

D7 2006 Results



A world of dairy
foods and nutritional
ingredients



2006 Performance

- A good year overall in 2006
- Top line growth of 8% to €2.1 billion, including joint ventures
- Profit after tax pre exceptional up 9% to €66.4 million
- Adjusted EPS up 8% to 22.6 cent, in line with expectations
- Dividends up by 5% to 5.79 cent per share
- Several milestones achieved including Seltzer acquisition and SWC opening
- International operations now represent almost 40% of revenue and profits

2007 Outlook

- Ireland remains challenging, focus on productivity and costs
- International operations well positioned for good growth
- €50 million development investment planned (excluding possible acquisition)
- On target to deliver double digit adjusted eps growth in 2007
- Outlook positive for sustained high growth going forward



2006 results

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Results summary

€ pre exceptional	2006	2005	Change
Revenue ¹	1,853.4m	1,830.0m	Up 1%
Operating profit	85.6m	80.9m	Up 6%
Net financing costs	(14.0m)	(13.1m)	Up €0.9m
Share of results of joint ventures and associates ¹	2.8m	0.9m	Up 205%
Profit before tax	74.4m	68.7m	Up 8%
Taxation	(8.0m)	(7.6m)	Up €0.4 m
Profit after tax	66.4m	61.1m	Up 9%
Earnings per share	22.5c	19.7c	Up 14%
Adjusted earnings per share	22.6c	20.9c	Up 8%
Dividend per share	5.79c	5.51c	Up 5%

¹ Revenue €2.1 billion including Glanbia share of joint ventures and associates – up 8% on 2005. Share of results of joint ventures and associates is after interest and tax

2006 exceptional items

€		
Restructuring costs re Pigmeat Cannery closure in Ireland	3.3m	
The Cheese Company Holdings Limited	9.1m	12.4m
Deferred tax asset relating to tax losses in former UK operations		12.3m
		<hr/> 0.1 m

- Continuing to improve operational efficiency and business portfolio
- Disposal of final 25% interest in The Cheese Company netted €70.0m cash

Operating margins

- 20 bps improvement in Group margin
- Slight reduction (10 bps) on Irish margins
- Expansion of International margins
- Overseas business higher margin overall
- Expect further Group improvement in 2007
- Targeting Group 5%+ by 2008

	2006	2005
GROUP	4.6%	4.4%
IRELAND	4.3%	4.4%
INTERNATIONAL	5.3%	4.5%



Balance sheet and cash flow

- Net debt amounted to €224.5 million, in line with restated 2005 level
- Acquisition, capital and development expenditure amounted to €111.4 million
- Disposal of final 25% in The Cheese Company Holdings in the UK netted €70.0 million
- Pension deficit reduced €40.1 million to €124.9 million
- Interest cover amounted to 6.1 times
- Year end debt/EBITDA 2 times








Divisional review and outlook

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Footprint 2006

- Excluding JVs, €1.85 Bn revenue and €85.6 m operating profit

 IRELAND		  INTERNATIONAL  
64% revenue, 63% operating profit		36% revenue, 37% operating profit
Consumer Foods	Agribusiness and Property	Food Ingredients and Nutritional
28% revenue 29% profits	14% revenue 19% profits	58% revenue 52% profits

- Including JVs, €2.1 Bn revenue and €91.1 m operating profit

   **JOINT VENTURES: €263 m revenue, €5.5 m operating profit**

Consumer Foods

- 2006 mixed year with offsetting factors
 - Satisfactory year in consumer
 - Difficulties in pigmeat
- Profits/margins lower – driven by pigmeat
- Key business unit is consumer foods
 - Competitive market place
 - Strong marketing spend
 - Key brand positions and NPD
 - Emphasis on nutritious, fresh and natural
 - Focus on innovation/organic development
 - Good growth potential in elements of market

	2006	2005
Revenue up 3.5%	€511.0m	€493.6m
Operating Profit down 10%	€24.5m	€27.1m
Operating Margin down 70 bps	4.8%	5.5%

Consumer foods: Nutritional beverages, fresh dairy products, cheese, soups and spreads

