NEWS RELEASE
Glanbia Corporate Communications
Telephone + 353 56 777 2200
Facsimile + 353 56 77 50834
www.glanbia.com

A world of dairy
foods and nutritional
ingredients

2006 Results

For further information contact

Glanbia plc +353 56 777 2200 Geoff Meagher, Deputy Group Managing Director/Group Finance Director Siobhan Talbot, Deputy Group Finance Director Geraldine Kearney, Corporate Communications Director + 353 87 231 9430	
Hogarth Partnership UK +44 207 357 9477 John Olsen	

KEY MILESTONES ACHIEVED IN 2006
ON TARGET FOR DOUBLE DIGIT GROWTH IN 2007

7 March 2007 - Glanbia plc, the international dairy foods and nutritional ingredients Group, announces its full year results for the year ended 30 December 2006.

2006 Results Summary

	2006	2005 (as restated)	Change
Revenue[(1)]	€1,853.4 m	€1,830.0 m	**Up 1%**
Operating profit pre exceptional	€85.6 m	€80.9 m	**Up 6%**
Operating margin pre exceptional	4.6%	4.4%	**Up 20 bps**
Net financing costs pre exceptional	(€14.0 m)	(€13.1 m)	**Up €0.9 m**
Share of results of joint ventures and associates[(1)]	€2.8 m	€0.9 m	**Up 205%**
Profit before tax pre exceptional	€74.4 m	€68.7 m	**Up 8%**
Profit after tax pre exceptional	€66.4 m	€61.1 m	**Up 9%**
Exceptional items[(2)]	(€0.1 m)	(€3.4 m)	**See note**
Earnings per share	22.5 c	19.7 c	**Up 14%**
Adjusted earnings per share	22.6 c	20.9 c	**Up 8%**
Dividend per share in respect of the year	5.79 c	5.51 c	**Up 5%**
Net debt	€224.5 m	€224.2 m	**Similar**

(1) Revenue including Glanbia's share of the revenue of joint ventures and associates was €2.1 billion in 2006, up 8% on 2005. Share of results of joint ventures and associates is an after interest and tax amount.

(2) Exceptional items are €3.3 million restructuring costs relating to the closure of the Pigmeat cannery operation, €9.1 million being the cost of the disposal of the Group's remaining 25% interest and related loan note in The Cheese Company Holdings Limited to Milk Link Limited for €70 million and €12.3 million being the recognition of a deferred tax asset relating to the Group's former UK operations.

John Moloney, Group Managing Director, said:

"2006 was a good year for Glanbia. Our results are in line with market expectations, despite a particularly tough first half and ongoing challenges in Ireland. Key financial performance indicators are trending positive and international operations and joint ventures are progressing well.

We achieved key strategic milestones during the year including a US$105 million US Nutritionals acquisition, Seltzer, and the opening of one of the largest natural cheese and whey processing plants in the world, Southwest Cheese, which is a US$190 million 50:50 joint venture. The Seltzer acquisition is performing ahead of expectations. The Southwest Cheese plant is fully commissioned and is producing product to a world class standard.

A further €50 million of development capital expenditure has been committed in 2006, including €5 million to build the Group's first nutritionals operation in the Asia Pacific region and €22.5 million for a planned capacity expansion and new plant in the Nigerian joint venture.

We are successfully developing a strategic international presence, which today represents nearly 40% of the Group's revenue and profits. This gives Glanbia a strong platform from which to continue to grow and develop overseas. At the same time, the Group continues to consistently and solidly improve the cost base, productivity and long-term sustainability of the Irish operations.

As to the future, Glanbia is on target to deliver double digit earnings growth in 2007 and we believe the outlook is positive for sustained high growth."

2006 Results
Results for the year ended 30 December 2006

Finance review

Income statement
Revenue increased by 1% to €1,853.4 million (2005: €1,830.0 million). A solid operating performance, the changing mix of business and the benefits of prior year rationalisation initiatives improved profitability and margins. Operating profit pre exceptional was up 6% to €85.6 million (2005: €80.9 million) and the operating margin pre exceptional increased 20 basis points to 4.6% (2005: 4.4%).

Net financing costs pre exceptional increased by €0.9 million to €14.0 million (2005: €13.1 million). This reflects an increase in average debt in the year primarily driven by the acquisition of Seltzer in the second half.

The Group's share of results of joint ventures and associates, post interest and tax, increased to a profit of €2.8 million in 2006, compared with a profit of €0.9 million in 2005. This result primarily reflects the improved performance in Glanbia Cheese, the Group's UK joint venture with Leprino Foods and a small first time contribution from Southwest Cheese in the USA.

