NEWS RELEASE
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A world of
nutritional solutions
and cheese

2011 Full Year Results

29 February 2012

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EXCELLENT RESULTS IN 2011, AHEAD OF MARKET EXPECTATIONS

26.7% GROWTH IN ADJUSTED EARNINGS PER SHARE

29 February 2012 - Glanbia plc ('Glanbia'), the global nutritional solutions and cheese Group, announces its results for the full year ended 31 December, 2011. Results commentary in this announcement is based primarily on constant currency.

Results summary pre exceptional(1)	Constant Currency(2)			Reported	
	2011	2010	Change	2011	Change
Revenue(3)	€2,734.6m	€2,166.7m	**+ 26.2%**	€2,671.2m	**+ 23.3%**
EBITA	€186.1m	€151.6m	**+ 22.8%**	€179.5m	**+ 18.4%**
EBITA margin	6.8%	7.0%	**- 20 bps**	6.7%	**- 30 bps**
Operating profit	€166.8m	€136.5m	**+ 22.2%**	€161.0m	**+ 17.9%**
Operating margin	6.1%	6.3%	**- 20 bps**	6.0%	**- 30 bps**
EBITDA	€219.4m	€182.8m	**+ 20.0%**	€212.2m	**+ 16.1%**
Share of results of Joint Ventures & Associates(3)	€14.7m	€10.1m	**+ 45.5%**	€14.3m	**+ 41.6%**
Adjusted earnings per share(4)	48.22c	38.07c	**+ 26.7%**	46.32c	**+ 21.7%**

Financing KPIs	2011	2010	Change
Net debt/Adjusted EBITDA(5)	2.1 times	2.1 times	-
Return on capital employed(6)	12.7%	12.5%	**+ 20 bps**

(1) An exceptional item of €8.7 million relates to rationalisation costs including the costs of the integration of the liquid milk business acquired from Kerry Group plc in the first half.

(2) Constant currency is based on translating 2011 results at the 2010 average market exchange rate. The 2010 average exchange rate was €1 = US$1.3260 which compares with the reported average exchange rate for 2011 of €1 = US$1.3923.

(3) Total Group revenue, including Glanbia's share of the revenue of Joint Ventures & Associates, was €3.2 billion, €3.3 billion on a constant currency basis for the year (2010: €2.6 billion). Share of results of Joint Ventures & Associates is an after interest and tax amount.

(4) Adjusted earnings per share is calculated as the profit for the year attributable to the owners of the Group before exceptional items and amortisation of intangible assets (net of tax).

(5) Adjusted EBITDA for the purpose of financing ratios reflects Group EBITDA plus dividends from Joint Ventures & Associates.

(6) Return on capital employed is calculated as EBITA, including share of Joint Ventures & Associates EBITA, (post tax) over capital employed. Capital employed is defined as non-current assets plus working capital.

2011 full year results summary

- Strong performance by Global Nutritionals, with organic revenue growth well ahead of market growth rates
- BSN®, acquired in January 2011 for $144 million, performed in line with expectations
- Good performance by Dairy Ireland underpinned by positive global dairy markets
- Revenue increased 26.2% to €2.7 billion; EBITA grew 22.8% to €186.1 million
- EBITA margin down 20 basis points to 6.8%, due largely to input cost pressures in Performance Nutrition
- Strategic Joint Ventures & Associates profit after tax increased by 45.5% to €14.7 million
- Adjusted earnings per share grew 26.7% to 48.22 cents
- Dividend per share in respect of the full year increased 10% to 8.27 cents
- $325 million Private Debt Placement of 10 year senior loan notes completed

John Moloney, Group Managing Director, said:

"Glanbia achieved excellent results in 2011 delivering 26.7% growth in adjusted earnings per share, on a constant currency basis. The acquisition and successful integration of BSN® into Performance Nutrition complemented strong organic revenue growth in our three nutritional businesses. These businesses continue to outpace market growth rates, driven by strong market positions and science based, customer focused innovation. Positive global dairy markets underpinned a solid performance by Dairy Ireland despite the challenges of the Consumer Products business.

We expect the operating environment in 2012 to be more challenging than in recent years. Current global economic uncertainty has the potential to impact global dairy markets and fragile consumer confidence. The Group's focus on driving growth in nutritionals, combined with deep dairy market expertise and strong execution capability, position us well for the future. Our guidance for 2012 is for 5-7% growth in adjusted earnings per share, on a constant currency basis."

2011 full year results
For the full year ended 31 December 2011

Market commentary

Global dairy markets

2011 was a positive year for global dairy markets following a good year in 2010. Despite a significant increase in global milk production, overall demand proved to be resilient, resulting in a modest market correction in the second half. Many of the 2011 demand characteristics, including demand from developing economies, are expected to prevail in 2012. There is strong growth currently in global milk production. The key risk to the current global dairy market outlook for 2012 is the significant concern around a global economic downturn and the impact this could have at the consumer level. The current view on global dairy market performance is that prices will soften further in the first half of 2012, relative to the second half of 2011, with increased milk and dairy product availability. The second half of 2012 is forecast to be moderately weaker again. Overall, critical markets such as China, Russia and South East Asia are expected to remain solid throughout 2012, limiting market volatility.

US Cheese & Global Nutritionals

US Cheese: In 2011, US Cheese prices were strong, yet somewhat volatile, for most of the year, compared with 2010. This was due to a combination of market factors. US milk production increased 1.8% for the year and 3.7% in Idaho. However, higher prices for competing dairy products reduced milk volumes processed into cheese, thereby increasing prices. Retail cheese sales were down overall, mainly as a result of consumer resistance to retail price increases. This was more than offset by relatively strong demand from the foodservice sector and export sales of American-style cheddar cheese which were very strong, increasing over 30% in 2011, following a 60% increase in 2010. In 2012 US cheese prices have reduced year to date with the market tone currently driven by supply factors as milk production exceeds expectations. While retail demand is sluggish, demand from foodservice, industrial and exports continues to be robust.

Global Nutritionals: 2011 was a significant year for whey proteins as strong demand and tight supply lead to unprecedented high whey pricing. Demand was fuelled by strong growth in key nutritional markets, which continued throughout the year. Market growth estimates for 2011 for key global nutritional segments included 15% growth in the nutritional bar market, 7% growth in sports nutrition and 18% growth in nutritional beverages. Sports nutrition is the largest market segment and the latest research into this market confirms that growth is driven by an awareness of the benefits of these products by a growing population of nutrition-aware consumers with a desire to live healthy lifestyles. In 2011, the market for customised premix solutions continued to be strong driven by double digit growth in demand from beverages, breakfast cereals, product fortification requirements in infant formula, supplements and nutrition bars. Favourable market demand conditions in key nutritional segments are expected to continue in 2012, although with tight supply in key raw materials. Effective management of the buy/sell equation, particularly in Performance Nutrition, will be important in the face of further potential price inflation in raw material inputs.

Dairy Ireland

The performance of global dairy markets, outlined above, is the key market dynamic that impacts Dairy Ingredients Ireland, as substantially all of Irish dairy output is exported. The trading environment for Dairy Ingredients Ireland was therefore positive in 2011 with some weakness anticipated for 2012. Positive global dairy markets also underpinned the demand for farm inputs and benefited Agribusiness. The trading environment for the Consumer Products business is dictated by both the domestic Irish economy and the indirect impact of global dairy markets on input costs. In 2011, it was another difficult year for the food retail market in Ireland; consumer sentiment was weak and fell sharply towards year-end. Higher global dairy markets during the year resulted in increased milk costs for Consumer Products and while some modest price increases were implemented margins were still lower year-on-year. The Irish economic and fiscal backdrop offers little respite at present to consumers. As a result these market conditions are expected to persist in 2012.

