

NEWS RELEASE

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A world of cheese and nutritional ingredients

2007 Results

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John Olsen / Anthony Arthur

25% GROWTH IN ADJUSTED EARNINGS PER SHARE

5 March 2008 - Glanbia plc ('Glanbia'), the international cheese and nutritional ingredients Group, announces its full year results for the year ended 29 December 2007.

2007 Results Summary

- Growth strategy delivering
- Excellent year with strong set of results
- Focus on growth markets in cheese and nutritional ingredients
- On target for double digit growth in 2008

	2007	2006	Change
Revenue ⁽¹⁾	€2,206.6 m	€1,853.4 m	Up 19%
Operating profit pre exceptional	€115.8 m	€85.6 m	Up 35%
Operating margin pre exceptional	5.2%	4.6%	Up 60 bps
Net financing costs	(€17.3 m)	(€14.0 m)	Up €3.3 m
Share of results of joint ventures and associates ⁽¹⁾	€1.0 m	€2.8 m	Down €1.8m
Profit before tax pre exceptional	€99.5 m	€74.4 m	Up 34%
Profit after tax pre exceptional	€83.1 m	€66.4 m	Up 25%
Exceptional items ⁽²⁾	(€22.8 m)	(€0.1 m)	See note
Earnings per share	20.4 c	22.5 c	Down 9%
Adjusted earnings per share ⁽³⁾	28.2 c	22.6 c	Up 25%
Dividend per share in respect of the year	6.08 c	5.79 c	Up 5%
Net debt	€220.2 m	€224.5 m	Down 2%

(1) Revenue including Glanbia's share of the revenue of joint ventures and associates was €2.6 billion in 2007, up 22% on 2006. Share of results of joint ventures and associates is an after interest and tax amount.

(2) On 3 March 2008 Glanbia announced the sale of the Pigmear business in a Management Buy Out. This disposal is consistent with the Group's strategy of focusing on key growth areas of cheese and nutritional ingredients. The exit from Pigmear resulted in a net exceptional charge in the year of €20.4 million. Restructuring costs relating to Yoplait production facilities in Consumer Foods Ireland were €2.4 million during the year.

(3) Before exceptional items.

John Moloney, Group Managing Director, said:

"Glanbia had an excellent year in 2007. Operating profit pre exceptional rose 35% to €115.8 million and adjusted earnings per share were up 25% to 28.2 cent. These results reflect the benefits of the strategic investment programmes implemented over recent years and the Group's spread of businesses, against a backdrop of positive global dairy markets. The driver was the strong performance of our largest division, Food Ingredients & Nutritionals. This division delivered with good volumes, improvements in operational efficiency and solid growth in margins.

Overall, our growth strategy is delivering. We are confident of another good performance this year and the Group is on target for double digit growth in 2008. More importantly, Glanbia continues to successfully develop a strategic international presence in cheese and nutritional ingredients. This, together with strong Irish operations, is positive for sustained high growth into the future."

2007 Results

Results for the year ended 29 December 2007

Growth strategy

Glanbia's vision is to be a world leader in international cheese and nutritional ingredients. Realisation of this vision is through a clear growth strategy, which has transformed the Group in recent years and created a good spread of Irish and international businesses in key markets and sectors.

Since 2004, Glanbia has invested significantly to support its growth strategy with €293 million invested in acquisition and development capital expenditure. During the same period the Group's portfolio of businesses has been reshaped with disposals releasing €200 million for investment into higher growth areas. The main focus has been on growing international operations, with over 90% of the investment allocated to this segment in 2006 and 2007.

Operations review

Glanbia has a strong position in key food markets and sectors around the world and an ongoing investment programme will expand operations in Ireland, China, Nigeria and the USA further in 2008. Glanbia employs 4,000 people across three divisions and eight business units, in 2007 the Group was supplied by over 5,500 dairy farmers and processed 4.1 billion litres of milk. Glanbia produced over 400,000 tonnes of cheese and 260,000 tonnes of ingredients for customers on five continents.

The Group operates in the Irish market through the Consumer Foods and the Agribusiness & Property businesses. International markets are serviced by the Food Ingredients & Nutritionals division and international joint ventures. Food Ingredients Ireland is included in international activities as its products are sold to international customers.

In 2007, including the Group's share of joint ventures and associates, Ireland accounted for 34% of revenue and 26% of pre exceptional operating profit, while international markets accounted for 66% of revenue and 74% of pre exceptional operating profit.

Ireland

In 2007, revenue was down marginally in the Irish operations and overall operating profit was lower year-on-year, as a result of the timing of recovery in the marketplace of higher milk costs for Consumer Foods Ireland.