Profit before tax pre exceptional, including share of joint ventures and associates, increased by 8% to €74.4 million (2005: €68.7 million). Profit after tax pre exceptional increased by 9% to €66.4 million (2005: €61.1 million).

Taxation for the year amounted to a net credit of €4.3 million, compared with a charge of €0.7 million in 2005. 2006 Group tax of €8.0 million (2005: €7.6 million) was offset by an exceptional tax credit of €12.3 million, which was the recognition of a deferred tax asset relating to tax losses in former UK operations which are now being utilised. In 2005, the Group had an exceptional credit of €6.9 million, primarily due to a tax credit relating to a prior disposal of assets in the USA.

Net exceptionals for the year amounted to €0.1 million compared with €3.4 million in 2005. The 2005 exceptional amount has been restated as a consequence of recent changes under IFRS, which no longer require that particular inter company translation movements are reflected in the income statement. In 2006, exceptionals include €3.3 million for restructuring costs relating to the closure of the Pigmeat cannery operations in Ireland, €9.1 million cost relating to the disposal of the Group's remaining 25% interest and related £35 million loan note from The Cheese Company Holdings Limited offset by €12.3 million tax credit outlined above.

Earnings per share grew 14% to 22.5 cent (2005: 19.7 cent), while adjusted earnings per share increased 8% to 22.6 cent (2005: 20.9 cent).

Balance sheet and cash flow
Net debt at the year end amounted to €224.5 million, which was similar to the 2005 restated level of €224.2 million. The 2005 net debt was restated as required under IFRS to reflect an increase in lease liabilities of €8.5 million. This change in accounting policy also increased 2005 property, plant and equipment by €8.5 million. 2006 net debt reflects the €70 million received from the disposal of the Group's interest in The Cheese Company Holdings Limited and related loan note (which was discounted to current value at an exceptional cost of €9.1 million) and €62.3 million (US$80 million) paid for the acquisition of Seltzer Companies Inc. A further €19.5 million (US$25 million) is payable to Seltzer in 2007 and 2008, depending on the achievement of profitability targets. The total consideration for the Seltzer acquisition is €81.8 million (US$105 million).

The Group's retirement benefit obligations decreased €40.1 million to €124.9 million (2005: €165 million). This is mainly as a result of a change in the discount rate assumptions for actuarial valuations and improved investment returns. The discount rate applied to pension schemes in Ireland is 4.7% (2005: 4.3%), whilst the rate applied to UK schemes is 5.3% (2005: 4.9%).

Dividends and Annual General Meeting (AGM)
The Board is recommending a final dividend of 3.41 cent per share, compared with a 3.24 cent per share final dividend in 2005. This brings the total dividend for the year to 5.79 cent per share (2005: 5.51 cent per share), representing a 5% increase. Subject to shareholders approval, dividends will be paid on 22 May 2007 to shareholders on the register

as at 27 April 2007. Irish dividend withholding tax will be deducted at the standard rate where appropriate. The AGM will be held on Wednesday 16 May 2007 and the Annual Report post out date is 13 April 2007.

Operations Review

Glanbia plc is organised into three divisions and has operations in Ireland, Europe and the USA, with international joint ventures in the UK, USA and Nigeria. In line with accounting standards, the Group's share of profits of joint ventures and associates is included on an after interest and tax basis and is separately outlined in the segmental analysis below.

CONSUMER FOODS	€'000	2006	2005	Change
This division includes: Consumer Foods incorporating nutritional beverages, fresh dairy products and cheese, soups and spreads; and, Pigmeat, which produces a range of pork and bacon products.	**Revenue**	511,022	493,582	**Up 3.5%**
	Operating profit pre exceptional	24,525	27,139	**Down 10%**
	Operating margin pre exceptional	4.8%	5.5%	**Down 70 bps**

Revenue for the Consumer Foods division was up 3.5% to €511 million (2005: €493.6 million). Operating profit was down 10% to €24.5 million (2005: €27.1 million), leading to a 70 basis points reduction in the operating margin to 4.8% (2005: 5.5%). A steady performance from the consumer foods business was more than offset by difficulties in Pigmeat including margin erosion due to lower prices in certain segments and losses at the cannery operation.

Consumer Foods

Overall the consumer foods business unit had a demanding but satisfactory year and revenue, operating profits and margins were broadly similar to last year. Significantly increased marketing investment resulted in maintaining leading market share positions in key categories such as beverages, fresh dairy and cheese. Recent extensions of TV advertising position Glanbia in the top three TV grocery advertisers in Ireland and research indicates that Avonmore will be the top advertised food brand in the country in 2007 based on current trends. Glanbia is the only company with seven listings in the top 100 Irish grocery brands, with several of our portfolio improving their positions year on year. However, the retail environment continues to be very competitive and inflationary cost pressures in the economy remain a constant challenge for the business.