Abolition of EU Milk Quotas in 2015

As previously outlined, Glanbia is in the process of reviewing the implications of the potential expansion of its supply base post the abolition of EU milk quotas in 2015. Glanbia plc, in common with its largest shareholder, Glanbia Co-operative Society Limited, recognises that Ireland has a range of competitive characteristics that facilitates growth in milk supply post 2015. The longer-term outlook for global dairy markets is also positive, driven by rising income levels in developing economies. Both parties and their advisors are working to evaluate possible options for expansion of dairy processing in Ireland. A conclusion on the best way forward for all stakeholders is expected to be reached in the second quarter of 2012.
Any investment opportunities arising would be considered by Glanbia plc in a portfolio context to ensure that Group resources are directed to business segments so as to maximise overall Group performance.

Operations review

Group strategy

Glanbia has invested significant resources in recent years to develop and enhance the US Cheese & Global Nutritionals division. Our key strategic investments and acquisitions in these areas have performed very well and are underpinning our strategic objective of delivering sustainable, profitable earnings growth.

Constant Currency

Glanbia's financial results are exposed to movements in the euro/US dollar currency exchange rate and the impact this has on the translation into euro of the significant portion of the Group's profits that are US dollar denominated. To reflect the underlying performance of the business Glanbia uses constant currency as a basis for discussing financial results and providing earnings guidance. In 2011 US dollar denominated profits represented approximately 65% of the Group's earnings before interest, taxation and amortisation (EBITA).

Revenue, profitability and margins, on a constant currency basis(1)

	2011			2010		
	Revenue	**EBITA**	**EBITA Margin**	**Revenue**	**EBITA**	**EBITA Margin**
	€m	**€m**		**€m**	**€m**	
US Cheese & Global Nutritionals	1,380.4	128.8	9.3%	1,021.9	104.5	10.2%
Dairy Ireland	1,353.3	57.9	4.3%	1,138.6	47.9	4.2%
Other Business	1.0	(0.6)	(60.0%)	6.2	(0.8)	(12.9%)
Group excluding JVs & Associates	**2,734.7**	**186.1**	**6.8%**	**2,166.7**	**151.6**	**7.0%**
JVs & Associates	541.0	26.0	4.8%	416.6	21.6	5.2%
Total including JVs & Associates	**3,275.7**	**212.1**	**6.5%**	**2,583.3**	**173.2**	**6.7%**

(1) Constant currency is based on translating 2011 results at the 2010 average market exchange rate. The 2010 average exchange rate was €1 = US$1.3260 which compares with the reported average exchange rate for 2011 of €1 = US$1.3923.

Results overview

Total Group revenue, including share of Joint Ventures & Associates, grew by 26.8% to €3.3 billion on a constant currency basis, (2010: €2.6 billion). This growth is attributable to strong underlying organic volume growth of 8%, higher pricing and an enhanced product mix of 14%, and a 5% positive contribution by acquisitions, primarily Bio-Engineered Supplements and Nutrition (BSN®) acquired in January 2011.

Total Group EBITA, including share of Joint Ventures & Associates, increased 22.5% to €212.1 million on a constant currency basis (2010: €173.2 million). Total Group EBITA margin fell 20 basis points to 6.5%, on a constant currency basis, (2010: 6.7%) mainly as a result of lower EBITA margins in US Cheese & Global Nutritionals. This was a solid performance given the scale and pace of the input cost pressures in the Performance Nutrition business, which consistently moved ahead of three product price increases effected during the year.

US Cheese & Global Nutritionals

	Constant Currency			Reported	
	2011	**2010**	**Change**	**2011**	**Change**
Revenue	€1,380.4m	€1,021.9m	**+ 35.1%**	€1,316.9m	**+ 28.9%**
EBITA pre exceptional	€128.8m	€104.5m	**+ 23.3%**	€122.2m	**+ 16.9%**
EBITA margin pre exceptional	9.3%	10.2%	**- 90 bps**	9.3%	**- 90 bps**
Operating profit pre exceptional	€113.8m	€93.8m	**+ 21.3%**	€108.0m	**+ 15.1%**
Operating margin pre exceptional	8.2%	9.2%	**- 100 bps**	8.2%	**- 100 bps**
EBITDA pre exceptional	€142.7m	€116.7m	**+ 22.3%**	€135.4m	**+ 16.0%**

Analysis on a constant currency basis

In 2011, US Cheese & Global Nutritionals revenue increased 35.1% to €1.38 billion (2010: €1.02 billion). The strong growth in total revenue is attributable to underlying organic volume growth of 10%, higher pricing and an enhanced product mix of 14%, and the positive contribution of the acquisition of BSN® of 11%. Operating profit pre exceptional increased 21.3% to €113.8 million (2010: €93.8 million). EBITA pre exceptional increased 23.3% to €128.8 million (2010: €104.5 million). Operating and EBITA margins pre exceptional decreased by 100 and 90 basis points respectively.

US Cheese: 2011 performance and 2012 outlook

US Cheese delivered a solid performance in 2011. While the US Cheese market was volatile, average prices were higher than 2010 and importantly; the business has increasingly sought to reduce this market related risk through the adoption of a range of risk management tools. Production was down marginally in the year as cheese volumes were aligned with sales demand. Competition for milk was a feature of the year and led to some input cost pressures. These were offset by strong operational management including the implementation of a two year Total Quality Management ('TQM') programme referred to internally as the *Glanbia Performance System 'GPS'*. US Cheese was the pilot for this programme, which will be rolled out across key Group manufacturing sites. Export sales were strong in the year and significant investment was made in building internal resources to maximise this business opportunity over the longer-term. Revenue, EBITA and EBITA margins grew year-on-year.

US Cheese continues to invest in enhancing its product capabilities and an $11m investment in a cheese innovation centre is planned for 2012. This is to facilitate closer collaboration with customers in developing new products and formats. The trading environment for US Cheese in 2012 has some challenges. Higher US milk production is expected to result in a lower average US cheese market price in 2012. While retail demand was impacted by high prices in 2011, overall demand remains resilient in the foodservice, industrial and export sectors. In response to the current competitive environment for both milk suppliers and US cheese processors, Glanbia is in the process of reviewing the milk price formula for its milk supply base in Idaho. Overall US Cheese is forecast to deliver a performance in 2012 broadly in line with 2011.

Global Nutritionals: 2011 performance and 2012 outlook

Global Nutritionals had a strong year in 2011 and is now the largest business in the Group both by revenue and EBITA, which is a significant strategic transformation for Glanbia in recent years. Organic revenue growth was excellent in all three business units; Performance Nutrition, Customised Premix Solutions and Ingredient Technologies, driven by strong demand and good growth in prices and EBITA also improved in the year. However there were significant raw material price pressures which impacted EBITA margins in Performance Nutrition where significantly higher whey costs were not fully recovered in the market despite a series of price increases and margins declined as a result. This is reflected in the overall 90 basis points reduction in US Cheese & Global Nutritionals divisional EBITA margins for 2011.

On 19 January 2011, Glanbia announced the acquisition of BSN® for a total consideration of $144 million. The business was acquired on a debt free basis and was funded through Glanbia's existing banking facilities. BSN® is a leading developer, provider and distributor of nutritional products and enhances and extends Performance Nutrition's product portfolio. During the year there has been significant investment in organisation and product development including the re-launch of their flagship Brand, N.O.-XPLODE 2.0 for pre-training performance and energy. The integration of BSN® is progressing well and the business performed in line with expectations in 2011.

Market growth in all Glanbia's core nutritional sectors gathered pace in 2011 and the prospects are very good for 2012. These are underpinned by long-term positive structural market growth drivers including healthy living and healthy aging. While raw material availability and cost is expected to remain challenging for Performance Nutrition in the short term, this market dynamic is expected to ease as new supply sources become available in the latter part of 2012. There is a clear focus in Global Nutritionals on developing new products, both nutritional and functional; building a systematic approach to innovation and enhancing organisation and operational capacity. During 2011, all three nutritional businesses developed their international presence and each continues to build scale and global platforms that are customer centric. Overall Global Nutritionals is expected to perform well again in 2012.