Consumer Foods

	€'000	2007	2006	Change
This division includes: Consumer Foods incorporating nutritional beverages, fresh dairy products and cheese, soups and spreads. On 3 March 2008, Glanbia announced the sale of the Pigmear business.	Revenue	510,782	511,022	Similar
	Operating profit pre exceptional	17,834	24,525	Down 27%
	Operating margin pre exceptional	3.5%	4.8%	Down 130 bps

Revenue in this division declined to €510.8 million (2006: €511.0 million). Operating profit decreased by 27% (€6.7 million) to €17.8 million (2006: €24.5 million) and the operating margin decreased to 3.5%. The decline in the operating profit and margin was driven by the reduced performance of Consumer Foods Ireland.

Consumer Foods Ireland

Consumer Foods Ireland had a challenging year. While revenues, profits and margins were stable in the first half of the year the lag in recovery of higher milk cost impacted performance in the nutritional beverages business in the second half and for the full year overall. As a result, in 2007, operating profit and operating margin are below 2006.

Nutritional beverages: Growth in this category continues to be driven by demand for more value added nutritional beverage products, where the Avonmore brand has the leading market position. In 2007, while the business experienced margin pressures due to high input costs, considerable progress was made with the launch of new

products including a new family pack of Avonmore Supermilk and the introduction of Avonmore milk shakes and low fat flavoured milks.

Fresh dairy products: This business successfully stabilised its family yogurt position and market share in 2007 and improved its market share position in the growing drinking yogurt category with the launch of a new smoothie range. Its manufacturing cost base and facilities are continually under review and a net exceptional charge of €2.4 million was incurred in 2007 for the further rationalisation of the Yoplait production plant.

Cheese, soups and spreads: In this segment, Glanbia benefited from new products and packaging innovations to provide customers with more convenient choices and healthier options, including new Slimline and Super cheese products. Both natural cheeses and fresh soups grew their overall market shares.

Outlook: Initiatives in place to recover the cost increases experienced in 2007 provide a solid base for improvement in this business going forward. Continued investment to support our brand positions and disciplined cost management will further underpin a better result from this business in 2008.

Pigmeat

The performance of Glanbia Meats was neutral in 2007 when compared with 2006. Glanbia announced the sale of the Pigmeat business in March 2008 and the exit created a net exceptional charge of €20.4 million.

Agribusiness & Property

	€'000	2007	2006	Change
This division includes: Agribusiness, which is the key linkage with the Group's Irish farmer supply base; and Property, which has responsibility for the maximisation of value from the Group's property portfolio.	Revenue	292,581	264,492	Up 11%
	Operating profit pre exceptional	12,806	16,876	Down 24%
	Operating margin pre exceptional *	3.1%	3.7%	Down 60 bps

* Note: operating margin excludes Property

Revenue in this division was up 11% to €292.6 million (2006: €264.5 million) driven by volume growth and pricing in Agribusiness. Operating profit was down 24% (€4.1 million) to €12.8 million (2006: €16.9 million) due to a reduction in property disposals in the year relative to 2006.

Agribusiness

Results from Agribusiness in 2007 were broadly in line with 2006. This business unit performed well in its core feed and fertiliser markets and continued to rationalise and reinvest to ensure a cost effective and efficient supply chain. The Agribusiness retail strategy, under the Countrylife format, is making progress with twelve branches redeveloped to date. These businesses are performing as planned and further investment is scheduled in 2008.

Outlook

Agribusiness continues to evolve to meet the changing needs of its customer base. There is a positive outlook for key farming sectors, including dairy and cereals, which underpins an expected satisfactory performance in 2008.

Property

The operating profit of the property business was lower in 2007 than 2006 due to the timing of property disposals. Glanbia has a pipeline of potential property transactions which are expected to be completed at a steady pace over the medium term.

International

International operations gained momentum in 2007 with strong revenue, profit and margin growth. These businesses delivered good organic growth and margin expansion, against a backdrop of favourable market conditions.

Food Ingredients and Nutritionals

Food Ingredients & Nutritionals	€'000	2007	2006	Change
This division produces cheese, butter, casein and protein ingredients for international customers at processing facilities in Ireland and the USA. It also includes the Group's global nutritional business, with production locations in the UK, Germany, USA, Canada and China.	Revenue	1,403,204	1,077,913	Up 30%
	Operating profit pre exceptional	85,194	44,166	Up 93%
	Operating margin pre exceptional	6.1%	4.1%	Up 200 bps

Revenue increased 30% to €1.4 billion (2006: €1.1 billion) primarily due to higher global dairy markets in 2007. Operating profit was up 93% to €85.2 million (2006: €44.2 million) while margins grew strongly, by 200 basis points to 6.1%. The operating profit and margin growth was due to a good performance from the USA ingredients business, an increased contribution from the higher margin Nutritionals business and a recovery of margins in the Food Ingredients Ireland business to their historic levels.