Nutritional beverages: In 2006, this business retained its leading market share position in milk mainly as a result of strong marketing investment, the volume benefits of the CMP brand and the ongoing launch of new products, such as coffee milk and flavoured milks. Progress was also made in extending the product range targeting the growing consumer trend towards more nutritious and healthier beverages.

Fresh dairy products: In 2006, this business successfully stabilised its overall market share and improved its position in the growing functional foods area with the launch of products targeting health benefits. The manufacturing cost base continues to improve, despite increased energy and labour costs, as a result of competitiveness initiatives including the rationalisation of the Yoplait production facilities undertaken in 2005 together with ongoing improvements in supply chain management and capacity consolidation.

Cheese, soups and spreads: In 2006, a concerted marketing focus helped these segments defend their overall market share positions in increasingly competitive food categories. The key opportunity for this business will be to continue to deliver fresh and convenient product solutions and to extend the product range, focusing on the growing consumer trend for more innovative foods in convenient formats, such as the Fresh Fare range of meal soups launched successfully this year.

Outlook: Nutritious, fresh and natural continue to be the key drivers for food and beverages among Irish consumers. However, the marketplace is becoming more competitive which is driving the need for a lower cost base. Against this background consumer foods will continue with its product innovation and cost management programmes, underpinned by strong marketing investment to maintain the relevance of its product portfolio to customers and consumers.

Pigmeat

This business had a difficult 2006 and its overall performance declined. The two key factors affecting performance were margin erosion due to lower prices in certain segments of the business and the accelerated decline of the cannery operation leading eventually to the decision to close this business in November 2006.

The closure of the cannery operation gave rise in 2006 to an exceptional item of €3.3 million primarily relating to redundancy costs. The overall cost associated with this rationalisation is expected to be largely neutral when the property element of this business is disposed of in due course.

Outlook: The outlook for the pigmeat business unit is for an improved performance in 2007. Pig production is expected to stabilise and improvements in operational efficiency continue as a consequence of ongoing consolidation and modernisation of the sector overall.

AGRIBUSINESS & PROPERTY	€'000	2006	2005	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**	264,492	229,142	**Up 15%**
	Operating profit pre exceptional	16,876	10,684	**Up 58%**
	Operating margin pre exceptional	6.4%	4.7%	**Up 170 bps**

Revenue was up 15% to €264.5 million (2005: €229.1 million). Operating profit was up 58% to €16.9 million (2005: €10.7 million), substantially driven by Property. The operating margin was up 170 basis points to 6.4% (2005: 4.7%). The Agribusiness margin was 3.7% (2005: 3.6%).

Agribusiness

Agribusiness had a good year, despite the ongoing challenges in farming due to the implementation of EU policy changes under MTR. This performance was due to strong demand in key segments, such as feed and fertilizer, and growth in market share as a result of competitive pricing and strong promotional activity. The business continued to rollout the Countrylife format with ten branches redeveloped to date. Overall in 2006, there was some improvement in revenue, profits and margins.

Outlook

Agribusiness continues to evolve. Technology and system upgrades have been recently completed, further Countrylife branches are planned and the product offering continues to expand. In particular, Agribusiness continues to work to meet the challenges of MTR and to remain relevant and competitive for its growing customer base.

Property

This business, known as Glanbia Estates, had a good year and successfully completed the disposal of non-core assets arising mainly as a result of Agribusiness branch network rationalisation.

Outlook

The remit of this business is to maximise the value of Glanbia's overall property portfolio and to look at all options for key sites. A pipeline of potential transactions has been identified and these are expected to be completed at a steady pace over the medium term.

FOOD INGREDIENTS & NUTRITIONALS	€'000	2006	2005	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.	**Revenue**	1,077,913	1,107,288	**Down 3%**
	Operating profit pre exceptional	44,166	43,109	**Up 3%**
	Operating margin pre exceptional	4.1%	3.9%	**Up 20 bps**

Revenue decreased by 3% to €1.08 billion (2005: €1.11 billion), due to lower market prices for the ingredients businesses in Ireland and the USA. Despite lower revenue, operating profit was up 3% to €44.2 million (2005: €43.1 million) and the operating margin grew 20 basis points to 4.1% (2005: 3.9%), mainly because of the increased contribution from the higher margin Nutritionals business. Overall, this division delivered a good performance, particularly in light of the difficult market environment in the first half.

Food Ingredients Ireland

2006 was a particularly challenging time for both producers and processors in the Irish dairy industry. The EU is now in its fourth year of implementation of MTR with further reductions in dairy supports. This had and is having a significant and unpredictable effect on the sector and continues to squeeze operating margins and impact performance.