Dairy Ireland

	2011	2010	Change
Revenue	€1,353.3m	€1,138.6m	**+ 18.9%**
EBITA pre exceptional	€57.9m	€47.9m	**+ 20.9%**
EBITA margin pre exceptional	4.3%	4.2%	**+ 10 bps**
Operating profit pre exceptional	€53.6m	€43.5m	**+ 23.2 %**
Operating margin pre exceptional	4.0%	3.8%	**+ 20bps**
EBITDA pre exceptional	€77.4m	€66.9m	**+ 15.7%**

In 2011 Dairy Ireland revenue grew 18.9% to €1.35 billion (2010: €1.14 billion). The revenue growth is attributable to underlying organic volume growth 4%, higher pricing and an enhanced product mix 13%, and the contribution of a small acquisition 2%. Operating profit pre exceptional increased 23.2% to €53.6 million (2010: €43.5 million) and the operating margin pre exceptional increased 20 basis points to 4.0% (2010: 3.8%). EBITA pre exceptional increased 20.9% to €57.9 million (2010: €47.9 million).

Dairy Ingredients Ireland: 2011 performance and 2012 outlook
In 2011, global dairy markets remained largely positive despite significant geopolitical and macroeconomic events during the year. This underpinned solid results from Dairy Ingredients. Volumes and prices were higher and the business also benefited from strong operational and cost management, combined with maximising market reach in emerging markets. Revenue and EBITA grew and EBITA margins also improved somewhat, despite significantly higher milk costs. In 2011, a €21.2 million investment in the whey processing facilities was approved which, when commissioned in 2012, will increase the volume of higher protein whey products produced. The 2012 performance of Dairy Ingredients is expected to be broadly in line with 2011.

Consumer Products: 2011 performance and 2012 outlook
Consumer Products had another difficult year in 2011. Irish macroeconomic circumstances have created unprecedented pressure on suppliers to the Irish food retail and foodservice sectors. Within retail, private label grew market share in all categories as consumers continued to focus on cost and managing their food budgets very tightly. Consumer sentiment is fragile at best as the outlook remains uncertain for European fiscal and monetary developments. Within the food category price promotions are now a permanent market fixture. Higher prices in global dairy markets impacted raw material input costs with only modest price increases passed onto the consumer. Volumes were up in fresh dairy products and natural cheese, but there were mid-single digit declines, on a like for like sales basis, in branded milk. While revenue increased in 2011, largely driven by a small liquid milk acquisition during the year, EBITA and EBITA margins declined. In response to the market challenges, the business has continued to focus on rationalising its operational cost base driven by both headcount reductions and process re-engineering, while also continuing to drive forward its innovation pipeline, with recent new product launches such as 'Heart Active' milk. No significant change in the market environment is expected in 2012 and Consumer Products is forecast to deliver a broadly similar performance to 2011.

Agribusiness: 2011 performance and 2012 outlook
Agribusiness had a good year in 2011 overall. Volumes were marginally down but strong cost focus, favourable production mix and management of key buy/sell equations helped to deliver growth in EBITA. EBITA margins were broadly similar to 2010. The performance of global dairy markets in 2012 is expected to underpin farm input demand at similar levels to this year but the management of milk quota limits the prospects of volume growth. Overall a solid performance is expected from Agribusiness in 2012.

Joint Ventures & Associates

	Constant Currency			Reported	
	2011	**2010**	**Change**	**2011**	**Change**
Revenue[1]	€541.0m	€416.6m	**+ 29.9%**	€524.2m	**+ 25.8%**
EBITA pre exceptional	€26.0m	€21.6m	**+ 20.4%**	€25.2m	**+ 16.7%**
EBITA margin pre exceptional	4.8%	5.2%	**- 40bps**	4.8%	**- 40bps**
Operating profit pre exceptional	€26.0m	€21.6m	**+ 20.4%**	€25.2m	**+ 16.7%**
Operating margin pre exceptional	4.8%	5.2%	**- 40bps**	4.8%	**- 40bps**
EBITDA pre exceptional	€33.6m	€27.8m	**+ 20.9%**	€32.6m	**+ 17.3%**

[1] Not included in Group revenue.

Analysis on a constant currency basis
Joint Ventures & Associates had a good year. Revenue improved as a result of higher volumes and market price increases in US cheese and European mozzarella markets. Nutricima, in Nigeria, also delivered an improved performance and revenue grew year-on-year driven by volume growth. Glanbia's share of revenue grew 29.9% to €541.0 million (2010: €416.6 million).

Glanbia's share of operating profit increased 20.4% to €26.0 million (2010: €21.6 million), mainly as a result of a strong performance by Glanbia Cheese and an improved performance in Nutricima.

Operating margins declined 40 basis points year-on-year to 4.8%, driven by a decline in margins in Southwest Cheese, as a consequence of higher milk cost. This is as a result of the impact of relative market pricing of dairy products on milk cost during the year.

The Group's share of profit after interest and tax was up €4.2 million to €14.3 million (2010: €10.1 million). The table below reconciles operating profit with share of results of Joint Ventures & Associates, as reported in the income statement.

	Reported		
	2011 €m	**2010 €m**	**Change €m**
Operating profit pre exceptional	25.2	21.6	3.6
Finance costs	(4.7)	(4.7)	-
Income taxes	(6.2)	(6.8)	0.6
Share of results of Joint Ventures & Associates	**14.3**	**10.1**	**4.2**

Finance review

Summary income statement, as reported

	2011			2010		
	Pre-exceptional	**Exceptional**	**Total**	**Pre-exceptional**	**Exceptional**	**Total**
	€'m	**€'m**	**€'m**	**€'m**	**€'m**	**€'m**
Revenue	2,671.2	-	2,671.2	2,166.7	-	2,166.7
Operating profit	**161.0**	**(8.7)**	**152.3**	**136.5**	**10.2**	**146.7**
Net finance costs	(27.9)	-	(27.9)	(22.1)	-	(22.1)
Share of results of Joint Ventures & Associates	14.3	-	14.3	10.1	-	10.1
Profit before taxation	**147.4**	**(8.7)**	**138.7**	**124.5**	**10.2**	**134.7**
Income taxes	(27.0)	1.1	(25.9)	(25.5)	(0.6)	(26.1)
Profit for the year	**120.4**	**(7.6)**	**112.8**	**99.0**	**9.6**	**108.6**
Basic earnings per share (cents)			**38.22**			**36.86**
Adjusted earnings per share (cents)			**46.32**			**38.07**

For a review of revenue and operating performance, see the Operations Review on page 3.

Net finance costs

Net financing costs increased by €5.8 million to €27.9 million (2010: €22.1 million) mainly due to the drawdown of a $325 million private debt placement of 10 year senior loan notes during the year. These notes are unsecured, ranking pari passu with existing senior debt and have a fixed coupon rate of 5.4%. The Group's average interest rate for the full year 2011 was 5.0% (2010: 4.2%).

Joint Ventures and Associates

The Group's share of results of Joint Ventures & Associates was up 41.6% (€4.2 million) to €14.3 million (2010: €10.1 million). The improved result reflected strong profitable growth in Glanbia Cheese and improved performance in Nutricima.

Taxation

The 2011 tax charge pre exceptional increased by 5.9%, to €27.0 million (2010: €25.5 million) which represents an effective rate, excluding Joint Ventures & Associates, of 20.3% (2010: 22.3%). The decrease in the effective rate is driven by the change in mix and geographic locations in which profits are earned.

Exceptional items

Rationalisation costs of €8.7m, include redundancies related to the integration of the liquid milk business acquired from Kerry Group plc and were incurred in the first half by the Consumer Products business within Dairy Ireland.

Basic earnings per share

Basic earnings per share (EPS) increased by 3.7% to 38.22 cents per share (2010: 36.86 cents per share), as a net negative movement in exceptional items year on year was offset by an increase in pre exceptional Group profit after tax.