Food Ingredients Ireland

2007 was a positive year for both producers and processors in the Irish dairy industry. Favourable market conditions including increased global demand for dairy products drove prices to record levels during the year. These market conditions enabled the business to restore margins to historic levels and deliver significant benefits to milk suppliers. The strategy for this business continues to be to maximise returns from its raw material inputs, through a focus on dairy ingredient solutions. Aided by capital funding from the Irish Department of Agriculture, Fisheries & Food and Enterprise Ireland, secured in 2007, the business is progressing a programme of investment in additional value added dairy products in the cheese and advanced ingredients areas.

Outlook

Global dairy markets were volatile in the latter part of 2007 having fallen back from a historic peak achieved during the year. The current long term outlook is positive, with demand growth forecast to outstrip supply during the period and, while short term volatility is anticipated, pricing is expected to remain above historical averages. Food Ingredients Ireland continues to focus on operational excellence and is well placed within its market environment context to sustain performance into 2008.

Food Ingredients USA

Strong US cheese and global whey markets in 2007 drove good revenue growth in Food Ingredients USA. Demand for American style cheddar cheese was up during the year and production output was expanded to meet this growing market. As the number one supplier of American style cheese, this business continues to increase its relevance with initiatives such as the production of organic cheese, which commenced in 2007, to serve a fast growing segment of the market.

Outlook

There is a positive outlook for milk production in Idaho in 2008. Domestic demand for American style cheese remains strong and export opportunities continue to grow. These conditions are expected to underpin a good performance from this business in 2008.

Nutritionals

Revenues, profits and margins grew in the Nutritionals business in 2007 driven by strong global whey markets, good organic growth and the first full year contribution from the 2006 Seltzer acquisition. The global nutritional market exhibited positive growth in key sectors of weight management, sports nutrition and infant nutrition. Glanbia continues to invest in research and development, in both dairy and non dairy sectors, to deliver new and innovative nutritional product solutions to customers, with a number of exciting functional ingredients launched in 2007.

Outlook

In recent years Glanbia Nutritionals has expanded its portfolio to include a global capability in customised nutrient vitamin and mineral premixes. This segment of the business was strengthened by the completion of a manufacturing facility in China in 2007. The range of ingredients solutions offered was also expanded into Omega 3 by the acquisition, in September, of Pizzey's Milling, an industry leading supplier of flax seed solutions. Strong organic growth is forecast for the Nutritionals business unit in 2008.

Joint Ventures and Associates

Glanbia has three major International joint ventures; Southwest Cheese in the USA, Glanbia Cheese in the UK and Nutricima in Nigeria. Glanbia's share of revenue in joint ventures and associates was up 41% in 2007 as these businesses delivered strong top line growth and good operational performances. However, Glanbia's share of profit after tax and interest declined €1.8 million, directly as a consequence of the performance of Glanbia Cheese, which suffered as a result of a time lag in recovering increased milk cost in the market place.

JOINT VENTURES & ASSOCIATES (GLANBIA SHARE)	€'000	2007	2006	Change
Glanbia has a number of international joint ventures, which are an important part of the Group's growth strategy.	Revenue⁽¹⁾	372,072	262,871	Up 41%
	Profit after interest and tax⁽²⁾	992	2,842	Down €1.8 m

⁽¹⁾ Not included in Group revenue ⁽²⁾ Included in the income statement as share of results of joint ventures and associates

Southwest Cheese is the Group's joint venture in New Mexico and is one of the largest natural cheese and high-protein whey processing plants in the world. This business ramped up towards full capacity in 2007 and overall strong top line growth was achieved as the business performed very well during the year. Margins, however, were reduced as buoyant dairy markets drove raw material input costs to a level which was not recovered in the marketplace. Based on current market conditions, Southwest Cheese is expected to deliver an improved performance in 2008.

Glanbia Cheese is the no.1 producer of mozzarella cheese for the European market. The business had a difficult 2007 as the cost for its raw material milk supply increased dramatically in line with world dairy markets. While cheese price increases were secured as the year progressed, the time lag in price recovery impacted performance. A better result is forecast for this business in 2008.

Nutricima is a joint venture with PZ Cussons plc which manufactures and markets branded dairy based consumer products for the Nigerian market. Similar to many consumer facing businesses there were timing issues in the year in passing on sharp raw material cost increases to consumers and this delay, together with the need for strong marketing spend to build the Nutricima brands, offset the impact of good top line growth in 2007. Market conditions continue to evolve and the business is expected to make good progress in 2008. As previously announced the construction of a second factory will commence shortly with completion expected at the end of 2008.