Outlook

Global dairy markets are currently reasonably firm and 2007 is expected to be less volatile. In Ireland, the final year of MTR continues to affect producers and processors and there is no expectation of a material uplift in performance from Food Ingredients Ireland. However, this business continues to pursue productivity, quality and efficiency gains and is reorganising its product offering to reflect changes in market demand.

Food Ingredients USA

Production volumes reached record levels in 2006 and demand was excellent for all cheese types. Milk supply in Idaho was up significantly year-on-year. There was also strong demand for dairy proteins, especially in the second half of the year and this lifted whey prices. While cheese pricing was volatile, Food Ingredients USA delivered a good performance with excellent management of manufacturing costs.

Outlook

In the USA, markets, demand and milk availability are expected to remain strong and Food Ingredients USA operations are expected to run at full capacity. This business is expected to perform well in 2007 and will continue its focus on operational excellence and increasing its market presence.

Nutritionals

In 2006, the global nutritional market exhibited strong growth and the Group's Nutritionals business delivered good organic growth, benefiting from increased capacity in whey in Idaho, vitamins and minerals in Germany and bars, beverages and powders in the UK. The business performed well and continued to invest heavily in people and research and development to drive the business forward. The Seltzer acquisition in October delivered an important step forward in developing the Nutritionals business. Seltzer is a leading US nutritional solutions company with strong expertise in the development of customised formulations and the provision of speciality ingredients for the nutritional supplement, food and beverage markets.

Outlook

The Nutritionals business is expected to deliver a strong performance in 2007. Existing operations are expected to continue to grow organically and although neutral in terms of the 2006 performance, Seltzer will contribute for a full year in 2007 and will be earnings enhancing. Work has commenced on Glanbia's first nutritional operation in the Asia Pacific region. Based outside Shanghai, at a cost of €5 million, this facility is expected to be complete in 2008.

JOINT VENTURES & ASSOCIATES (GLANBIA SHARE)	**€'000**	**2006**	**2005**	**Change**
Glanbia has a number of international joint ventures, which are an important part of the Group's growth strategy.	**Revenue[1]**	262,871	131,444	**Up 100%**
	Profit after interest and tax[2]	2,842	932	**Up 205%**

[1] Not included in Group revenue

[2] Included in the Income Statement as share of results of joint ventures and associates

UK

Glanbia Cheese, a joint venture with Leprino, produces mozzarella cheese for the European market. This business had a good performance in 2006 and this is expected to continue in 2007.

Nigeria

Nutricima, a joint venture with PZ Cussons plc, delivered strong top line growth and good market share development in powdered and evaporated milk during the year. The business performed satisfactorily although overall results were impacted by significant market development expenditure. A pipeline of new products and capacity expansion is underway and this business is forecast to perform as planned in 2007.

USA

Southwest Cheese, a joint venture with main partners Dairy Farmers of America and Select Milk Producers Inc., was commissioned in 2006. This plant, which produces cheese and whey proteins, is based in New Mexico and continues its ramp up to full capacity, forecast for the second quarter of 2007. Southwest Cheese is already producing product to world class standards and is forecast to perform as planned in 2007.

2007 outlook

Ireland will remain challenging in light of the competitive retail environment and the ongoing effects of the implementation of MTR. Irish operations continue to focus on key aspects of business execution which drive performance, productivity and cost competitiveness. International operations are expected to perform well in 2007 and Food Ingredients USA, Nutritionals and Joint Ventures are all well positioned for good growth.

Glanbia is successfully developing a strategic international presence, which today represents nearly 40% of revenue and profits. This gives the Group a strong platform from which to continue to grow and develop overseas. At the same time, the Group continues to consistently and solidly improve the long-term sustainability of the Irish operations.

As to the future, Glanbia is on target to deliver double digit earnings growth in 2007 and we believe the outlook is positive for sustained high growth.

Consolidated income statement
for the year ended 30 December 2006

	Notes	Pre-exceptional 2006 €'000	Exceptional 2006 €'000	Total 2006 €'000	Pre-exceptional (as restated) 2005 €'000	Exceptional (as restated) 2005 €'000	Total (as restated) 2005 €'000
Revenue	2	**1,853,427**	**-**	**1,853,427**	1,830,012	-	1,830,012
Cost of sales		**(1,596,547)**	**-**	**(1,596,547)**	(1,589,686)	-	(1,589,686)
Gross profit		**256,880**	**-**	**256,880**	240,326	-	240,326
Distribution expenses		**(105,724)**	**-**	**(105,724)**	(94,743)	-	(94,743)
Administration expenses	3	**(65,589)**	**(12,455)**	**(78,044)**	(64,651)	(5,041)	(69,692)
Operating profit		**85,567**	**(12,455)**	**73,112**	80,932	(5,041)	75,891
Finance income	4	**4,883**	**-**	**4,883**	4,209	-	4,209
Finance costs	4	**(18,918)**	**-**	**(18,918)**	(17,358)	(5,304)	(22,662)
Share of results of joint ventures and associates		**2,842**	**-**	**2,842**	932	-	932
Profit before taxation		**74,374**	**(12,455)**	**61,919**	68,715	(10,345)	58,370
Income taxes	5	**(7,970)**	**12,321**	**4,351**	(7,592)	6,935	(657)
Profit for the year		**66,404**	**(134)**	**66,270**	61,123	(3,410)	57,713
Attributable to:							
Equity holders of the Parent				**65,934**			57,396
Minority interests				**336**			317
				66,270			57,713
Basic earnings per share (cent)	6			**22.51**			19.69
Diluted earnings per share (cent)	6			**22.47**			19.62