Adjusted earnings per share

Adjusted earnings per share 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 21.7% to 46.32 cents per share (2010: 38.07 cents per share) driven mainly by improved operating profit and share of profit after tax from Joint Ventures & Associates, offset by an increased net finance charge.

Dividend per share

The Board is recommending a final dividend of 4.94 cents per share (2010: final dividend 4.49 cents per share). This represents an increase of 10% in the year and brings the total dividend for the year to 8.27 cents per share (2010: 7.52 cents per share).

Summary cash flow

	2011 €m	2010 €m	Change €m
EBITDA pre exceptional(1)	212.2	182.8	29.4
Working capital movement	(39.0)	(53.6)	14.6
Net interest and tax paid	(39.3)	(34.5)	(4.8)
Business sustaining capital investment	(27.3)	(17.3)	(10.0)
Other	(19.1)	(11.9)	(7.2)
Free cash flow	**87.5**	**65.5**	**22.0**
Dividends from joint ventures	14.8	11.2	3.6
Loans repaid by joint ventures	-	23.3	(23.3)
Strategic acquisition/capital expenditure	(133.8)	(16.2)	(117.6)
Restructuring costs	(10.0)	(9.8)	(0.2)
Equity dividends	(22.9)	(20.5)	(2.4)
Cash flow pre currency exchange/fair value adjustments	**(64.4)**	**53.5**	**(117.9)**
Currency exchange/fair value adjustments	(7.8)	(19.0)	11.2
Net (increase)/decrease in debt during the year	**(72.2)**	**34.5**	**(106.7)**
Net debt at the beginning of the year	(408.1)	(442.6)	34.5
Net debt at the end of the year	**(480.3)**	**(408.1)**	**(72.2)**

(1) EBITDA pre exceptional comprises US Cheese & Global Nutritionals €135.4m, Dairy Ireland €77.4m and Other (€0.6m)

The Group generated strong free cash flow during the year of €87.5 million (2010: €65.5 million) an increase of €22.0 million year on year. Free cash flow is stated after charging working capital movements and business sustaining capital expenditure, but before dividends received from Joint Ventures, loans repaid by/advanced to Joint Ventures, strategic capital expenditure, restructuring costs, and equity dividends.

Higher EBITDA in 2011 of €212.2 million (2010: €182.8 million) was offset by year on year investment in working capital, increased business sustaining capital investment and interest outflows. The working capital outflow in the year primarily reflects the reduction of a debt purchase agreement which was in place with a financial institution since 2005. Dividends received from joint ventures during 2011 were €14.8 million an increase from the prior year of €3.6 million (2010: €11.2 million) and reflect a good cash return to the Group from both Southwest Cheese and Glanbia Cheese.

Financing KPIs

The Group remained focused on cash management in 2011 and delivered a robust year end net debt/adjusted EBITDA financing ratio of 2.1 times (2010: 2.1 times), notwithstanding significant strategic acquisition capital expenditure and one off working capital outflows. This is well within the Group's year end covenant of 3.3 times.

In 2011, adjusted EBIT to net financing cost cover was 6.3 times (2010: 6.7 times), reflecting the increased cost of the private debt senior loan notes in the year. The Group's average interest rate for the full year 2011 was 5.0% (2010: 4.2%), reflecting the mix of financing facilities of the Group. Glanbia operates a policy of fixing a significant amount of its interest exposure with approximately 75% of projected 2012 debt currently contracted at fixed rates.

Financing

The Group currently has three sources of debt finance; 10 year senior loan notes issued as a private debt placement in 2011, senior bank debt with nine banks under bilateral arrangements with common terms and conditions and cumulative redeemable preference shares. Committed debt facilities total €987.7 million encompassing the $325 million private debt placement (€251.2 million), €673.0 million from nine banks and €63.5 million cumulative redeemable preference shares. The tenure of these facilities ranges from €163.0 million renewable in July 2012, €510.0 million renewable in July 2013, €63.5 million maturing in July 2014 and €251.2 million maturing in June 2021. The Group will be reviewing the overall group financing in 2012 as part of the normal bank debt renewal process.

Key financial covenants	Covenant	2011	2010	2009
Net debt[1] : Adjusted EBITDA[2] (times)	3.3	2.1	2.1	2.6
Adjusted EBIT[3] : Net finance costs (times)	3.5	6.3	6.7	5.4

1 Year end net debt includes €63.5 million cumulative redeemable preference shares

2 Adjusted EBITDA reflects Group EBITDA, pre exceptional items, plus dividends from Joint Ventures & Associates

3 Adjusted EBIT reflects Group EBIT, pre exceptional items, plus dividends from Joint Ventures & Associates

Return on capital employed
The overall return on capital employed has improved by 20 basis point to 12.7% (2010: 12.5%). The return is defined as a post tax measure of the return earned by the Group on capital invested including Joint Ventures & Associates. The improvement was driven by the strong growth in operating performance of the Group allied with the prudent deployment and strong utilisation of capital across the Group.

Pension
At 31 December 2011 the Group's net pension liability under IAS 19 'Employee Benefits', before deferred tax, decreased by €0.2 million to €48.4 million (2010: €48.6 million). The marginal reduction in the Group's deficit reflected the negative movement in actuarial assumptions (€17.0 million), caused primarily by a weak return on invested assets and increased mortality assumptions used, offset by the employer contributions of €17.7 million (net of service cost).

The fair value of the assets of the pension schemes at 31 December 2011 was €400.0 million (2010: €389.3 million) and the value of the scheme liabilities was €448.4 million (2010: €437.9 million).

Financial Strategy
The Group has significantly restructured and re orientated its business strategy in recent years. As the Group has been in strategy delivery mode, the financial goals have remained consistent, that is; to diversify earnings, improve operating margin and deliver sustained earnings growth through rigorous cost management and prudent deployment of capital to the highest returning investment opportunities. The Group requires as part of its assessment of the business case for significant acquisition and development projects, that the projects achieve a minimum hurdle rate of 12% post tax return in year 3.

Annual General Meeting (AGM)
The Group's AGM will be held on Wednesday, 9 May 2012 in The Newpark Hotel, Castlecomer Road, Kilkenny. On the same day Glanbia will issue an Interim Management Statement.

Principal risks and uncertainties affecting the Group's performance in 2012
The Board of Glanbia plc has the ultimate responsibility for risk management. The performance of the Group is influenced by global economic growth, global dairy and US cheese markets, and consumer confidence in the markets in which it operates. Economic uncertainty or excessive volatility in global dairy pricing represents a material change to the Group's trading environment.

In 2012, the principal risks affecting the Group's performance are:

- An uncertain global economic outlook;
- Sustainability of demand / supply balance in global dairy markets
- Buy / sell balance in US Cheese and Performance Nutrition; and
- Consumer confidence in Ireland.

The principal risks and uncertainties will be outlined in detail in the 2011 Annual Report.

2012 Outlook
We expect the operating environment in 2012 to be more challenging than in recent years. Current global economic uncertainty has the potential to impact global dairy markets and fragile consumer confidence. The Group's focus on driving growth in nutritionals, combined with deep dairy market expertise and strong execution capability, position us well for the future. Our guidance for 2012 is for 5-7% growth in adjusted earnings per share, on a constant currency basis.

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.