Finance Review

Good organic growth, firm cost management and strong prices saw the Group deliver a 34% increase in profit before tax pre exceptional and a 68% increase in free cash flow. The strength of these results and good improvements in all key performance indicators positions Glanbia well for future growth and development opportunities.

Income statement

In 2007, revenue increased 19% to €2,206.6 million (2006: €1,853.4 million). This revenue increase was driven by a 30% increase in revenue in the Food Ingredients and Nutritionals division, where a combination of price and volume growth and a full year contribution from Seltzer, acquired in October 2006, drove a strong performance. Operating profit pre exceptional grew 35% (€30.2 million) to €115.8 million (2006: €85.6 million). Operating margin pre exceptional increased 60 basis points to 5.2% (2006: 4.6%).

Financing costs pre exceptional increased €3.3 million to €17.3 million (2006: €14.0 million) due primarily to higher interest rates. Interest cover was 6.7 times in 2007, an increase from 6.1 times in 2006.

The Group's share of results of joint ventures and associates, which are post interest and tax, amounted to €1.0 million compared with €2.8 million in 2006.

Taxation for the year amounted to a net charge of €15.8 million compared with a net credit of €4.4 million in 2006. The 2007 pre exceptional taxation charge of €16.5 million (2006: €8.0 million) was offset by the tax effect of the exceptional costs of €0.6 million. The Group's pre exceptional taxation rate increased in 2007 reflecting the increased level of international profits.

The net exceptional charge for the year amounted to €22.8 million compared with €0.1 million in 2006. In 2007, exceptionals include €20.4 million relating to Pim meat operations in Ireland and €2.4 million restructuring costs in the Consumer Foods Ireland business. The €20.4 million includes a provision of €23.0 million relating to the Group's exit from Pim meat operations in Ireland and €2.6 million profit on the disposal of the Pim meat canning operations site.

Earnings per share declined 9% to 20.4 cent (2006: 22.5 cent) due to the exceptional items. Adjusted earnings per share increased 25% to 28.2 cent (2006: 22.6 cent).

Balance sheet and cash flow

Net debt at the year end amounted to €220.2 million (2006: €224.5 million). In 2007 free cash flow increased €22.7 million to €56.3 million (2006: €33.6 million). EBITDA grew by €34.9 million to €149.2 million. The Group had capital and strategic acquisition investment of €59.5 million in the year, over 90% of which was spend on expanding international operations. Working capital increased by €49.1 million during the year due to higher global dairy markets and the increased size of the Group overall.

Dividends and Annual General Meeting (AGM)

The Board is recommending a final dividend of 3.58 cent per share, compared with a 3.41 cent per share final dividend in 2006. This brings a total dividend for the year to 6.08 cent per share (2006: 5.79 cent per share), representing a 5% increase. Subject to shareholder approval, dividends will be paid on Tuesday, 20 May 2008 to shareholders on the register of members as at Friday, 25 April 2008. Irish dividend withholding tax will be deducted at the standard rate where appropriate. The AGM will be held on Wednesday 14 May 2008 and the Annual Report post out date is Thursday 10 April 2008.

2008 outlook

Our growth strategy is delivering, with an excellent performance in 2007 achieving double digit earnings growth, a sustainable margin position and a diversified earnings base. We are confident of another good performance this year and Glanbia is on target to deliver further double digit earnings growth in 2008. More importantly we continue to successfully build a strategic international presence in cheese and nutritional ingredients. This, together with strong Irish operations, is positive for sustained high growth into the future.

Consolidated income statement
 for the year ended 29 December 2007

		Pre- exceptional 2007	Exceptional 2007	Total 2007	Pre- exceptional 2006	Exceptional 2006	Total
	Notes	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	2	2,206,567	-	2,206,567	1,853,427	-	1,853,427
Cost of sales		<u>(1,882,648)</u>	-	<u>(1,882,648)</u>	<u>(1,596,547)</u>	-	<u>(1,596,547)</u>
Gross profit		323,919	-	323,919	256,880	-	256,880
Distribution expenses		(114,180)	-	(114,180)	(105,724)	-	(105,724)
Administration expenses	3	<u>(93,905)</u>	<u>(23,463)</u>	<u>(117,368)</u>	<u>(65,589)</u>	<u>(12,455)</u>	<u>(78,044)</u>
Operating profit		115,834	(23,463)	92,371	85,567	(12,455)	73,112
Finance income	4	4,813	-	4,813	4,883	-	4,883
Finance costs	4	(22,095)	-	(22,095)	(18,918)	-	(18,918)
Share of results of joint ventures and associates		<u>992</u>	-	<u>992</u>	<u>2,842</u>	-	<u>2,842</u>
Profit before taxation		99,544	(23,463)	76,081	74,374	(12,455)	61,919
Income taxes	5	<u>(16,458)</u>	<u>617</u>	<u>(15,841)</u>	<u>(7,970)</u>	<u>12,321</u>	<u>4,351</u>
Profit for the year		83,086	(22,846)	60,240	66,404	(134)	66,270
Attributable to:							
Equity holders of the Parent				59,833			65,934
Minority interests				<u>407</u>			<u>336</u>
				<u>60,240</u>			<u>66,270</u>
Basic earnings per share (cent)	6			20.42			22.51
Diluted earnings per share (cent)	6			20.34			22.47

