NEWS RELEASE
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A world of
cheese and nutritional
ingredients

2008 Half Yearly Financial Report

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26% GROWTH IN ADJUSTED EARNINGS PER SHARE
ON TARGET FOR DOUBLE DIGIT GROWTH IN 2008

27 August 2008 - Glanbia plc ('Glanbia'), the international cheese and nutritional ingredients Group, announces its results for the half year ended 28 June 2008. The content and structure of this announcement reflects the new requirements for half yearly results, under the EU Transparency Directive.

2008 Half Yearly Results Summary

- Good half year performance, with increased revenue, profits, margins and earnings per share;
- Revenue up 6.3%, like-for-like revenue up 20%;
- Profit before tax pre exceptional up 37.6%, like-for-like profit before tax pre exceptional up 49%;
- 10% increase in dividend per share;
- Food Ingredients USA and Nutritionals delivered strong results;
- Significantly improved performance from the Group's international joint ventures; and
- All other divisions performed broadly in line with expectations.

	HY 2008	HY 2007	Change
Revenue[(1)]	€1,106.2 m	€1,040.3 m	**Up 6.3%**
Operating profit pre exceptional	€56.5 m	€48.5 m	**Up 16.5%**
Operating margin pre exceptional	5.1%	4.7%	**Up 40 bps**
Net financing costs	(€9.1 m)	(€8.6 m)	**Up €0.5 m**
Share of results of joint ventures and associates[(1)]	€5.6 m	(€1.3 m)	**Up €6.9 m**
Profit before tax pre exceptional	€53.1 m	€38.6 m	**Up 37.6%**
Profit after tax pre exceptional	€44.1 m	€33.8 m	**Up 30.5%**
Exceptional items[(2)]	(€2.3 m)	-	**See note**
Basic earnings per share	13.98 c	11.47 c	**Up 21.9%**
Adjusted earnings per share[(3)]	15.74 c	12.45 c	**Up 26.4%**
Dividend per share in respect of the half year	2.75 c	2.50 c	**Up 10.0%**
Net debt	€296.3 m	€269.1 m	**Up €27.2 m**

(1) Revenue including Glanbia's share of the revenue of joint ventures and associates was €1.3 billion in the first half of 2008, up 6.5% on the same period last year. Share of results of joint ventures and associates is an after interest and tax amount.

(2) In March 2008, Glanbia announced the sale of its Pigmeat business in a Management Buyout and the net exceptional of €2.3 million is additional costs of €2.6 million associated with this disposal and a related tax credit of €0.3 million.

(3) Before exceptional items and amortisation of intangible assets.

John Moloney, Group Managing Director, said:

"Glanbia had a good first half delivering strong growth relative to the first half of 2007 and a 26% increase in adjusted earnings per share. The second half of this year is expected to be somewhat ahead of the second half of 2007. Margins have recovered in Consumer Foods Ireland and there is a satisfactory outlook for Agribusiness & Property. While organic growth remains strong in Food Ingredients USA and Nutritionals, the performance of Food Ingredients Ireland in the second half will be reduced relative to the second half of 2007, as global dairy market volatility has created a time lag in balancing input costs and market returns. International joint ventures are expected to sustain their improved first half performance. For the full year, we are confident of a good overall performance and we believe the Group will deliver double digit earnings growth, in line with market expectations.

We are delighted with the acquisition of Optimum Nutrition which we announced on 25 August 2008. Optimum has leading US sports nutrition brands and an excellent reputation in the sector. It represents a key strategic development in the growth of our Nutritionals business and is expected to be earnings enhancing from this year."

Interim management report
for the half year ended 28 June 2008

Operations review

Glanbia is organised on a geographic basis by division. For the half year 2008, 34% of Group revenue[(1)] and 32% of Group operating profit[(1)] was generated in Ireland, with 66% of Group revenue[(1)] and 68% of Group operating profit[(1)] generated from international businesses.