Pigmeat: Fresh pork and bacon products



Agribusiness & Property

- Uplift in results mainly driven by property

Agribusiness

- Key link to Farmer base; 61 locations
- Good year, despite ongoing MTR challenges
- Strong demand in key segments
- Competitive pricing/promotional activity
- Margins improved 10 bps

Property

- Successful completion of several deals
- Remit is to maximise value of Group assets
- Good medium term profits

	2006	2005
Revenue up 15%	€264.5m	€229.1m
Operating Profit up 58%	€16.9m	€10.7m
Operating Margin up 170 bps	6.4%	4.7%

Agribusiness: Feed milling, fertiliser, full range of farm inputs and 'CountryLife' range

Property: maximising value of Group-wide property



Food Ingredients & Nutritionals

- Satisfactory performance overall
 - Difficult H1, markets better in H2
- Ireland: further year-on-year downturn
 - Dominated by effects of EU MTR
- USA: good performance overall
 - Strong demand, higher volumes
 - Excellent operating performance
- Nutritionals: further progress
 - Good organic growth
 - Increased contribution
 - Step change with Seltzer acquisition

	2006	2005
Revenue down 3%	€1,077.9m	€1,107.3m
Operating Profit up 3%	€44.2m	€43.1m
Operating Margin up 20 bps	4.1%	3.9%

Food Ingredients: Cheese, butter, casein and whey protein

Nutritionals: dairy-derived ingredients, vitamins and minerals



Joint Ventures & Associates

- Located in the UK, USA and Nigeria
- Key element of Growth Strategy
- UK: Glanbia Cheese
 - Good performance in 06
 - 07 annualised revenue of £110 million
- Nigeria: Nutricima
 - Satisfactory – investment in brand building costs
 - 07 annualised revenue of US\$100 million
- USA: South West Cheese
 - Now producing world class product
 - 07 annualised revenue of US\$350 million

Glanbia Share	2006	2005
Revenue up 100%	€262.9m	€131.4m
Profit after interest and tax up 205%	€2.8m	€0.9m

**Strong top line growth underway
with 25%+ forecast in 2007**



» Strategy

Vision

Glanbia's vision is to be the most relevant Group in international cheese, nutritional and dairy ingredients and selected consumer foods. We will achieve this through a focus on international scale, leading technologies and growth markets.

Strategic objectives include:

- Achieve and sustain double digit earnings growth
- Improve operating margins
- Diversify earnings to reduce volatility
- Allocate capital to higher margin growth opportunities