Consolidated statement of recognised income and expense
for the year ended 29 December 2007

	2007	2006
	€'000	€'000
Actuarial (loss)/gain - defined benefit schemes	(4,539)	36,852
Deferred tax on actuarial loss/(gain)	1,102	(3,923)
Share of actuarial gain - joint venture	230	230
Currency translation differences	(14,878)	(9,401)
Fair value adjustments (net of tax)		
- Group	10,733	2,367
- Joint venture	(2,155)	<u>367</u>
Net (expense)/income recognised directly in equity	(9,507)	26,492
Profit for the year	<u>60,240</u>	<u>66,270</u>
Total recognised income for the year	<u>50,733</u>	<u>92,762</u>
Attributable to:		
Equity holders of the Parent	50,326	92,426
Minority interest	<u>407</u>	<u>336</u>
	<u>50,733</u>	<u>92,762</u>

Consolidated balance sheet
 as at 29 December 2007

	Notes	2007 €'000	2006 €'000
ASSETS			
Non-current assets			
Property, plant and equipment		298,771	335,152
Intangible assets		137,565	138,724
Investments in associates		10,729	10,933
Investments in joint ventures		50,370	58,668
Trade and other receivables		13,929	-
Deferred tax assets		21,672	23,923
Available for sale financial assets		30,089	12,527
Derivative financial instruments		763	2,095
		<u>563,888</u>	<u>582,022</u>
Current assets			
Inventories		225,057	145,158
Trade and other receivables		202,234	169,540
Derivative financial instruments		4,990	6,776
Cash and cash equivalents		159,819	259,311
		<u>592,100</u>	<u>580,785</u>
Assets in disposal group held for sale		20,304	-
		<u>612,404</u>	<u>580,785</u>
Total assets		<u>1,176,292</u>	<u>1,162,807</u>
EQUITY			
Issued capital and reserves attributable to equity holders of the Parent			
Share capital and share premium		98,450	98,304
Other reserves	9	107,909	113,696
Retained earnings	10	21,176	(18,116)
		<u>227,535</u>	<u>193,884</u>
Minority interests		7,040	6,635
Total equity		<u>234,575</u>	<u>200,519</u>
LIABILITIES			
Non-current liabilities			
Borrowings		379,028	444,570
Derivative financial instruments		3,736	3,406
Deferred tax liabilities		37,587	38,611
Retirement benefit obligations		114,248	124,888
Provisions for other liabilities and charges		13,660	20,361
Capital grants		3,535	10,660
		<u>551,794</u>	<u>642,496</u>
Current liabilities			
Trade and other payables		336,663	257,893
Current tax liabilities		9,182	1,942
Borrowings		966	39,235
Derivative financial instruments		3,187	3,688
Provisions for other liabilities and charges		22,278	17,034
		<u>372,276</u>	<u>319,792</u>
Liabilities in disposal group held for sale		17,647	-
		<u>389,923</u>	<u>319,792</u>
Total liabilities		<u>941,717</u>	<u>962,288</u>
Total equity and liabilities		<u>1,176,292</u>	<u>1,162,807</u>