The Group operates in the Irish market through Consumer Foods Ireland and Agribusiness & Property. Consumer Foods Ireland incorporates nutritional beverages, fresh dairy products and cheese, soups and spreads for the Irish retail market. Agribusiness is engaged primarily in feed milling, grain processing and retailing. Property is tasked with maximising the value of the Group's property portfolio.

International markets are served by the Food Ingredients and Nutritionals division and international joint ventures. Food Ingredients produces cheese, butter, casein and protein ingredients for international customers at processing facilities in Ireland and the USA. The Group's global nutritionals business produces a wide range of speciality whey proteins, customised premix solutions and other nutritional ingredients for use by food and beverage companies. The principal Group joint ventures include cheese manufacturers in the USA and the UK and a consumer products joint venture in Nigeria.

(1) Share of Group including joint ventures and associates

IRELAND

	€'000	HY 2008	HY 2007	Change
Consumer Foods Ireland* and Agribusiness & Property	**Revenue**	417,722	418,369	**Similar**
	Operating profit pre exceptional	21,923	20,141	**Up 9%**
	Operating margin pre exceptional	5.2%	4.8%	**Up 40 bps**

* In March 2008, Glanbia announced the sale of its Irish Pigmeat operations to a Management Buyout team.

Revenue, including the Pigmeat business unit, was broadly similar at €417.7 million (HY 2007: €418.4 million). Operating profit pre exceptional increased by 9% to €21.9 million (HY 2007: €20.1 million). Operating margin pre exceptional grew by 40 basis points to 5.2% (HY 2007: 4.8%). These results reflect an improved performance from Consumer Foods Ireland and a satisfactory performance from Agribusiness & Property.

Consumer Foods Ireland
Consumer Foods Ireland had a solid first half with margins recovering as anticipated in challenging market conditions. A key factor was the recovery in the market place of the increased milk input costs experienced in 2007.

Outlook
The Irish food retailing sector is very competitive with changing trends in consumer demand driven partly by the current downturn in the economy. As a result, the strategy for Consumer Foods Ireland is threefold: reinvestment in the business to sustain a strong brand portfolio and relative market positions, an ongoing focus on cost efficiency and an emphasis on product and packaging innovation. We expect this business to sustain its improved performance for the second half, delivering an overall satisfactory performance for the year.

Agribusiness & Property
Revenue in this division was up compared to the half year 2007. Operating profit was broadly similar and operating margin, excluding Property, was relatively stable.

Agribusiness

The first half of 2008 has seen unprecedented rises in raw material prices for feed and fertilizer inputs, relatively stable feed volumes and somewhat weaker fertilizer volumes. Against this market environment, Agribusiness maintained its market position with competitive pricing and together with continued progress in the marketplace with the CountyLife format, overall results for Agribusiness were satisfactory in the first half.

Outlook

Going forward, the outlook for Agribusiness remains positive.

Property

The performance of the Property business unit was marginally down compared to the first half of 2007.
Outlook for 2008 is for a similar performance to 2007, subject to the timing of individual projects.

INTERNATIONAL

	€'000	HY 2008	HY 2007	Change
Food Ingredients & Nutritionals	**Revenue**	688,455	621,968	**Up 11%**
	Operating profit pre exceptional	34,617	28,403	**Up 22%**
	Operating margin pre exceptional	5.0%	4.6%	**Up 40 bps**

International operations had a good first half driven mainly by a strong performance from Food Ingredients USA and Nutritionals. Revenue increased 11% to €688.5 million (HY 2007: €622.0 million). Operating profit pre exceptional grew 22% to €34.6 million (HY 2007: €28.4 million). Operating margin improved 40 basis points to 5.0% (HY 2007: 4.6%).

Food Ingredients Ireland

Food Ingredients Ireland had a marginally improved first half performance, compared with a weak first half of 2007. The business continues to invest capital in product diversification as well as seeking to benefit from further growth opportunities from quota expansion.

