 2014		Year 2013	
	Irish mortality rates	UK mortality rates	Irish mortality rates	UK mortality rates
Male	24.5	22.7	24.5	22.6
Female	27.3	25.3	27.3	25.2

The mortality assumptions imply the following life expectancies in years of an active member, aged 65, retiring now:

	Half year 2014		Year 2013	
	Irish mortality rates	UK mortality rates	Irish mortality rates	UK mortality rates
Male	21.0	21.4	21.0	21.3
Female	23.8	23.7	23.8	23.7

18. Related party transactions

The Group is controlled by Glanbia Co-operative Society Limited (the "Society") which holds 41.3% of the issued share capital of Glanbia plc (the "Company") and is the ultimate parent of the Group.

During the six months to 05 July 2014, sales to related parties amounted to €15.8 million (HY 2013: €16.1 million), purchases from related parties amounted to €23.9 million (HY 2013: €21.0 million) and net balances owed to related parties were €40.4 million (HY 2013: €23.9 million). The related party transactions relate primarily to trading between the Group, Southwest Cheese Company, LLC, Glanbia Ingredients Ireland Limited, Milk Ventures (UK) Limited and the Society.

In the opinion of the Directors, there have been no related party transactions, or changes therein, since the year ended 04 January 2014, that have materially affected the Group's financial position or performance during the six months ended 05 July 2014.

19. Contingent liabilities

Group bank guarantees amounting to €2.9 million (HY 2013: €2.1 million) are outstanding at 05 July 2014, mainly in respect of the payment of EU subsidies. The Group does not expect any material loss to arise from these guarantees.

20. Cash generated from operations

	Half year 2014 €'000	**Half year 2013 €'000**	**Year 2013 €'000**
Profit before taxation	**97,891**	**95,036**	**176,004**
Development costs capitalised	**-**	-	(5,803)
Write-off of intangibles	**-**	-	76
Exceptional loss/(gain)	**3,638**	-	(5,804)
Share of results of Joint Ventures & Associates	**(15,276)**	(13,580)	(26,488)
Depreciation	**14,914**	13,108	27,203
Amortisation	**10,565**	10,020	21,011
Cost of share based payments	**2,931**	2,292	4,568
Difference between pension charge and cash contributions	**(4,666)**	(3,596)	(7,375)
(Profit)/loss on disposal of property, plant and equipment	**(9)**	(102)	206
Finance income	**(841)**	(1,077)	(2,168)
Finance expense	**11,337**	11,870	25,110
Amortisation of government grants received	**(109)**	(110)	(219)
Cash generated from operations before changes in working capital	**120,375**	**113,861**	**206,321**
Changes in net working capital:			
- Decrease/(increase) in inventory	**14,697**	862	(40,516)
- (Increase)/decrease in short term receivables	**(110,351)**	(124,567)	2,620
- Increase in short term liabilities	**12,411**	29,496	3,340
- (Decrease) in provisions	**(9,907)**	(1,853)	(8,272)
Cash generated from operations	**27,225**	**17,799**	**163,493**

21. Business Combinations

On 17 January 2014 the Group acquired 100% of Nutramino Holding ApS ("Nutramino"). Nutramino is a leading Scandinavian sports nutrition business with operations in Denmark, Sweden and Norway.

Goodwill is attributable to the profitability and development opportunities associated with the extension of the Group's portfolio by complementing and enhancing existing performance nutrition capabilities. Goodwill is not deductible for tax purposes.

Details of net assets acquired and goodwill arising from the acquisition are as follows:

	€'000
Purchase consideration – cash paid	16,364
Contingent consideration	4,771
Total consideration	**21,135**
Less: Fair value of assets acquired	(13,849)
Goodwill	**7,286**

The fair value of assets and liabilities arising from the acquisition are as follows:

	Fair value €'000
Property, plant and equipment	2,200
Intangible assets - brands	9,918
Intangible assets - customer relationships	5,160
Inventories	994
Trade and other receivables	2,573
Trade and other payables	(2,287)
Deferred income tax liabilities	(3,308)
Net borrowings	(1,401)
Fair value of assets acquired	**13,849**

Acquisition related costs charged to the Condensed income statement during the period ended 5 July 2014 amounted to €0.1 million (FY 2013: €0.5 million).

The contingent consideration arrangement requires the Group to pay the former owners of Nutramino an earn out if the 2014 actual adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") exceeds the actual 2013 adjusted EBITDA by a minimum agreed amount. The fair value of the Group's estimated contingent consideration based on the earn out definition is €4.8 million but can fall somewhere between zero and €12.6 million depending on performance. The EBITDA used is based on management's forecast at the date of acquisition. Should the actual result change from the forecast, any increase or decrease will result in a corresponding charge or credit to the Income Statement.

The estimated contingent consideration of €4.8 million has been transferred to an escrow account and is due to be paid before 17 March 2015. As a result, the contingent consideration recognised of €4.8 million was not discounted as the effect of discounting was not material.

Revenue included in the Condensed income statement from 17 January 2014 to 05 July 2014 contributed by the new business was €8.0 million. The business also contributed profit before interest, tax and amortisation of €0.7 million over the same period.

The revenue and profit for the period ended 5 July 2014, determined in accordance with IFRS 3 - Business Combinations, as though the acquisition date for the Nutramino business effected during the year had been at the beginning of the year would not be materially different.

The fair value of trade and other receivables at the acquisition date amounted to €2.6 million. The Gross contractual amount for trade receivables due is €2.4 million of which €0.1 million is provided for as an allowance for doubtful debts.

No contingent liability arose as part of the acquisition.

22. Events after the reporting period

There have been no material events subsequent to the end of the interim period 05 July 2014 which require disclosure in this report.

23. Information

Copies of this half yearly financial report are available for download from the Group's website at www.glanbia.com.