Consolidated cash flow statement
 for the year ended 29 December 2007

	Notes	2007 €'000	2006 €'000
Cash flows from operating activities			
Cash generated from operations	11	85,015	61,023
Interest received		3,015	1,000
Interest paid		(17,613)	(19,967)
Tax paid		(5,401)	(6,274)
Net cash from operating activities		65,016	35,782
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		(17,742)	(67,823)
Purchase of property, plant and equipment		(51,662)	(38,085)
Purchase of available for sale investments		(2,000)	(3,406)
Disposal of available for sale investments		-	22,185
Insurance proceeds received - exit from Pigmeat		12,937	-
Repayment of loan note		-	52,822
Proceeds from sale of property, plant and equipment		13,419	8,665
Net cash used in investing activities		(45,048)	(25,642)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		167	190
Sharesave scheme		-	122
(Decrease)/increase in borrowings		(84,056)	169,851
Finance lease principal payments		(954)	(1,077)
Dividends paid to Company's shareholders	7	(17,334)	(16,472)
Loans advanced to joint ventures		(9,001)	(4,929)
Capital grants received		1,399	123
Net cash (used in)/from financing activities		(109,779)	147,808
Net increase in cash and cash equivalents		(89,811)	157,948
Cash and cash equivalents at the beginning of the year		259,311	104,405
Effects of exchange rate changes on cash and cash equivalents		(9,681)	(3,042)
Cash and cash equivalents at the end of the year		159,819	259,311

Consolidated cash flow statement
for the year ended 29 December 2007

Reconciliation of net cash flow to movement in net debt

	2007	2006
	€'000	€'000
Net increase in cash and cash equivalents	(89,811)	157,948
Cash inflow/(outflow) from debt financing	<u>85,889</u>	<u>(168,774)</u>
	(3,922)	(10,826)
Fair value of interest rate swaps qualifying as fair value hedges	(764)	3,978
Exchange translation adjustment on net debt	<u>9,005</u>	<u>6,506</u>
	4,319	(342)
Movement in net debt in the year	<u>(224,494)</u>	<u>(224,152)</u>
Net debt at beginning of year		
	<u>(220,175)</u>	<u>(224,494)</u>
Net debt at end of year		

Net debt comprises:

	2007	2006
	€'000	€'000
Borrowings	(379,994)	(483,805)
Cash and cash equivalents	<u>159,819</u>	<u>259,311</u>
	<u>(220,175)</u>	<u>(224,494)</u>

Notes to the financial information
for the year ended 29 December 2007

1 Basis of preparation

The financial information presented in this preliminary announcement has been prepared in accordance with EU endorsed International Financial Reporting Standards ("IFRS"), IFRIC interpretations and these 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 financial 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 29 December 2007 (referred to as the 2007 financial statements). The 2007 financial statements have been audited and have received an unqualified audit report.

Amounts are stated in euro thousands (€'000) unless otherwise stated.

This financial information is prepared for a 52 week period ending on 29 December 2007. Comparatives are for the 52 week period ended 30 December 2006. The balance sheets for 2007 and 2006 have been drawn up as at 29 December 2007 and 30 December 2006 respectively.

The financial statements were approved by the Board of Directors on 4 March 2008 and signed on its behalf by MJ Walsh, JJ Moloney and GJ Meagher.

Notes to the financial information
for the year ended 29 December 2007

2 Segment information

Primary reporting format – business segments

At 29 December 2007 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 29 December 2007 are as follows:

2007	Consumer Foods €'000	Food Ingredients and Nutritionals €'000	Agribusiness and Property €'000	Unallocated €'000	Group €'000
Total gross segment revenue	510,821	1,529,310	293,034	-	2,333,165
Inter-segment revenue	(39)	(126,106)	(453)	-	(126,598)
Revenue	<u>510,782</u>	<u>1,403,204</u>	<u>292,581</u>	<u>-</u>	<u>2,206,567</u>
Operating profit pre exceptional items	17,834	85,194	12,806	-	115,834
Exceptional items	(23,463)	-	-	-	(23,463)
	<u>(5,629)</u>	<u>85,194</u>	<u>12,806</u>	<u>-</u>	<u>92,371</u>
Finance income and costs					(17,282)
Share of results of joint ventures and associates					<u>992</u>
Profit before tax					76,081
Tax					<u>(15,841)</u>
Profit for the year					<u>60,240</u>

Notes to the financial information
for the year ended 29 December 2007

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	<u>(55)</u>	<u>(108,977)</u>	<u>-</u>	<u>-</u>	<u>(109,032)</u>
Revenue	<u>511,022</u>	<u>1,077,913</u>	<u>264,492</u>	<u>-</u>	<u>1,853,427</u>
Operating profit pre exceptional items	24,525	44,166	16,876	-	85,567
Exceptional items	<u>(3,277)</u>	<u>-</u>	<u>-</u>	<u>(9,178)</u>	<u>(12,455)</u>
	<u>21,248</u>	<u>44,166</u>	<u>16,876</u>	<u>(9,178)</u>	73,112
Finance income and costs					(14,035)
Share of results of joint ventures and associates					<u>2,842</u>
Profit before tax					61,919
Tax					<u>4,351</u>
Profit for the year					<u>66,270</u>

3 Exceptional items

	Notes	2007 €'000	2006 €'000
Exit from Pigmaeat	(a)	(20,756)	-
Restructuring cost	(b)	(2,707)	(3,277)
The Cheese Company Holdings Limited		<u>-</u>	<u>(9,178)</u>
		(23,463)	(12,455)
Exceptional tax credit		617	12,321
Net exceptional item		<u>(22,846)</u>	<u>(134)</u>

(a) Exit from Pigmaeat – included in the exceptional charge relating to the Group's exit from Pigmaeat are the following: insurance proceeds received in excess of the carrying value of the assets plus a provision for the loss on disposal to the MBO team, net charge (pre-tax) €23.8 million. A gain on the disposal of property relating to the former processing site at Ruskey of €3.1 million was also realised during the year.