Outlook

The volatility in global dairy markets experienced in the first half, which led to a reduction in market pricing from the exceptional peak of 2007, has continued into the second half. This is creating a time lag in balancing milk input costs with market returns. This timing issue, combined with increased energy costs, is leading to a reduction in the expected performance of Food Ingredients Ireland in the second half of the year compared to the corresponding period last year. As a consequence, overall results for Food Ingredients Ireland for the full year will be lower than 2007.

Food Ingredients USA

Our leading scale position, in positive market conditions, drove revenue and operating profit growth for this business in the first half of 2008. Sales volume increased delivering good organic growth for cheese and whey ingredients, both domestically and internationally.

Outlook

Milk production to date in 2008 in Idaho continues to grow. Domestic and export demand for American style cheddar cheese, where Glanbia is the number one producer, remains strong. In this market context, Food Ingredients USA is expected to deliver a good full year performance.

Nutritionals

Revenues, profits and margins increased for Nutritionals with this business achieving good organic growth. Nutritionals also benefited from its innovation programme which is delivering products and solutions into the sports nutrition, health & wellness and weight management sectors in the USA, Europe and Asia.

Outlook

The Nutritionals business is expected to continue to perform strongly in the second half of the year, underpinning a positive full year performance and a growing contribution to the Group overall.

JOINT VENTURES AND ASSOCIATES

JOINT VENTURES & ASSOCIATES (GLANBIA SHARE)	**€'000**	**HY 2008**	**HY 2007**	**Change**
Glanbia has three principle international joint ventures; Southwest Cheese in the USA, Glanbia Cheese in the UK and Nutricima in Nigeria and a number of smaller Irish based joint ventures and associates	**Revenue[1]**	189,062	176,130	**Up 7%**
	Profit after interest and tax[2]	5,611	(1,308)	**Up €6.9 m**

[1] Not included in Group revenue. Like-for-like revenue grew 15% [2] Included in the income statement as share of results of joint ventures and associates

Glanbia's share of revenue was up 7% in the first half of the year to €189.1 million (HY 2007: €176.1 million) as these businesses continued to deliver strong top line growth and good operational performances. Glanbia's share of profit after tax and interest increased €6.9 million to €5.6 million (HY 2007: €1.3 million loss), driven principally by a good recovery at Southwest Cheese.

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, now operating at full capacity, is performing well and had a very strong first half in 2008 leading to a significantly improved performance and a good outlook for the full year.

Glanbia Cheese is the number one producer of mozzarella cheese for the European pizza market. The business had an improved performance in the first half of the year. Despite a competitive market place, results for this business for the full year are expected to deliver a significant improvement on a difficult 2007.

Nutricima manufactures and markets branded dairy based consumer products for the Nigerian market. Nutricima continues to make good progress in developing its market and brand positioning and the current expansion of the facility is on target for completion in the first quarter of 2009. We are steadily building a new business in West Africa and we expect 2008 performance to be broadly in line with 2007.

Finance review

Income statement

In the first half of 2008, revenue increased 6.3% to €1,106.2 million (HY 2007: €1,040.3 million). Like-for-like revenue increased 20%. Operating profit pre exceptional grew 16.5% to €56.5 million (HY 2007: €48.5 million). Like-for-like operating profit pre exceptional increased 26%. Operating margin pre exceptional increased 40 basis points to 5.1% (HY 2007: 4.7%). These results reflect a strong performance from the Group's international businesses, particularly Food Ingredients USA and Nutritionals.

Net finance costs were similar to 2007 at €9.1 million (HY 2007: €8.6 million). EBITDA (earnings before interest, taxation, depreciation and amortisation) to net finance cost improved to 8 times compared with 7.6 times in the corresponding period of 2007.

The Group's share of results of joint ventures and associates, which are post interest and tax, amounted to €5.6 million compared with a loss of €1.3 million in the first half of 2007. This improvement was mainly driven by the performance of Southwest Cheese.