Group income statement
for the financial year ended 31 December 2011

	Notes	Pre-exceptional 2011 €'000	Exceptional 2011 €'000 (note 3)	Total 2011 €'000	Pre-exceptional 2010 €'000	Exceptional 2010 €'000 (note 3)	Total 2010 €'000
Revenue	2	2,671,151	–	2,671,151	2,166,695	–	2,166,695
Cost of sales		(2,233,556)	(2,959)	(2,236,515)	(1,784,263)	–	(1,784,263)
Gross profit		**437,595**	**(2,959)**	**434,636**	**382,432**	**–**	**382,432**
Distribution expenses		(137,342)	(3,598)	(140,940)	(115,896)	–	(115,896)
Administration expenses		(139,227)	(2,166)	(141,393)	(130,029)	–	(130,029)
Other gains and losses		–	–	–	–	10,238	10,238
Operating profit		**161,026**	**(8,723)**	**152,303**	**136,507**	**10,238**	**146,745**
Finance income	4	3,056	–	3,056	3,290	–	3,290
Finance costs	4	(30,997)	–	(30,997)	(25,420)	–	(25,420)
Share of results of Joint Ventures & Associates		14,331	–	14,331	10,103	–	10,103
Profit before taxation		**147,416**	**(8,723)**	**138,693**	**124,480**	**10,238**	**134,718**
Income taxes	5	(26,975)	1,090	(25,885)	(25,527)	(558)	(26,085)
Profit for the year		**120,441**	**(7,633)**	**112,808**	**98,953**	**9,680**	**108,633**
Attributable to:							
Equity holders of the Parent				112,178			108,047
Non-controlling interests				630			586
				112,808			**108,633**
Basic earnings per share (cents)	**6**			**38.22**			**36.86**
Diluted earnings per share (cents)	**6**			**37.90**			**36.63**

On behalf of the Board

L Herlihy J Moloney S Talbot

Directors

Group statement of comprehensive income
for the financial year ended 31 December 2011

	2011 €'000	2010 €'000
Profit for the year	**112,808**	**108,633**
Other comprehensive income/(expense)		
Actuarial (loss)/gain – defined benefit schemes	(17,029)	13,379
Deferred tax credit/(charge) on actuarial gain/loss	2,615	(1,250)
Share of actuarial (loss)/gain – Joint Ventures & Associates	(38)	2,760
Deferred tax charge on actuarial loss/gain – Joint Ventures & Associates	(77)	(316)
Currency translation differences	18,538	20,169
Net investment hedge	230	–
Revaluation of available for sale financial assets	(1,484)	(5,381)
Fair value movements on cash flow hedges	3,563	3,936
Deferred tax on cash flow hedges and revaluation of available for sale financial assets	1,214	2,267
Other comprehensive income for the year, net of tax	**7,532**	**35,564**
Total comprehensive income for the year	**120,340**	**144,197**
Total comprehensive income attributable to:		
Equity holders of the Parent	119,710	143,611
Non-controlling interests	630	586
	120,340	**144,197**

Group statement of changes in equity
for the financial year ended 31 December 2011

	Attributable to equity holders of the Parent					
	Share capital and share premium €'000	**Other reserves €'000**	**Retained earnings €'000**	**Total €'000**	**Non-controlling interests €'000**	**Total €'000**
Balance at 2 January 2010	**99,219**	**108,672**	**83,004**	**290,895**	**6,493**	**297,388**
Profit for the year	–	–	108,047	108,047	586	108,633
Other comprehensive income/(expense)						
Actuarial gain – defined benefit schemes	–	–	13,379	13,379	–	13,379
Deferred tax on actuarial gain	–	–	(1,250)	(1,250)	–	(1,250)
Share of actuarial gain – Joint Ventures & Associates	–	–	2,444	2,444	–	2,444
Fair value movements	–	(1,445)	–	(1,445)	–	(1,445)
Deferred tax on fair value movements	–	2,267	–	2,267	–	2,267
Currency translation differences	–	20,169	–	20,169	–	20,169
Total comprehensive income for the year	**–**	**20,991**	**122,620**	**143,611**	**586**	**144,197**
Dividends paid during the year	–	–	(20,453)	(20,453)	(187)	(20,640)
Cost of share based payments	–	2,937	–	2,937	–	2,937
Transfer on exercise, vesting or expiry of share based payments	–	(373)	373	–	–	–
Shares issued	17	–	–	17	–	17
Premium on shares issued	505	–	–	505	–	505
Balance at 1 January 2011	**99,741**	**132,227**	**185,544**	**417,512**	**6,892**	**424,404**
Profit for the year	–	–	112,178	112,178	630	112,808
Other comprehensive income/(expense)						
Actuarial loss – defined benefit schemes	–	–	(17,029)	(17,029)	–	(17,029)
Deferred tax on actuarial loss	–	–	2,615	2,615	–	2,615
Share of actuarial loss – Joint Ventures & Associates	–	–	(115)	(115)	–	(115)
Fair value movements	–	2,079	–	2,079	–	2,079
Deferred tax on fair value movements	–	1,214	–	1,214	–	1,214
Currency translation differences	–	18,538	–	18,538	–	18,538
Net investment hedge	–	230	–	230	–	230
Total comprehensive income for the year	**–**	**22,061**	**97,649**	**119,710**	**630**	**120,340**
Dividends paid during the year	–	–	(22,942)	(22,942)	(387)	(23,329)
Cost of share based payments	–	2,388	–	2,388	–	2,388
Transfer on exercise, vesting or expiry of share based payments	–	(1,057)	1,057	–	–	–
Shares issued	42	–	–	42	–	42
Premium on shares issued	1,179	–	–	1,179	–	1,179
Purchase of own shares	–	(2,075)	–	(2,075)	–	(2,075)
Balance at 31 December 2011	**100,962**	**153,544**	**261,308**	**515,814**	**7,135**	**522,949**

Goodwill previously written off amounting to €93.0 million (2010: €93.0 million) is included in opening and closing retained earnings.

Group statement of financial position
as at 31 December 2011

	Notes	2011 €'000	2010 €'000
ASSETS			
Non-current assets			
Property, plant and equipment		394,552	369,346
Intangible assets		467,277	356,830
Investments in associates		12,178	11,757
Investments in joint ventures		58,484	58,945
Trade and other receivables		14,575	23,084
Deferred tax assets		11,255	7,388
Available for sale financial assets		11,165	14,127
Derivative financial instruments		–	1,643
		969,486	**843,120**
Current assets			
Inventories		336,855	303,881
Trade and other receivables		304,301	246,831
Derivative financial instruments		6,161	3,912
Cash and cash equivalents	8	231,373	229,101
		878,690	**783,725**
Total assets		**1,848,176**	**1,626,845**
EQUITY			
Issued capital and reserves attributable to equity holders of the Parent			
Share capital and share premium		100,962	99,741
Other reserves		153,544	132,227
Retained earnings	9	261,308	185,544
		515,814	**417,512**
Non-controlling interests		7,135	6,892
Total equity		**522,949**	**424,404**
LIABILITIES			
Non-current liabilities			
Borrowings	8	658,896	636,251
Derivative financial instruments		1,319	3,315
Deferred tax liabilities		93,459	75,966
Retirement benefit obligations		48,425	48,560
Provisions for other liabilities and charges		22,120	22,392
Capital grants		17,161	18,609
		841,380	**805,093**
Current liabilities			
Trade and other payables		400,850	366,246
Current tax liabilities		6,656	2,538
Borrowings	8	52,808	972
Derivative financial instruments		5,657	6,487
Provisions for other liabilities and charges		17,876	21,105
		483,847	**397,348**
Total liabilities		**1,325,227**	**1,202,441**
Total equity and liabilities		**1,848,176**	**1,626,845**