Consolidated statement of recognised income and expense

for the year ended 30 December 2006

	2006	2005
		(as restated)
	€'000	€'000
Actuarial gain/(loss) - defined benefit schemes	**36,852**	(42,303)
Deferred tax on actuarial gain/loss	**(3,923)**	4,054
Share of actuarial gain - joint venture	**230**	-
Currency translation differences	**(9,401)**	889
Fair value adjustments		
- Group	**2,367**	(873)
- Joint ventures	**367**	-
Net income/(expense) recognised directly in equity	**26,492**	(38,233)
Profit for the year	**66,270**	57,713
Total recognised income for the year	**92,762**	19,480
Attributable to:		
Equity holders of the Parent	**92,426**	19,163
Equity minority interest	**336**	317
	92,762	19,480

Consolidated balance sheet
as at 30 December 2006

	Notes	2006	2005
			(as restated)
ASSETS	Notes	**€'000**	**€'000**
Non-current assets			
Property, plant and equipment		**335,152**	340,503
Intangible assets		**138,724**	57,963
Investments in associates		**10,933**	11,090
Investments in joint ventures		**58,668**	59,832
Available for sale investments		**12,527**	29,511
Trade and other receivables		**-**	56,874
Derivative financial instruments		**2,095**	1,825
Deferred tax assets		**23,923**	15,869
		582,022	573,467
Current assets			
Inventories		**145,158**	144,250
Trade and other receivables		**169,540**	143,610
Derivative financial instruments		**6,776**	1,125
Cash and cash equivalents	8	**259,311**	104,405
		580,785	393,390
Total assets		**1,162,807**	966,857
EQUITY			
Issued capital and reserves attributable to equity holders of the Parent			
Share capital		**98,304**	97,964
Other reserves	9	**113,696**	120,192
Retained earnings	10	**(18,116)**	(100,737)
		193,884	117,419
Minority interests		**6,635**	6,299
		200,519	123,718
LIABILITIES			
Non-current liabilities			
Borrowings	8	**444,570**	327,424
Deferred tax liabilities		**38,611**	34,471
Trade and other payables		**11,373**	-
Retirement benefit obligations		**124,888**	165,016
Provisions for other liabilities and charges		**6,032**	6,072
Derivative financial instruments		**3,406**	-
Capital grants		**10,660**	14,855
		639,540	547,838
Current liabilities			
Borrowings	8	**39,235**	1,133
Provisions for other liabilities and charges		**7,110**	8,433
Trade and other payables		**270,773**	278,583
Current tax liabilities		**1,942**	4,605
Derivative financial instruments		**3,688**	2,547
		322,748	295,301
Total liabilities		**962,288**	843,139
Total equity and liabilities		**1,162,807**	966,857

Consolidated cash flow statement

for the year ended 30 December 2006

	Notes	2006 €'000	2005 €'000
Cash flows from operating activities			
Cash generated from operations	11	**58,486**	163,835
Interest received		**1,000**	670
Interest paid		**(19,967)**	(23,177)
Tax paid		**(6,274)**	(3,777)
Net cash from operating activities		**33,245**	137,551
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		**(69,892)**	(19,366)
Purchase of property, plant and equipment		**(38,085)**	(46,979)
Purchase of available for sale investments		**(3,406)**	(5,214)
Disposal of subsidiary, net of cash disposed		**(323)**	(147)
Disposal of available for sale investments		**22,185**	14,394
Repayment of loan note by The Cheese Company Holdings Limited		**52,822**	-
Proceeds from sale of property, plant and equipment		**8,665**	4,418
Net cash used in investing activities		**(28,034)**	(52,894)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**190**	731
Sharesave Scheme - receipt from Trustees		**122**	2,191
Increase/(decrease) in borrowings		**169,851**	(20,242)
Finance lease principal payments		**(1,077)**	(1,449)
Dividends paid to Company's shareholders		**(16,472)**	(15,612)
Repayment of minority interest		**-**	(7)
Capital grants received		**123**	772
Net cash from / (used) in financing activities		**152,737**	(33,616)
Net increase in cash and cash equivalents		**157,948**	51,041
Cash and cash equivalents at the beginning of the year		**104,405**	51,625
Effects of exchange rate changes on cash and cash equivalents		**(3,042)**	1,739
Cash and cash equivalents at the end of the year		**259,311**	104,405