» Financial targets

Adjusted earnings per share growth

10-14%

Operating margin pre Joint Ventures

5%+

Potential Development spend 2007

€150 million

Free cash flow

€45 million+

EBIT from International operations

> 50%

EBIT interest cover

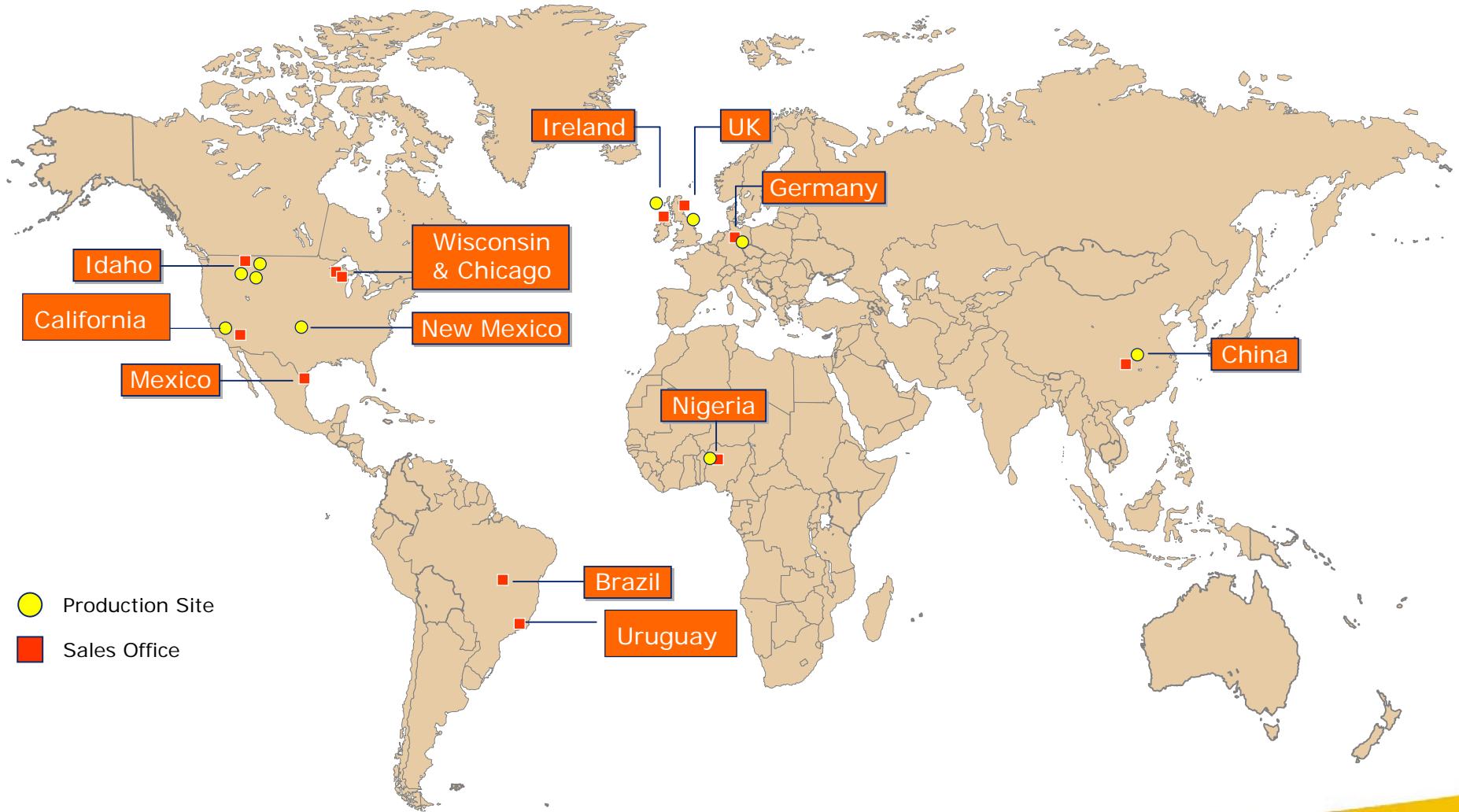
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» Strategic imperatives	» Key initiatives
<p>1. Deliver growth and performance in the period 2007 to 2009.</p>	<p>Consumer foods: expand beverages, food service and convenience offerings</p> <p>Pigmeat: maintain stable performance</p> <p>Agribusiness: continue to reshape the business to fit changes in farming</p> <p>Food Ingredients Ireland: sustain cost competitiveness and manage remaining MTR impacts</p> <p>Food Ingredients USA: deliver strong growth including integration with SWC</p> <p>Nutritionals: Deliver organic growth/NPD. Leverage Seltzer acquisition</p> <p>Joint ventures: drive growth and earnings momentum</p>
<p>2. Extend growth and performance beyond 2009</p>	<p>Further acquisitions, with focus on nutritionals.</p> <p>Expansion of Food Ingredients USA</p> <p>Focus on cost reduction, competitiveness and productivity throughout the Group</p>
<p>3. Improve financial flexibility and maximise the value of the Group's property assets</p>	<p>Maintain progress towards financial flexibility and improving ratios</p>

Our capabilities

- World class manufacturing skills in a wide variety of dairy products and ingredients
- Breadth, depth and strength of customer relations and contacts in all key beverage, dairy food and food ingredients segments
- Strong technical and innovation skills driving new formats, products and services
- Partnering with leading companies and organisations in high growth markets
- Project, plant and investment management skills to deliver from Greenfield site to full commissioning large scale manufacturing facilities

Transforming & Growing Glanbia



● Production Site
■ Sales Office

Positive outlook

- Ireland will remain challenging in light of MTR implementation
- Irish operations focused on performance, productivity and cost competitiveness
- Food Ingredients USA and Nutritionals are expected to perform well in 2007
- Strong top line growth forecast in International Joint Ventures
- Targeting double digit adjusted earnings per share growth in 2007
- Outlook for sustained high growth