Taxation for the period amounted to a net charge of €8.7 million for the first half of 2008 compared with a charge of €4.8 million in the first half of 2007. This increase reflects the growing internationalisation and profitability of the Group.

The net exceptional charge for the half year amounted to €2.3 million (compared with no exceptional charge in the first half of 2007) relating to finalisation of the Group's exit from the Pigmeat sector. This consists of a €2.6 million charge offset by the related tax benefit of €0.3 million.

Basic earnings per share increased 22% to 13.98 cent (HY 2007: 11.47 cent). Adjusted earnings per share increased 26% to 15.74 cent (HY 2007: 12.45 cent).

Balance sheet and cash flow

Overall net debt increased €27.2 million to €296.3 million, from €269.1 million at half year 2007. EBITDA of €72.9 million was reinvested in the seasonal working capital requirement of the Group and capital expenditure.

The deficit on retirement benefit obligations improved to €106.9 million from €114.2 million at prior year end. Improvement in the Group's obligations are driven by improved corporate bond yields offset in part by deteriorating investment returns and a further strengthening of mortality assumptions in both the Irish and UK schemes.

Dividends

The Board is recommending an interim dividend of 2.75 cent per share, compared with a 2.50 cent per share interim dividend in 2007. This represents a 10% increase. Dividends will be paid on 1 October 2008 to shareholders on the register as at 12 September 2008. Irish dividend withholding tax will be deducted at the standard rate, where appropriate.

Principal risks and uncertainties affecting the second half performance

The management of risk is key to achieving Glanbia's strategic and financial objectives and there is an on-going process of assessing, managing, monitoring and reporting on the significant risks faced by individual Group companies and by the Group as a whole. The Board has ultimate responsibility for risk management and the key areas of risk and the Group's mitigation processes are set out in detail in the 2007 Annual Report and on the Group's website at www.glanbia.com.

With due regard to the outlook for Glanbia for the full year, the principal risks and uncertainties that the Group has identified in the second half of 2008, which by their nature have the potential to impact the Group's full year performance, are as follows:

- Short term volatility in global dairy markets may impact the performance of Food Ingredients Ireland. The key issue will be rebalancing input costs with market returns
- The global economic slowdown is affecting consumer sentiment and is leading to a shift in trends in consumer demand and consumption patterns in many developed economies. If these trends are sustained this has the potential to impact the Group's consumer food brand portfolio.

2008 Outlook

First half results were strong relative to the first half of 2007 and the second half of this year is expected to be somewhat ahead of the second half of 2007. Margins have recovered in Consumer Foods Ireland and there is a satisfactory outlook for Agribusiness & Property. While organic growth remains strong in Food Ingredients USA and Nutritionals, the performance of Food Ingredients Ireland in the second half will be reduced relative to second half of 2007, as global dairy market volatility has created a time lag in balancing input costs and market returns. International joint ventures are expected to sustain their improved first half performance. For the full year, Glanbia is confident of a good overall performance and the Group believes it will deliver double digit earnings growth, in line with market expectations.

The 2008 Half Yearly Financial Report is available on the Group's website www.glanbia.com

Responsibility statement

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34, Interim Financial Reporting as adopted by the European Union.

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

- The Group Condensed Financial Statements for the half year ended 28 June 2008 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

- The Half Yearly Financial Report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the Group Condensed Financial Statements for the half year ended 28 June 2008, and a description of the principal risks and uncertainties for the remaining six months;

- The Half Yearly Financial Report includes a fair review of related party transactions that have occurred during the first six months of the current financial year that have materially affected the financial position or the performance of the Group during that period and any changes in the related parties transactions described in the last Annual Report that could have a material effect on the financial position or the performance of the Group.