On behalf of the Board
L Herlihy J Moloney S Talbot
Directors

Group statement of cash flows
for the financial year ended 31 December 2011

	Notes	2011 €'000	2010 €'000
Cash flows from operating activities			
Cash generated from operations	10	145,386	107,214
Interest received		3,134	3,054
Interest paid		(29,729)	(25,613)
Tax paid		(12,738)	(11,955)
Net cash inflow from operating activities		**106,053**	**72,700**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired		(114,252)	–
Payment of deferred consideration on acquisition of subsidiaries		(1,146)	(644)
Purchase of property, plant and equipment		(47,239)	(31,631)
Purchase of intangible assets		(1,646)	(4,333)
Dividends received from joint ventures		14,761	11,210
Loans repaid by joint ventures		–	23,280
Decrease in available for sale financial assets		2,283	438
Proceeds from sale of property, plant and equipment		420	1,163
Net cash outflow from investing activities		**(146,819)**	**(517)**
Cash flows from financing activities			
Proceeds from issue of ordinary shares		1,221	522
Purchase of own shares		(2,075)	–
Private debt placement		226,828	–
(Decrease)/increase in borrowings		(160,780)	21,823
Finance lease principal payments		(968)	(926)
Dividends paid to Company shareholders	7	(22,942)	(20,453)
Dividends paid to non-controlling interests		(387)	(187)
Capital grants received		564	1,432
Net cash inflow from financing activities		**41,461**	**2,211**
Net increase in cash and cash equivalents		**695**	**74,394**
Cash and cash equivalents at the beginning of the year		229,101	152,789
Effects of exchange rate changes on cash and cash equivalents		1,577	1,918
Cash and cash equivalents at the end of the year		**231,373**	**229,101**

Reconciliation of net cash flow to movement in net debt		**2011 €'000**	**2010 €'000**
Net increase in cash and cash equivalents		695	74,394
Cash movements from debt financing		(65,080)	(20,897)
		(64,385)	**53,497**
Fair value movement of interest rate swaps qualifying as fair value hedges		387	(2,165)
Exchange translation adjustment on net debt		(8,211)	(16,836)
Movement in net debt in the year		**(72,209)**	**34,496**
Net debt at the beginning of the year		(408,122)	(442,618)
Net debt at the end of the year		(480,331)	(408,122)
Net debt comprises:			
Borrowings		(711,704)	(637,223)
Cash and cash equivalents		231,373	229,101
	8	**(480,331)**	**(408,122)**

Notes to the financial information
for the financial year ended 31 December 2011

1 Basis of preparation

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, and the accounting policies that the Group has adopted for 2011.

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 31 December 2011 (referred to as the 2011 financial statements). The 2011 financial statements have been audited and have received an unqualified audit report. Amounts are stated in euro thousands (€'000) unless otherwise stated. The financial information is prepared for a 52 week year ending on 31 December 2011. Comparatives are for the 52 week year ended on 1 January 2011. The statements of financial position for 2011 and 2010 have been drawn up as at 31 December 2011 and 1 January 2011 respectively.

The financial statements were approved by the Board of Directors on 28 February 2012 and signed on its behalf by L Herlihy, J Moloney and S Talbot.

2 Segment information

In accordance with IFRS 8, Operating Segments the Group has four segments as follows: US Cheese & Global Nutritionals, Dairy Ireland, Joint Ventures & Associates and Other Business. 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 Group Operating Executive Committee which acts as the Chief Operating Decision Maker for the Group.
Each segment derives its revenue as follows: US Cheese & Global Nutritionals earns its revenue from the manufacture and sale of cheese, whey protein and other nutritional solutions; Dairy Ireland incorporates the manufacture and sale of a range of dairy products and farm inputs; Joint Ventures & Associates revenue arises from the manufacture and sale of cheese, whey proteins and dairy consumer products. The Other Business segment refers to all other businesses which comprise of a Property business unit, a small dairy processing operation in Mexico which was disposed of in September 2010 and a small dairy sales office in Mexico which ceased trading in June 2011. Each segment is reviewed in its totality by the Chief Operating Decision Maker.
The Group Operating Executive Committee assesses the trading performance of operating segments based on a measure of earnings before interest, tax, amortisation and exceptional items.

2.1 The segment results for the year ended 31 December 2011 are as follows:

		US Cheese & Global Nutritionals €'000	Dairy Ireland €'000	JV's & Associates €'000	Other Business €'000	Group including JV's & Associates €'000
Total gross segment revenue	(a)	1,319,944	1,365,823	524,293	1,046	3,211,106
Inter-segment revenue		(3,023)	(12,639)	–	–	(15,662)
Segment external revenue		**1,316,921**	**1,353,184**	**524,293**	**1,046**	**3,195,444**
Segment earnings before interest, tax, amortisation and exceptional items	**(b)**	**122,194**	**57,854**	**25,226**	**(550)**	**204,724**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €98.7 million and related party sales between US Cheese & Global Nutritionals and Joint Ventures & Associates of €12.4 million.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Notes to the financial information
for the financial year ended 31 December 2011

2.1 (a): Segment revenue is reconciled to reported external revenue as follows:

	2011 €'000
Segment revenue	**3,211,106**
Inter-segment revenue	(15,662)
Joint Ventures & Associates revenue	(524,293)
Reported external revenue	**2,671,151**

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

	2011 €'000
Segment earnings before interest, tax, amortisation and exceptional items	**204,724**
Amortisation	(18,472)
Exceptional items – rationalisation costs	(8,723)
Joint Ventures & Associates interest and tax	(10,895)
Finance income	3,056
Finance costs	(30,997)
Reported profit before tax	**138,693**
Income taxes	(25,885)
Reported profit after tax	**112,808**

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

Other segment items included in the income statement for the year ended 31 December 2011 are as follows:

	US Cheese & Global Nutritionals €'000	Dairy Ireland €'000	JV's & Associates €'000	Other Business €'000	Group including JV's & Associates €'000
Depreciation of property, plant and equipment	13,272	20,868	7,653	–	**41,793**
Amortisation of intangibles	14,198	4,274	–	–	**18,472**
Capital grants released to the income statement	(57)	(1,383)	(268)	–	**(1,708)**
Exceptional items – rationalisation costs	–	8,723	–	–	**8,723**

Notes to the financial information
for the financial year ended 31 December 2011

The segment assets and liabilities at 31 December 2011 and segment capital expenditure and acquisitions for the year then ended are as follows:

		US Cheese & Global Nutritionals €'000	Dairy Ireland €'000	JV's & Associates €'000	Other Business €'000	Group including JV's & Associates €'000
Segment assets	(c)	931,923	571,681	85,237	14,215	**1,603,056**
Segment liabilities	(d)	268,418	266,542	–	1,190	**536,150**
Segment capital expenditure and acquisitions	(e)	140,833	30,432	4,042	–	**175,307**

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

	2011 €'000
Segment assets	**1,603,056**
Unallocated assets	245,120
Reported assets	**1,848,176**

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

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

	2011 €'000
Segment liabilities	**536,150**
Unallocated liabilities	789,077
Reported liabilities	**1,325,227**

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

2.1 (e): Segment capital expenditure and acquisitions are reconciled to reported capital expenditure and acquisitions as follows:

	2011 €'000
Segment capital expenditure and acquisitions	**175,307**
Joint Ventures & Associates capital expenditure	(4,042)
Unallocated capital expenditure	215
Reported capital expenditure and acquisitions	**171,480**

Notes to the financial information
for the financial year ended 31 December 2011

2.2 The segment results for the year ended 1 January 2011 are as follows:

		US Cheese & Global Nutritionals €'000	Dairy Ireland €'000	JV's & Associates €'000	Other Business €'000	Group including JV's & Associates €'000
Total gross segment revenue	(a)	1,024,653	1,154,023	416,564	6,244	2,601,484
Inter-segment revenue		(2,752)	(15,473)	–	–	(18,225)
Segment external revenue		**1,021,901**	**1,138,550**	**416,564**	**6,244**	**2,583,259**
Segment earnings before interest, tax, amortisation and exceptional items		**104,506**	**47,943**	**21,560**	**(831)**	**173,178**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €69.2 million and related party sales between US Cheese & Global Nutritionals and Joint Ventures & Associates of €9.4 million.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

2.2 (a): Segment revenue is reconciled to reported external revenue as follows:

	2010 €'000
Segment revenue	**2,601,484**
Inter-segment revenue	(18,225)
Joint Ventures & Associates revenue	(416,564)
Reported external	2,166,695