Supplementary information

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About Us

- Dairy-based food and nutritional ingredients Group
- Operations in Ireland, Europe, USA
- International Joint Ventures in the UK, USA and Nigeria
- Listed Irish and London Stock Exchanges (Symbol: GLB)
- C. €1 billion market capitalisation
- Free float 45%; Co-op ownership 55%



Consolidated Income Statement

€ million	2006	2005
Revenue	1,853.4	1,830.0
Operating profit	85.6	80.9
Finance income and costs	(14.0)	(13.1)
Share of results of associates and joint ventures	2.8	0.9
Profit before tax	74.4	68.7
Taxation	(8.0)	(7.6)
Profit for the period	66.4	61.1

Group Balance Sheet

€ million	2006	2005	Change
Property, plant and equipment	335.2	340.5	-5.3
Investments	82.1	100.4	-18.3
Intangible assets	138.7	58.0	80.7
Non-current receivables	0.0	56.9	-56.9
Working capital	40.1	-3.3	43.4
Non-current liabilities	-46.2	-39.6	-6.6
Retirement benefit obligations (net of tax)	-124.9	-165.0	40.1
	<u>425.0</u>	<u>347.9</u>	<u>77.1</u>
Net financing	-224.5	-224.2	-0.3
Shareholder's equity	<u>200.5</u>	<u>123.7</u>	<u>76.8</u>

Group Cash Flow

€ million	2006	2005
Operating profit (post exceptional costs)	73.1	75.9
Depreciation and amortisation	25.5	26.0
Exceptional Loss on repayment of Cheese Company loan note (non cash)	9.1	-
Gain on disposal of assets and investments	-9.0	-13.5
Interest and taxation	-25.2	-26.3
Other	0.2	2.4
Cash from operations pre movements in working capital	<u>73.7</u>	<u>64.5</u>
Changes in working capital	-40.5	73.1
Net cash from Operations	<u>33.2</u>	<u>137.6</u>
Disposals of assets and investments	83.7	18.8
Capital expenditure	-38.1	-47.0
Acquisitions and investments	-73.4	-24.6
Equity dividends	-16.5	-15.6
Other	0.3	1.7
Net cash outflow	-10.8	70.9
Fair value of interest rate swaps qualifying as fair value hedges	4.0	-
Currency translation	6.5	-24.7
Movement in net debt	-0.3	46.2

Nutritionals Strategy

to be a key global provider of nutritional ingredients
and nutritional solutions...
building a scalable, sustainable business

- Strong fit with Group strategy
 - Relevant to the customer
 - Technology and innovation focus
 - High operating margin achievable
 - Diversifying and rebalancing Group earnings
 - Improving ROI through attractive capital allocation



Nutritionals Business Model

- Currently part of the Food Ingredients division
- Natural fit because of whey – a valuable source of sugar, proteins, minerals
- All business to business revenue and relationships
- Branded or patented products
- Growth business in a growth market
- Science-based innovation and R&D underpinning the business
- Strong organic, acquisitions and NPD opportunities

Current Range of Nutritional Solutions

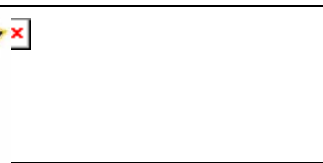
- Protein Fortification



THERMAX[®]

Avonlac[™]

- Sports and Performance Nutrition



- Weight Management

Prolibra

- Health and Wellness

Bioferrin[™]

SALIBRA[™]

glovon⁺

TruCal
Real Calcium From Milk[®]

- Nutrition Bar Solutions

BarFlex[®]

BARPRO[™]

BARtex[™]

BARmax[™]

- Minerals and Vitamins
Glanbia Nutritionals Germany
Seltzer (USA)

Developing nutritional solutions
to match required nutritional profile

Significant Step Change with Seltzer Acquisition

- Leading nutritional solutions company; acquired 100%, US\$105 m consideration
 - Long established, family run, owner entrepreneur business
 - HQ in San Diego CA; 94 employees, excellent facilities
 - Supplier of nutritional premixes, bulk fine ingredients and speciality chemicals
 - Supplying food, beverage and pharmaceutical sectors
- Acquired on a debt free basis; funded from existing facilities
- 2005: US\$52.6 m revenue; US\$6.4 m operating profit
- High margin businesses (2005: 12%) with strong growth trends
- Transaction completed October 06; earnings enhancing 07
- Development focus is the premix market