On behalf of the Board

John Moloney
Group Managing Director

Geoff Meagher
Deputy Group Managing Director/Group Finance Director

26 August 2008

Consolidated income statement
for the half year ended 28 June 2008

	Note	Half year 2008 Pre-exceptional €'000	Half year 2008 Exceptional €'000	Half year 2008 Total €'000	Half year 2007 Pre-exceptional €'000	Half year 2007 Exceptional €'000	Half year 2007 Total €'000	Year 2007 Pre-exceptional €'000	Year 2007 Exceptional €'000	Year 2007 Total €'000
Revenue	3	**1,106,177**	**-**	**1,106,177**	1,040,337	-	1,040,337	2,206,567	-	2,206,567
Cost of sales		**(939,635)**	**-**	**(939,635)**	(891,924)	-	(891,924)	(1,882,648)	-	(1,882,648)
Gross profit		**166,542**	**-**	**166,542**	148,413	-	148,413	323,919	-	323,919
Distribution expenses		**(61,707)**	**-**	**(61,707)**	(57,289)	-	(57,289)	(114,180)	-	(114,180)
Administration expenses		**(48,295)**	**(2,583)**	**(50,878)**	(42,580)	-	(42,580)	(93,905)	(23,463)	(117,368)
Operating profit		**56,540**	**(2,583)**	**53,957**	48,544	-	48,544	115,834	(23,463)	92,371
Finance income	6	**2,378**	**-**	**2,378**	2,335	-	2,335	4,813	-	4,813
Finance costs	6	**(11,444)**	**-**	**(11,444)**	(10,965)	-	(10,965)	(22,095)	-	(22,095)
Share of results of joint ventures and associates		**5,611**	**-**	**5,611**	(1,308)	-	(1,308)	992	-	992
Profit before taxation		**53,085**	**(2,583)**	**50,502**	38,606	-	38,606	99,544	(23,463)	76,081
Income taxes	7	**(9,020)**	**323**	**(8,697)**	(4,790)	-	(4,790)	(16,458)	617	(15,841)
Profit for the period		**44,065**	**(2,260)**	**41,805**	33,816	-	33,816	83,086	(22,846)	60,240
Attributable to:										
Equity holders of the Parent				**40,997**			33,599			59,833
Minority interests				**808**			217			407
				41,805			33,816			60,240
Basic earnings per share (cent)	9			**13.98**			11.47			20.42
Diluted earnings per share (cent)	9			**13.92**			11.46			20.34

Consolidated statement of recognised income and expense
for the half year ended 28 June 2008

	Notes	**Half year 2008 €'000**	Half year 2007 €'000	Year 2007 €'000
Actuarial (loss)/gain - defined benefit schemes	14	**(1,252)**	34,557	(4,539)
Deferred tax on actuarial (loss)/gain	14	**(709)**	(3,575)	1,102
Share of actuarial gain - joint ventures		**-**	-	230
Currency translation differences	13	**(7,124)**	(2,790)	(14,878)
Fair value adjustments (net of tax)	13	**2,127**	(943)	8,578
Net (expense)/income recognised directly in equity		**(6,958)**	27,249	(9,507)
Profit for the period		**41,805**	33,816	60,240
Total recognised income for the period		**34,847**	61,065	50,733
Attributable to:				
Equity holders of the Parent		**34,039**	60,848	50,326
Minority interest		**808**	217	407
		34,847	61,065	50,733