(b) Restructuring of Consumer operations. Costs include redundancy and asset impairment charges.

Notes to the financial information
for the year ended 29 December 2007

4 Finance income and costs

(a) Finance income

	2007	2006
	€'000	€'000
Interest income	<u>4,813</u>	<u>4,883</u>

(b) Finance costs

	2007	2006
	€'000	€'000
Interest expense		
- Bank borrowings repayable within five years	(19,084)	(16,265)
- Interest cost on deferred consideration	(450)	-
- Finance lease costs	(272)	(380)
- Interest rate swaps, transfer from equity	1,401	1,169
- Interest rate swaps, fair value hedges	676	(4,242)
- Fair value adjustment of borrowings attributable to interest rate risk	<u>(676)</u>	<u>4,242</u>
	(18,405)	(15,476)
Finance cost of preference shares	<u>(3,690)</u>	<u>(3,442)</u>
Total finance costs	<u>(22,095)</u>	<u>(18,918)</u>

Notes to the financial information
for the year ended 29 December 2007

5 Taxation

	2007	2006
	€'000	€'000
Irish corporation tax	7,284	3,080
Adjustments in respect of prior years	(100)	238
Current tax on income for the year	<u>7,184</u>	<u>3,318</u>
Foreign tax	6,338	1,035
Adjustments in respect of prior years	327	(46)
Current tax on income for the year	<u>6,665</u>	<u>989</u>
Total current tax	13,849	4,307
Deferred tax	<u>2,609</u>	<u>3,663</u>
Pre-exceptional tax charge	16,458	7,970
Exceptional tax credit	<u>(617)</u>	<u>(12,321)</u>
	<u>15,841</u>	<u>(4,351)</u>

- (i) The pre-exceptional deferred tax charge for 2007 includes €0.787 million for the reduction in the value of the Group's UK deferred tax asset (see (iv) below) due to the decrease in the UK corporation tax rate from 30% to 28%, with effect from 1 April 2008.
- (ii) Exit from meat processing: the sale during 2007 of the former processing site at Ruskey resulted in an exceptional current tax charge of €0.481 million. Tax on the insurance settlement agreed following the destruction by fire in August 2007 of processing assets at the Edenderry plant, and the tax effects of the Group's decision to dispose of the Pigmeat business to its management team, resulted in an exceptional corporation tax charge of €1.734 million and a deferred tax credit of €2.554 million.
- (iii) Also, in 2007, the restructuring provision in the Consumer Foods Ireland resulted in a corporation tax credit of €0.240 million and a deferred tax credit of €0.038 million.
- (iv) In the prior year 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, was recognised in the 2006 financial statements. Also, in 2006, a restructuring provision in the Pigmeat division resulted in a corporation tax credit of €0.699 million and a deferred tax charge of €0.489 million.

The tax credits in 2007 and 2006, by virtue of nature and size, have been separately disclosed as an exceptional credit in the financial statements.

Notes to the financial information
for the year ended 29 December 2007

6 Earnings per share

Basic

	2007	2006
	€'000	€'000
Profit attributable to equity holders of the Company	<u>59,833</u>	<u>65,934</u>
Weighted average number of ordinary shares in issue	<u>293,012,540</u>	<u>292,958,667</u>
Basic earnings per share (cent per share)	<u>20.42</u>	<u>22.51</u>

Diluted

	2007	2006
	€'000	€'000
Weighted average number of ordinary shares in issue	293,012,540	292,958,667
Adjustments for share options	<u>1,110,557</u>	<u>480,072</u>
Adjusted weighted average number of ordinary shares	<u>294,123,097</u>	<u>293,438,739</u>
Diluted earnings per share (cent per share)	<u>20.34</u>	<u>22.47</u>

Adjusted

	2007	2006
	€'000	€'000
Profit attributable to equity holders of the Company	59,833	65,934
Exceptional items	<u>22,846</u>	<u>134</u>
	<u>82,679</u>	<u>66,068</u>
Adjusted earnings per share (cent per share)	<u>28.22</u>	<u>22.55</u>
Diluted adjusted earnings per share (cent per share)	<u>28.11</u>	<u>22.52</u>