Premix Market Overview

- Large market in the US; approximate value US\$400 million pa
- Projected to grow 8 to 10% pa 2006 to 2011 (HSC Report 2005)
- Cereal products are the largest users of premixes, c. 30% of total market
- Beverages are 2nd largest; emerging sector but growing very quickly
 - Energy drink market is one of the fastest growing across all sectors
 - Energy drink market is large with 2005 sales >US\$3 billion
- Dietary supplement market is growing strongly, but from a small base
- Infant formula is another major sector; but has unique characteristics
 - Possible knowledge transfer from Kortus Germany

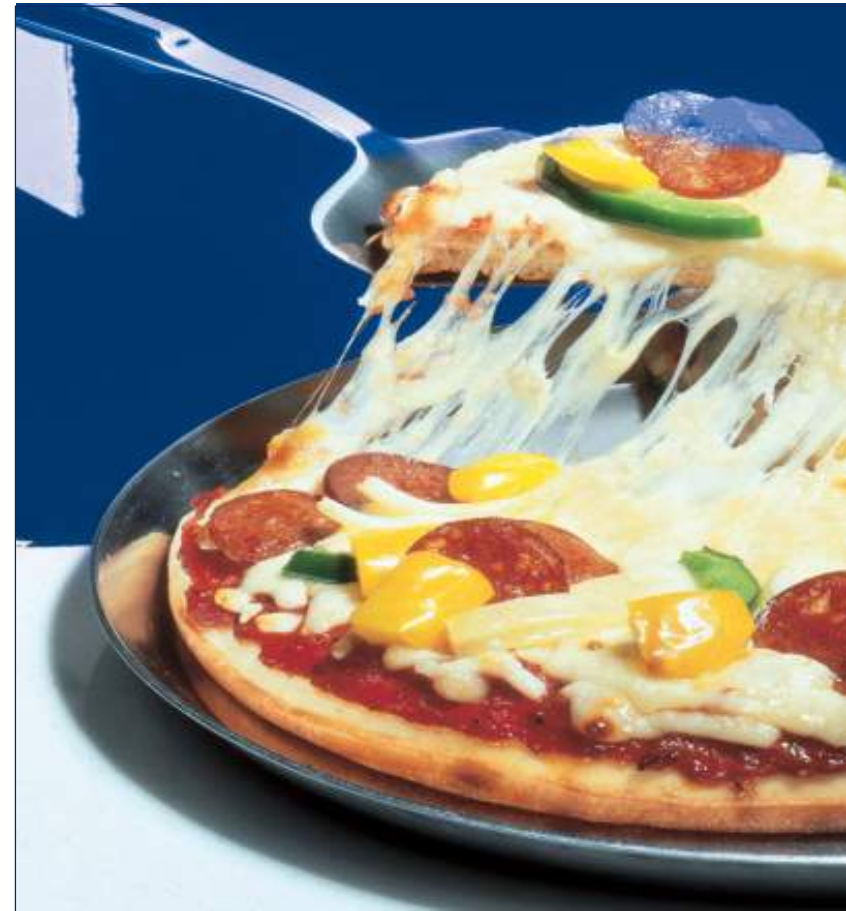


Glanbia Cheese UK

Where: Wales & NI

Partner: Leprino Foods

- No. 1 Europe mozzarella Cheese
- Technology driven business
- Key customer relationships
- Growing market share



Southwest Cheese USA

Where: Clovis New Mexico

Partner: Great South West Milk Agency

- US\$190 million investment
- Cheese and whey facility
- 1.1 billion litres of milk
- Full production by mid-2007 delivering annualised sales of US\$350 million
- Ramp up ahead of plan
- Official opening completed 6 October



Nutricima Nigeria

Where: Lagos

Partner: PZ Cussons; 100 years in Nigeria

- US\$25 million investment
- 50:50 Joint Venture
- Consumer Foods with dairy focus
- Population of 140 million
- Strong sales growth
- 2007 annualised sales US\$100 million
- Further US\$35 m expansion planned



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