Consolidated balance sheet
as at 28 June 2008

	Notes	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
ASSETS				
Non-current assets				
Property, plant and equipment	10	**311,232**	331,076	298,771
Intangible assets	10	**127,991**	135,312	137,565
Investments in associates		**11,543**	10,976	10,729
Investments in joint ventures		**52,317**	58,731	50,370
Trade and other receivables		**26,895**	-	13,929
Deferred tax assets		**20,632**	20,348	21,672
Available for sale financial assets		**30,136**	12,363	30,089
Derivative financial instruments		**1,220**	2,430	763
		581,966	571,236	563,888
Current assets				
Inventories		**283,218**	164,629	225,057
Trade and other receivables		**286,341**	288,801	202,234
Derivative financial instruments		**8,685**	12,173	4,990
Cash and cash equivalents	11	**123,738**	148,891	159,819
		701,982	614,494	592,100
Assets in disposal group held for sale		**-**	**-**	20,304
		701,982	614,494	612,404
Total assets		**1,283,948**	1,185,730	1,176,292
EQUITY				
Issued capital and reserves attributable to equity holders of the Parent				
Share capital and share premium		**97,148**	98,378	98,450
Other reserves	13	**103,061**	109,963	107,909
Retained earnings	14	**49,718**	36,519	21,176
		249,927	244,860	227,535
Minority interests		**7,848**	6,852	7,040
Total equity		**257,775**	251,712	234,575
LIABILITIES				
Non-current liabilities				
Borrowings	11	**419,134**	417,110	379,028
Derivative financial instruments		**5,180**	4,655	3,736
Deferred tax liabilities		**37,122**	38,424	37,587
Retirement benefit obligations	15	**106,942**	83,269	114,248
Provisions for other liabilities and charges	12	**12,227**	8,040	13,660
Capital grants		**3,403**	10,267	3,535
		584,008	561,765	551,794
Current liabilities				
Trade and other payables		**421,562**	332,802	336,663
Current tax liabilities		**4,145**	6,732	9,182
Borrowings	11	**886**	854	966
Derivative financial instruments		**6,112**	10,476	3,187
Provisions for other liabilities and charges	12	**9,460**	21,389	22,278
		442,165	372,253	372,276
Liabilities in disposal group held for sale		**-**	**-**	17,647
		442,165	372,253	389,923
Total liabilities		**1,026,173**	934,018	941,717
Total equity and liabilities		**1,283,948**	1,185,730	1,176,292

Consolidated cash flow statement

for the half year ended 28 June 2008

	Notes	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Cash flows from operating activities				
Cash generated from/(absorbed by) operations	18	**64**	(1,732)	85,110
Interest received		**2,213**	2,335	3,015
Interest paid		**(10,816)**	(11,109)	(17,613)
Tax paid		**(13,720)**	-	(5,401)
Net cash (absorbed by)/generated from operating activities		**(22,259)**	(10,506)	65,111
Cash flows from investing activities				
Deferred/contingent acquisition consideration paid		**(10,729)**	(7,166)	(17,742)
Purchase of property, plant and equipment		**(35,523)**	(17,382)	(51,662)
Purchase of available for sale investments		**(363)**	(2,287)	(2,000)
Proceeds received: exit from pigmeat		**9,128**	-	12,937
Proceeds from sale of property, plant and equipment		**164**	296	13,419
Net cash used in investing activities		**(37,323)**	(26,539)	(45,048)
Cash flows from financing activities				
Proceeds from issue of ordinary shares		**105**	74	167
Increase/(decrease) in borrowings		**50,348**	(61,844)	(84,056)
Finance lease principal payments		**(532)**	(632)	(954)
Employee share trust - LTIP purchase of shares		**(1,407)**	-	(95)
Dividends paid to Company's shareholders		**(10,494)**	(9,946)	(17,334)
Loans advanced to joint ventures		**(13,910)**	-	(9,001)
Capital grants received		**1,366**	-	1,399
Net cash from/(used in) financial activities		**25,476**	(72,348)	(109,874)
Net decrease in cash and cash equivalents		**(34,106)**	(109,393)	(89,811)
Cash and cash equivalents at the beginning of the period		**159,819**	259,311	259,311
Effects of exchange rate changes on cash and cash equivalents		**(1,975)**	(1,027)	(9,681)
Cash and cash equivalents at the end of the period		**123,738**	148,891	159,819