7 Dividends

The dividends paid in 2007 and 2006 were €17.3 million (5.91 cent per share) and €16.5 million (5.62 cent per share) respectively. On 3 October 2007 an interim dividend of 2.50 cent per share on the ordinary shares amounting to €7.33 million was paid to shareholders on the register of members as at 14 September 2007. The Directors have recommended the payment of a final dividend of 3.58 cent per share on the ordinary shares which amounts to €10.5 million. Subject to shareholders approval this dividend will be paid on Tuesday 20 May 2008 to shareholders on the register of members as at Friday 25 April 2008, the record date. This financial information does not reflect this final dividend payable.

Notes to the financial information
for the year ended 29 December 2007

8 Net debt

	2007	2006
	€'000	€'000
Borrowings due within one year	966	39,235
Borrowings due after one year	379,028	444,570
Less:		
Cash and cash equivalents	<u>(159,819)</u>	<u>(259,311)</u>
	<u>220,175</u>	<u>224,494</u>

9 Other reserves

	Capital and mergers reserves	Currency reserve	Fair value reserves	Total
	€'000	€'000	€'000	€'000
Balance at 31 December 2006	116,421	(7,603)	4,878	113,696
Translation differences on foreign currency net investments	-	(14,878)	-	(14,878)
Revaluation of interest rate swaps - loss in year	-	-	(3,714)	(3,714)
Foreign exchange contracts - gain in year	-	-	2,237	2,237
Transfers to income statement	-	-	-	-
- Foreign exchange contracts - gain in year	-	-	(2,445)	(2,445)
- Forward commodity contracts - loss in year	-	-	(594)	(594)
- Interest rate swaps - gain in year	-	-	(1,401)	(1,401)
Revaluation of forward commodity contracts - gain in year	-	-	11	11
Revaluation of investments - gain in year	-	-	17,512	17,512
Deferred tax on fair value adjustments	-	-	(3,028)	(3,028)
Cost of share options	587	-	-	587
Discount on own shares vested	(74)	-	-	(74)
Balance at 29 December 2007	<u>116,934</u>	<u>(22,481)</u>	<u>13,456</u>	<u>107,909</u>

Notes to the financial information
for the year ended 29 December 2007

10 Retained earnings

	Retained earnings €'000	Goodwill write-off €'000	Total €'000
Balance at 31 December 2006	74,845	(92,961)	(18,116)
Actuarial loss - defined benefit schemes	(4,539)	-	(4,539)
Deferred tax on pension loss	1,102	-	1,102
Share of actuarial gain - joint venture	<u>230</u>	<u>-</u>	<u>230</u>
Net expense recognised directly in equity	(3,207)	-	(3,207)
Profit for the year	<u>59,833</u>	<u>-</u>	<u>59,833</u>
Total recognised income for 2007	56,626	-	56,626
Dividends paid in 2007	<u>(17,334)</u>	<u>-</u>	<u>(17,334)</u>
Balance at 29 December 2007	<u>114,137</u>	<u>(92,961)</u>	<u>21,176</u>

Notes to the financial information
for the year ended 29 December 2007

11 Cash generated from operations

	2007	2006
	Group	Group
	€'000	€'000
Profit before tax	76,081	61,919
Development costs capitalised	(1,804)	(2,069)
Non-cash exceptional - exit from Pigmeat	13,706	-
Exceptional loss on The Cheese Company Holdings Limited	-	9,178
Share of results of associates and joint ventures	(992)	(2,842)
Depreciation	27,246	25,415
Amortisation	6,816	4,452
Cost of share options	587	199
Gain on disposal of investments	-	(1,541)
Pension – credit	(1,026)	(323)
Gain on disposal of property, plant and equipment	(3,002)	(7,531)
Interest income	(4,813)	(4,883)
Interest expense	22,095	18,918
Amortisation of government grants received	(736)	(4,322)
Net profit before changes in working capital	134,158	96,570
Change in net working capital		
- Increase in inventory	(82,093)	(2,684)
- Increase in short term receivables	(36,615)	(20,208)
- Increase/(decrease) in short term liabilities	70,041	(11,332)
- Decrease increase in provisions	(476)	(1,323)
Cash generated from operations	85,015	61,023

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 29 December 2007 will be annexed to the Company's annual return for 2008. 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 30 December 2006 and the Directors approved the financial statements of the Company in respect of the financial year ended 29 December 2007 on 4 March 2007. A copy of the financial statements of the Company in respect of the year ended 30 December 2006 has been annexed to the Company's annual return for 2007 to the Companies Registration Office."