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

	2010 €'000
Segment earnings before interest, tax, amortisation and exceptional items	**173,178**
Amortisation	(15,111)
Exceptional items – defined benefit pension schemes	10,238
Joint Ventures & Associates interest and tax	(11,457)
Finance income	3,290
Finance costs	(25,420)
Reported profit before tax	**134,718**
Income taxes	(26,085)
Reported profit after tax	**108,633**

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

Notes to the financial information
for the financial year ended 31 December 2011

Other segment items included in the income statement for the year ended 1 January 2011 are as follows:

	US Cheese & Global Nutritionals €'000	Dairy Ireland €'000	JV's & Associates €'000	Other Business €'000	Group including JV's & Associates €'000
Depreciation of property, plant and equipment	12,514	19,997	6,823	58	**39,392**
Amortisation of intangibles	10,711	4,400	6	–	**15,117**
Capital grants released to the income statement	(330)	(1,089)	(526)		**(1,945)**
Exceptional items – defined benefit pension schemes	–	(10,238)	–	–	**(10,238)**

The segment assets and liabilities at 1 January 2011 and segment capital expenditure and acquisitions for the year then ended are as follows:

		US Cheese & Global Nutritionals €'000	Dairy Ireland €'000	JV's & Associates €'000	Other Business €'000	Group including JV's & Associates €'000
Segment assets	(c)	725,960	556,455	87,362	17,041	**1,386,818**
Segment liabilities	(d)	200,380	288,125	–	1,536	**490,041**
Segment capital expenditure and acquisitions	(e)	23,085	13,522	11,901	124	**48,632**

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

	2010 €'000
Segment assets	**1,386,818**
Unallocated assets	240,027
Reported assets	**1,626,845**

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

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

	2010 €'000
Segment liabilities	**490,041**
Unallocated liabilities	712,400
Reported liabilities	**1,202,441**

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

Notes to the financial information
for the financial year ended 31 December 2011

2.2 (e): Segment capital expenditure and acquisitions are reconciled to reported capital expenditure and acquisitions as follows:

	2010 €'000
Segment capital expenditure and acquisitions	**48,632**
Joint Ventures & Associates capital expenditure	(11,901)
Unallocated capital expenditure	466
Reported capital expenditure and acquisitions	**37,197**

2.3 Entity wide disclosures
Revenue from external customers for each group of similar product in the US Cheese & Global Nutritionals, Dairy Ireland, Joint Ventures & Associates and Other Business segments are outlined at section 2.1 and 2.2 above.

Geographical information
Revenue by geographical destination is reviewed by the Chief Operating Decision Maker. The breakdown of revenue by geographical destination is as follows:

	2011 €'000	2010 €'000
Ireland	799,489	725,834
UK	162,028	137,874
Rest of Europe	254,991	189,308
USA	1,119,417	901,717
Other	335,226	211,962
	2,671,151	**2,166,695**

Revenue of approximately €320.0 million (2010: €249.6 million) is derived from a single external customer. The breakdown of revenue by geographical destination in 2010 has been updated to reflect the current year classification.

The total of non-current assets, other than financial instruments and deferred tax assets, located in Ireland is €267.8 million (2010: €271.5 million) and located in other countries, mainly the USA is €690.4 million (2010: €562.6 million).

3 Exceptional items

	Notes	2011 €'000	2010 €'000
Rationalisation costs	(a)	(8,723)	–
Irish defined benefit pension scheme	(b)	–	10,238
Total exceptional (charge)/credit before tax		**(8,723)**	**10,238**
Exceptional tax credit/(charge)	5	1,090	(558)
Net exceptional (charge)/credit		**(7,633)**	**9,680**

(a) An exceptional charge of €8.7 million was incurred during 2011, primarily relating to rationalisation costs in the Dairy Ireland segment.

(b) During 2010, revisions to the Group's pension arrangements for three Irish defined benefit pension schemes, consistent with the revisions made to the Group's main pension schemes, were finalised giving rise to an exceptional gain, in accordance with IAS 19 - Employee benefits, in the year of €10.2 million. This gain relates to curtailment gains and negative past service costs of €1.7 million and €10.9 million respectively offset by a change in the estimate of the prior year curtailment of €2.4 million.

Notes to the financial information
for the financial year ended 31 December 2011

4 Finance income and costs

	2011 €'000	2010 €'000
Finance income		
Interest income	2,874	3,008
Interest income on deferred consideration	182	282
Total finance income	**3,056**	**3,290**
Finance costs		
Bank borrowings repayable within five years	(14,092)	(13,001)
Interest cost on deferred consideration	(106)	(80)
UK pension provision	(113)	(121)
Finance lease costs	(188)	(256)
Interest rate swaps, transfer from equity	(4,876)	(7,613)
Interest rate swaps, fair value hedges	2,308	2,733
Fair value adjustment to borrowings attributable to interest rate risk	(2,308)	(2,733)
Finance cost of private debt placement	(7,273)	–
Finance cost of preference shares	(4,349)	(4,349)
Total finance costs	**(30,997)**	**(25,420)**
Net finance costs	**(27,941)**	**(22,130)**

Net finance costs exclude borrowing costs attributable to the acquisition, construction or production of a qualifying asset.

Notes to the financial information
for the financial year ended 31 December 2011

5 Income taxes

	Notes	2011 €'000	2010 €'000
Current tax			
Irish current tax		8,641	11,620
Adjustments in respect of prior years		(435)	(422)
Irish current tax on income for the year		**8,206**	**11,198**
Foreign current tax		6,223	2,285
Adjustments in respect of prior years		1,539	1,050
Foreign current tax on income for the year		**7,762**	**3,335**
Total current tax		**15,968**	**14,533**
Deferred tax		11,007	10,994
Pre exceptional tax charge		**26,975**	**25,527**
Exceptional tax (credit)/charge			
Current tax	(a)	(1,090)	–
Deferred tax	(b)	–	558
Total tax charge		**25,885**	**26,085**

(a) The rationalisation cost charged during the year resulted in an exceptional current tax credit of €1.1 million.

(b) The curtailment gains and negative past service costs recognised in the defined benefit pension schemes in 2010 resulted in an exceptional deferred tax charge of €0.6 million.

The exceptional net tax credit and charge in 2011 and 2010, relating to income and costs which have been presented as exceptional, have been separately disclosed above.

The tax on the Group's profit before tax differs from the theoretical amount that would arise applying the corporation tax rate in Ireland, as follows:

	2011 €'000	2010 €'000
Profit before tax	**138,693**	**134,718**
Income tax calculated at Irish rate of 12.5% (2010: 12.5%)	17,337	16,840
Earnings at higher/(reduced) Irish rates	836	(902)
Difference due to overseas tax rates	7,496	6,999
Adjustment to tax charge in respect of previous periods	(1,170)	(1,811)
Tax on post tax profits of Joint Ventures & Associates included in profit before tax	(1,791)	(1,263)
Expenses not deductible for tax purposes and other differences	3,177	6,222
Total tax charge	**25,885**	**26,085**

Factors that may affect future tax charges and other disclosure requirements
The total tax charge in future periods will be affected by any changes to the applicable tax rates in force in jurisdictions in which the Group operates and other relevant changes in tax legislation including amendments impacting on the excess of tax depreciation over accounting depreciation. The total tax charge of the Group may also be influenced by the effects of corporate development activity.

Notes to the financial information
for the financial year ended 31 December 2011

6 Earnings per share

Basic
Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Parent by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Group and held as own shares.

	2011	2010
Profit attributable to equity holders of the Parent (€'000)	112,178	108,047
Weighted average number of ordinary shares in issue	**293,536,350**	**293,105,068**
Basic earnings per share (cents per share)	**38.22**	**36.86**

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares. Share options are potential dilutive ordinary shares. In respect of share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming exercise of the share options.