Reconciliation of net cash flow to movement in net debt

	2006 €'000	2005 €'000
Net increase in cash and cash equivalents	**157,948**	51,041
Cash (outflow)/inflow from debt financing	**(168,774)**	21,691
	(10,826)	72,732
Debt acquired with subsidiaries	**-**	(1,786)
Fair value of interest rate swaps qualifying as fair value hedges	**3,978**	-
Exchange translation adjustment on net debt	**6,506**	(24,717)
Movement in net debt in the year	**(342)**	46,229
Net debt at beginning of year	**(224,152)**	(270,381)
Net debt at the end of the year	**(224,494)**	(224,152)

Notes to the financial information

for the year ended 30 December 2006

1 Basis of preparation

The financial information presented in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations endorsed by the European Union (EU) and with those parts of the Companies Acts 1963 to 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention as modified by use of fair values for available for sale assets and derivative financial instruments.

The financial information set out in this document does not constitute full statutory financial statements but has been derived from the Group financial statements for the year ended 30 December 2006 (referred to as the 2006 financial statements). The 2006 financial statements have been audited and have received an unqualified audit report.

The financial statements was approved by the Board of Directors on 6 March 2007 and signed on its behalf by MJ Walsh, JJ Moloney and GJ Meagher.

Prior year adjustments

Foreign currency

The Group has adopted the amendment to IAS 21, 'Net Investment in a Foreign Operation', in the Group's financial statements from 1 January 2006. The adoption of this amendment, which has resulted in a change in accounting policy, requires that all foreign exchange gains and losses on inter-company loans that form part of the net investment in a foreign operation, including loans between fellow subsidiaries, are recognised directly in equity on consolidation. Prior period comparative figures have been restated to reflect the impact of this change. In the prior year, such loans between fellow subsidiaries did not qualify as part of the net investment and therefore the exchange gains and losses on these loans were recognised directly in the income statement.

This change results in the recognition of a gain of €3.9m, previously included within administration expenses in the income statement in the prior year, directly in equity in the currency reserve. There is no net impact on equity as a result of this change. The overall impact represents an increase in currency reserve amounting to €3.9 million and a decrease in retained earnings amounting to €3.9 million. The change in accounting policy has resulted in a decrease in basic earnings per share for the year-ended 31 December 2005 of 1.35 cent

Leases

The Group has adopted IFRIC 4, Determining whether an Arrangement contains a Lease, in the Group's financial statements from 1 January 2006. The Group reviews arrangements that do not take the legal form of a lease and a determination is made as to whether the substance of an arrangement could equate to a finance lease, considering whether fulfilment of the arrangement is dependant upon the use of a specific asset and the arrangement contains the right to use an asset. If the specified criteria are met, the arrangement is classified as a finance lease. In prior years the annual cost of this arrangement was recognised as an expense as incurred. The effect of this change in accounting policy has resulted in both an increase in property, plant and equipment and lease liabilities amounting to €8.5 million at 31 December 2005. This resulted in no net impact to profit or basic earnings per share for the year ended 31 December 2005.

2 Segment information

Primary reporting format – business segments

At 30 December 2006 the Group is organised into three main business segments:
- Consumer Foods
- Food Ingredients and Nutritionals
- Agribusiness and Property

The segment results for the year ended 30 December 2006 are as follows:

2006	**Consumer Foods €'000**	**Food Ingredients and Nutritionals €'000**	**Agribusiness and Property €'000**	**Unallocated €'000**	**Group €'000**
Total gross segment revenue	511,077	1,186,890	264,492	-	1,962,459
Inter-segment revenue	(55)	(108,977)	-	-	(109,032)
Revenue	**511,022**	**1,077,913**	**264,492**	**-**	**1,853,427**
Operating profit pre exceptional items	24,525	44,166	16,876	-	85,567
Exceptional items	(3,277)	-	-	(9,178)	(12,455)
	21,248	44,166	16,876	(9,178)	73,112
Finance income and costs					(14,035)
Share of results of joint ventures and associates					2,842
Profit before tax					**61,919**
Tax					4,351
Profit for the year					**66,270**

The segment results for the year ended 31 December 2005 are as follows:

2005	Consumer Foods €'000	Food Ingredients and Nutritionals (as restated) €'000	Agribusiness and Property €'000	Unallocated €'000	Group (as restated) €'000
Total gross segment revenue	493,667	1,215,559	239,826	-	1,949,052
Inter-segment revenue	(85)	(108,271)	(10,684)	-	(119,040)
Revenue	**493,582**	**1,107,288**	**229,142**	**-**	**1,830,012**
Operating profit pre exceptional items	27,139	43,109	10,684	-	80,932
Exceptional items	(11,860)	(2,649)	(1,160)	10,628	(5,041)
	15,279	40,460	9,524	10,628	75,891
Finance income and costs					(18,453)
Share of results of joint ventures and associates					932
Profit before tax					**58,370**
Tax					(657)
Profit for the year					**57,713**

3 Exceptional items

	Notes	2006 €'000	2005 (as restated) €'000
Restructuring cost	(a)	**(3,277)**	(15,669)
The Cheese Company Holdings Limited	(b)	**(9,178)**	-
Loss on sale or termination of operations		**-**	(331)
Profit on sale of quoted investments		**-**	10,959
		(12,455)	(5,041)
Exceptional tax credit (note 5)		**12,321**	6,935
Exceptional finance cost (note 4)		**-**	(5,304)
Net exceptional items		**(134)**	(3,410)

a) Restructuring costs relate to the closure of the Pigmeat cannery operation. Costs include redundancy and the release of unamortised capital grants.

b) On 29 December 2006, the Group disposed of its remaining 25% interest and related 2008-2018 loan note in The Cheese Company Holdings Limited to the majority shareholder, Milk Link Limited.

Notes to the financial information
for the year ended 30 December 2006

4 Finance income and costs

(a) Finance income

	2006	2005
	€'000	€'000
Interest income (i)	**4,883**	4,209

(b) Finance costs - pre-exceptional

	2006	2005
		(as restated)
	€'000	€'000
Interest expense		
- Bank borrowings repayable within five years	**(15,096)**	(10,291)
- Finance lease	**(380)**	(472)
	(15,476)	(10,763)
Finance cost of preferred securities and preference shares	**(3,442)**	(6,595)
Total finance costs – pre exceptional	**(18,918)**	(17,358)
Finance costs - exceptional		
Cancellation of preferred securities (ii)	**-**	(5,304)
Total finance costs	**(18,918)**	(22,662)

i) Interest income consists mainly of interest on a Stg£35 million subordinated secured loan note granted by The Cheese Company Holdings Limited in 2004, representing part proceeds on the sale by the Group of a 75% interest in its UK hard cheese business. On 29 December 2006, the Group disposed of its remaining 25% interest in The Cheese Company Holdings Limited and related 2008-2018 loan note to the majority shareholder, Milk Link Limited.

ii) On 15 June 2005 the Group prepaid the US$100 million 7.99% cumulative guaranteed preferred securities, giving rise to a cost of €5.3 million, which was disclosed as an exceptional item.

5 Taxation

	2006	2005
	€'000	€'000
Irish corporation tax	**3,080**	2,460
Adjustments in respect of prior years	**238**	(1,285)
Current tax on income for the year	**3,318**	1,175
Foreign tax	**1,035**	594
Adjustments in respect of prior years	**(46)**	(1,056)
Current tax on income for the year	**989**	(462)
Total current tax	**4,307**	713
Deferred tax	**3,663**	6,879
Pre-exceptional tax charge	**7,970**	7,592
Exceptional tax credit	**(12,321)**	(6,935)
	(4,351)	657

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. The restructuring provision in the Pigmeat Division also resulted in a net tax credit of €0.2 million.

The tax credits in 2006 and 2005, by virtue of their size and nature, have been separately disclosed as exceptional credits in the financial statements.

6 Earnings per share

Basic

	2006	2005
		(as restated)
	€'000	€'000
Profit attributable to equity holders of the Company	**65,934**	57,396
Weighted average number of ordinary shares in issue	**292,958,667**	291,469,902
Basic earnings per share (cent per share)	**22.5**	19.7

Diluted

	2006 €'000	2005 €'000
Weighted average number of ordinary shares in issue	**292,958,667**	291,469,902
Adjustments for share options	**480,072**	1,134,139
Adjusted weighted average number of ordinary shares	**293,438,739**	292,604,041
Diluted earnings per share (cent per share)	**22.5**	19.6

Adjusted

	2006 €'000	2005 €'000
Profit attributable to equity holders of the Company	**65,934**	57,396
Exceptional items	**134**	3,410
	66,068	60,806
Adjusted earnings per share (cent per share)	**22.6**	20.9
Diluted adjusted earnings per share (cent per share)	**22.5**	20.8

7 Dividends

The dividends paid in 2006 and 2005 were €16.5 million (5.62 cent per share) and €15.6 million (5.36 cent per share) respectively. On 4 October an interim dividend of 2.38 cent per share on the ordinary shares amounting to €6.98 million was paid to shareholders on the register of members as at 15 September 2006. The Directors have recommended the payment of a final dividend of 3.41 cent per share on the ordinary shares which amounts to €10 million. Subject to shareholders approval this dividend will be paid on Tuesday 22 May 2007 to shareholders on the register of members as at Friday, 27 April 2007, the record date. The financial statements do not reflect this final dividend payable.