Reconciliation of net cash flow to movement in net debt

	2008 €'000	2007 €'000	2007 €'000
Net decrease in cash and cash equivalents	**(34,106)**	(109,393)	(89,811)
Cash (outflow)/inflow from debt financing	**(49,816)**	62,476	85,889
	(83,922)	(46,917)	(3,922)
Fair value of interest rate swaps qualifying as fair value hedges	**2,067**	-	(764)
Exchange translation adjustment on net debt	**5,748**	2,338	9,005
Movement in net debt in the period	**(76,107)**	(44,579)	4,319
Net debt at beginning of period	**(220,175)**	(224,494)	(224,494)
Net debt at end of period	**(296,282)**	(269,073)	(220,175)

Net debt comprises:	2008 €'000	2007 €'000	2007 €'000
Borrowings	**(420,020)**	(417,964)	(379,994)
Cash and cash equivalents	**123,738**	148,891	159,819
	(296,282)	(269,073)	(220,175)

Notes to the Group condensed financial statements
for the half year ended 28 June 2008

1 Basis of preparation

The figures for the half years ended 28 June 2008 and 30 June 2007 have not been audited by the auditors. The figures for the full year ended 29 December 2007 represent an abbreviated version of the Group's financial statements for that year, which received an unqualified audit report.

These condensed financial statements do not constitute statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The statutory accounts for the financial year ended 29 December 2007 were approved by the Board of Directors on 4 March 2008 and contained an unqualified audit report. These financial statements will be filed with the Registrar of Companies by their due date.

The Group condensed consolidated interim financial statements for the six months ended 28 June 2008 has been prepared in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, the related Transparency Rules of the Irish Financial Services Regulatory Authority and with IAS 34 'Interim Financial Reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 29 December 2007, which have been prepared in accordance with IFRS.

2 Accounting policies

The methods of computation and accounting policies adopted in the preparation of the Group condensed financial statements, except for an amendment in the Group's segment information disclosure under IAS 14 'Segment Reporting', are consistent with those applied in the Annual Report for the financial year ended 29 December 2007 and are described in those financial statements.

The Group did not adopt any new International Financial Reporting Standards or Interpretations in the period that have had a material impact on the Group condensed financial statements for the half year.

3 Segment information

At 28 June 2008 the Group is organised into two main business segments:
- Ireland
- International

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Turnover by business segment			
Ireland	**417,722**	418,369	803,363
International	**688,455**	621,968	1,403,204
	1,106,177	1,040,337	2,206,567
Operating profit pre exceptional by business segment			
Ireland	**21,923**	20,141	30,640
International	**34,617**	28,403	85,194
	56,540	48,544	115,834

The Group's internal financial reporting system reports performance by two business segments, Ireland and International.
Segment information has been restated to include Consumer Foods and Agribusiness & Property into Ireland, and Food Ingredients and Nutritionals under International.
The comparative information for both the half year and year end 2007 have been restated.

4 Seasonality

Within the Ireland segment, seasonal buying patterns impact the weighting of Agribusiness & Property revenues towards quarters one and two of the financial year. International revenues are impacted by the seasonal pattern of milk supply in quarters two and three of the financial year.

The increase in working capital for half year 2008 versus year end 2007 of €68.3 million was primarily driven by the above seasonal patterns.

5 Exceptional items

	Notes	**Half year 2008 €'000**	**Half year 2007 €'000**	**Year 2007 €'000**
Exit from Pigmeat	(a)	**(2,583)**	-	(20,756)
Restructuring cost	(b)	**-**	-	(2,707)
		(2,583)	-	(23,463)
Exceptional tax credit		**323**	-	617
Net exceptional item		**(2,260)**	-	(22,846)

(a) On 3 March 2008, Glanbia announced the sale of its Pigmeat business in a Management Buyout and the net exceptional of €2.3 million is additional costs of €2.6 million associated with this disposal and a related tax credit of €0.3 million.