	2011	2010
Weighted average number of ordinary shares in issue	293,536,350	293,105,068
Adjustments for share options	2,413,436	1,874,570
Adjusted weighted average number of ordinary shares	**295,949,786**	**294,979,638**
Diluted earnings per share (cents per share)	**37.90**	**36.63**

Adjusted
Adjusted earnings per share is calculated on the net profit attributable to equity holders of the Parent, before net exceptional items and intangible asset amortisation (net of related tax). Adjusted earnings per share is considered to be more reflective of the Group's overall underlying performance.

	2011 €'000	2010 €'000
Profit attributable to equity holders of the Parent	112,178	108,047
Amortisation of intangible assets (net of related tax)	16,163	13,222
Net exceptional items	7,633	(9,680)
Adjusted net income	**135,974**	**111,589**
Adjusted earnings per share (cents per share)	**46.32**	**38.07**
Diluted adjusted earnings per share (cents per share)	**45.94**	**37.83**

Notes to the financial information
for the financial year ended 31 December 2011

7 Dividends

The dividends paid in 2011 and 2010 were €22.9 million (7.82 cents per share) and €20.5 million (6.98 cents per share) respectively. On 14 October 2011 an interim dividend of 3.33 cents per share on the ordinary shares amounting to €9.7 million was paid to shareholders on the register of members as at 2 September 2011. The Directors have recommended the payment of a final dividend of 4.94 cents per share on the ordinary shares which amounts to €14.5 million. Subject to shareholders approval this dividend will be paid on 11 May 2012 to shareholders on the register of members at 30 March 2012, the record date. This announcement does not reflect the final dividend.

If a shareholder's registered address is in the UK and a shareholder has not previously provided the Company with a mandate form for an Irish euro account, a shareholder will default to a sterling payment. All other shareholders will default to a euro payment.

8 Net debt

	2011 €'000	2010 €'000
Borrowings due within one year	52,808	972
Borrowings due after one year	658,896	636,251
Less:		
Cash and cash equivalents	(231,373)	(229,101)
Net debt	**480,331**	**408,122**

Notes to the financial information
for the financial year ended 31 December 2011

9 Retained earnings

	Company retained earnings €'000	Group retained earnings €'000	Group goodwill write-off €'000	Group Total €'000
Balance at 2 January 2010	**59,913**	**175,965**	**(92,961)**	**83,004**
Profit for the year	745	108,047	–	108,047
Other comprehensive income/(expense)				
Actuarial gain – defined benefit schemes	–	13,379	–	13,379
Deferred tax on actuarial gain	–	(1,250)	–	(1,250)
Share of actuarial gain – Joint Ventures & Associates	–	2,444	–	2,444
Total comprehensive income for the year	**745**	**122,620**	**–**	**122,620**
Dividends paid during the year	(20,453)	(20,453)	–	(20,453)
Transfer on exercise, vesting or expiry of share based payments	373	373	–	373
Balance at 1 January 2011	**40,578**	**278,505**	**(92,961)**	**185,544**
Profit for the year	59,114	112,178	–	112,178
Other comprehensive income/(expense)				
Actuarial loss – defined benefit schemes	–	(17,029)	–	(17,029)
Deferred tax on actuarial loss	–	2,615	–	2,615
Share of actuarial loss – Joint Ventures & Associates	–	(115)	–	(115)
Total comprehensive income for the year	**59,114**	**97,649**	**–**	**97,649**
Dividends paid during the year	(22,942)	(22,942)	–	(22,942)
Transfer on exercise, vesting or expiry of share based payments	1,057	1,057	–	1,057
Balance at 31 December 2011	**77,807**	**354,269**	**(92,961)**	**261,308**

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for the financial year ended 31 December 2011

10 Cash generated from operations

	2011 Company €'000	2011 Group €'000	2010 Company €'000	2010 Group €'000
Profit before taxation	**59,114**	**138,693**	**745**	**134,718**
Development costs capitalised	–	(4,042)	–	(2,821)
Impairment charge	–	1,195	–	1,372
Non-cash exceptional loss/(gain)	–	8,723	–	(10,238)
Share of results of Joint Ventures & Associates	–	(14,331)	–	(10,103)
Depreciation	–	34,140	–	32,569
Amortisation	–	18,472	–	15,111
Cost of share based payments	2,388	2,388	2,937	2,937
Difference between pension charge and cash contributions	–	(17,706)	–	(14,598)
Loss on disposal of property, plant and equipment	–	363	–	957
Interest income	–	(3,056)	–	(3,290)
Interest expense	–	30,997	–	25,420
Non cash-movement in investments	(761)	–	–	–
Amortisation of government grants received	–	(1,440)	–	(1,419)
Cash generated from operations before changes in working capital	**60,741**	**194,396**	**3,682**	**170,615**
Change in net working capital:				
– (Increase) in inventory	–	(19,087)	–	(97,009)
– Decrease/(increase) in short term receivables	103	(29,122)	66,449	(28,065)
– (Decrease)/increase in short term liabilities	(40,829)	11,219	(36,693)	66,048
– (Decrease) in provisions	(204)	(12,020)	(246)	(4,375)
Cash generated from operations	**19,811**	**145,386**	**33,192**	**107,214**

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11 Business combinations

On 19 January 2011 the Group acquired the business and assets of a US based performance nutrition business, Bio-Engineered Supplements and Nutrition ("BSN"). BSN is a leading developer, provider and distributor of nutritional products designed for health, physique development and training.

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

	€'000
Purchase consideration – cash paid	103,369
Less: Fair value of assets acquired	85,853
Goodwill	**17,516**

The acquisition of BSN significantly enhances the Group's Performance Nutrition portfolio and delivers further growth opportunities in this area. In particular, the acquisition builds on the Group's scale position in the sports nutrition sector; broadens Performance Nutrition's product portfolio into new categories and channels and represents a further step change in international growth opportunities for Performance Nutrition. The goodwill is attributable to the profitability and development opportunities through combined R&D and the benefits associated with the extension of Glanbia's scale and specific capabilities to the acquired business.

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

	Fair value €'000
Property, plant and equipment	1,700
Intangible assets - brands/know-how	47,641
Intangible assets - customer relationships	36,721
Inventories	9,433
Trade and other receivables	7,419
Trade and other payables	(10,290)
Provisions for other liabilities and charges	(2,181)
Deferred tax	(4,590)
Fair value of assets acquired	**85,853**

The revenue included in the Group income statement from 19 January 2011 to 31 December 2011 contributed by BSN was €105 million. BSN contributed profit before interest, tax and amortisation of €12.4 million over the same period.

On 1 April 2011, the Group also acquired the business and assets of Kerry Group plc's Limerick based liquid milk business for €10.3 million. This consisted of €6.0 million intellectual property, €0.7 million working capital and property, plant & equipment and €3.6 million goodwill.

The revenue and profit of the Group determined in accordance with IFRS for the year ended 31 December 2011 would not have been materially different than that reported above if the acquisition date for all business combinations completed during the period had been at the beginning of the year.

Acquisition related costs included in administration expenses in the Group income statement for the period ended 31 December 2011 amounted to €0.4 million (2010: €0.6 million).

No contingent liabilities were recognised on the acquisitions completed during the period. The gross contractual value and fair value of trade and other receivables as at the respective dates of acquisition amounted to €7.4 million. No allowance for doubtful debts is included as the full amount is expected to be recoverable.

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12 Events after the reporting period

There were no significant events, outside the ordinary course of business affecting the Group since 31 December 2011.

13 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 filed with the Companies Registration Office. A copy of the financial statements in respect of the financial year ended 31 December 2011 will be annexed to the Company's annual return for 2012. The auditors of the Company have made a report, without any qualification on their audit, of the financial statements of the Group and Company in respect of the financial year ended 31 December 2011, which were approved by the Directors on 28 February 2012. A copy of the financial statements of the Group in respect of the year ended 1 January 2011 has been annexed to the Company's annual return for 2011 and filed with the Companies Registration Office.