8 Borrowings

	2006 €'000	2005 (as restated) €'000
Borrowings due within one year	**39,235**	1,133
Borrowings due after one year	**444,570**	327,424
Less:		
Cash and cash equivalents	**(259,311)**	(104,405)
	224,494	224,152

Notes to the financial information
for the year ended 30 December 2006

9 Other reserves

	Capital and mergers reserves €'000	Currency reserve €'000	Fair value reserves €'000	Total €'000
Balance at 1 January 2006	**116,250**	**2,596**	**2,144**	**120,990**
Amendment to IAS 21	-	(798)	-	(798)
Restated Balance at 1 January 2006	**116,250**	**1,798**	**2,144**	**120,192**
Translation differences on foreign currency net investments	-	(9,401)	-	(9,401)
Revaluation of interest rate swaps gain in year	-	-	2,378	2,378
Foreign exchange contracts gain in year	-	-	1,840	1,840
Transfers to income statement				
- Foreign exchange contracts gain in year	-	-	(540)	(540)
- Forward commodity contracts loss in year	-	-	227	227
- Interest rate swaps gain in year	-	-	(1,169)	(1,169)
Revaluation of forward commodity contracts gain in year	-	-	591	591
Revaluation of investments gain in year	-	-	102	102
Deferred tax on fair value adjustments	-	-	(695)	(695)
Cost of share options	199	-	-	199
Discount on own shares vested	(28)	-	-	(28)
Balance at 30 December 2006	**116,421**	**(7,603)**	**4,878**	**113,696**

10 Retained earnings

	Retained earnings €'000	Goodwill write-off €'000	Total €'000
Balance at 1 January 2006	**(8,574)**	**(92,961)**	**(101,535)**
Amendment to IAS 21	798	**-**	798
Restated Balance at 1 January 2006	**(7,776)**	**(92,961)**	**(100,737)**
Actuarial gain - defined benefit schemes	36,852	-	36,852
Deferred tax on pension gain	(3,923)	-	(3,923)
Share of actuarial gain - joint venture	230	-	230
Net income recognised directly in equity	33,159	-	33,159
Profit for the year	65,934	-	65,934
Total recognised income for 2006	**99,093**	**-**	**99,093**
Dividends paid in 2006	(16,472)	**-**	(16,472)
Balance at 30 December 2006	**74,845**	**(92,961)**	**(18,116)**

Notes to the financial information
for the year ended 30 December 2006

11 Cash generated from operations

	2006 €'000	2005 €'000
Profit for the year	**66,270**	57,713
Non-cash exceptional restructuring costs	**-**	2,172
Exceptional loss on The Cheese Company Holdings Limited	**9,178**	-
Share of results of associates and joint ventures	**(2,842)**	(932)
Income taxes	**(4,351)**	657
Depreciation	**25,415**	24,085
Amortisation	**4,452**	3,313
Cost of share options	**199**	161
Gain on disposal of investments	**(1,541)**	(10,959)
Gain on disposal of property, plant and equipment	**(7,531)**	(2,509)
Interest income	**(4,883)**	(4,209)
Interest expense	**18,918**	22,662
Amortisation of government grants received	**(4,322)**	(1,424)
Net profit before changes in working capital	**98,962**	90,730
Change in net working capital		
- Increase in inventory	**(2,684)**	(5,501)
- (Increase)/decrease in short term receivables	**(25,137)**	35,419
- (Decrease)/increase in short term liabilities	**(11,332)**	36,045
- (Decrease)/increase in provisions	**(1,323)**	7,142
Cash generated from operations	**58,486**	163,835

12 Statutory financial statements

The financial information in this preliminary announcement is not the statutory financial statements of the Company, a copy of which is required to be annexed to the Company's annual return to the Companies Registration Office. A copy of the financial statements in respect of the financial year ended 30 December 2006 will be annexed to the Company's annual return for 2006. The auditors of the Company have made a report, without any qualification on their audit, of the financial statements of the Company in respect of the financial year ended 31 December 2005 and the Directors approved the financial statements of the Company in respect of the financial year ended 30 December 2006 on 6 March 2007. A copy of the financial statements of the Company in respect of the year ended 31 December 2005 has been annexed to the Company's annual return for 2005 to the Companies Registration Office.