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

6 Finance income and costs

(a) Finance income

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Interest income	**2,378**	2,335	4,813

(b) Finance costs

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Interest expense			
- Bank borrowings repayable within five years	**(9,025)**	(6,220)	(19,084)
- Bank borrowings repayable after five years	**-**	(3,480)	-
- Interest cost on deferred consideration	**(228)**	(202)	(450)
- Finance lease costs	**(155)**	(156)	(272)
- Interest rate swaps, transfer from equity	**154**	716	1,401
- Interest rate swaps, fair value hedges	**(1,539)**	(737)	676
- Fair value adjustment of borrowings attributable to interest rate risk	**1,539**	737	(676)
	(9,254)	(9,342)	(18,405)
Finance cost of preference shares	**(2,190)**	(1,623)	(3,690)
Total finance costs	**(11,444)**	(10,965)	(22,095)

7 Income taxes

The Group's pre exceptional income tax charge of €9.0 million (HY 2007: €4.8 million) has been prepared based on the Group's best estimate of the weighted average tax rate that is expected for the full financial year.

8 Dividends

A final dividend in respect of the year ended 29 December 2007 of 3.58 cent per share was paid during the period. On 26 August 2008, the Directors declared the payment of an interim dividend for 2008 of 2.75 cent per share (2007 interim dividend: 2.50 cent per share). The interim dividend will be reflected in the financial statements for the full year 2008 in line with IAS 10.

9 Earnings per share

Basic

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Profit attributable to equity holders of the Company	**40,997**	33,599	59,833
Weighted average number of ordinary shares in issue	**293,252,086**	292,984,514	293,012,540
Basic earnings per share (cent per share)	**13.98**	11.47	20.42

Diluted

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Weighted average number of ordinary shares in issue	**293,252,086**	292,984,514	293,012,540
Adjustments for share options	**1,355,427**	254,170	1,110,557
Adjusted weighted average number of ordinary shares	**294,607,513**	293,238,684	294,123,097
Diluted earnings per share (cent per share)	**13.92**	11.46	20.34

Adjusted

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Profit attributable to equity holders of the Company	**40,997**	33,599	59,833
Amortisation on intangible assets	**2,888**	2,886	5,946
Exceptional items	**2,260**	-	22,846
	46,145	36,485	88,625
Adjusted earnings per share (cent per share)	**15.74**	12.45	30.25
Diluted adjusted earnings per share (cent per share)	**15.66**	12.44	30.13

10 Property, plant & equipment and intangible assets

During the six month period to 28 June 2008 the Group spent €35.5 million (2007: €17.4 million) on additions to tangible and intangible fixed assets. The Group also disposed of certain assets with a carrying amount of €1.1million (2007: €0.2 million) for proceeds of €3.7 million (2007: €4.3 million). At 28 June 2008 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €14.3 million (2007: €2.2 million).

Notes to the Group condensed financial statements
for the half year ended 28 June 2008

11 Net debt

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Borrowings due within one year	**886**	854	966
Borrowings due after one year	**419,134**	417,110	379,028
Less:			
Cash and cash equivalents	**(123,738)**	(148,891)	(159,819)
	296,282	269,073	220,175

The increase in net debt of €76.1 million from year end 29 December 2007 was primarily driven by the Group's capital expenditure and seasonal working capital requirements.

12 Provisions for other liabilities & charges

	Restructuring €'000	UK pension €'000	Other €'000	Total €'000
At 29 December 2007	**6,284**	**3,845**	**25,809**	**35,938**
Charged to the consolidated income statement				
- Additional provisions	582	-	-	**582**
Net amounts (credited)/charged to provision	(2,383)	85	(11,857)	**(14,155)**
Exchange differences	-	(270)	(408)	**(678)**
At 28 June 2008	**4,483**	**3,660**	**13,544**	**21,687**
Non-current	-	3,660	8,567	**12,227**
Current	4,483	-	4,977	**9,460**
	4,483	**3,660**	**13,544**	**21,687**

(a) The restructuring provision relates primarily to the exit from Pigmeat operations and rationalisation within Consumer Foods operations. This provision is expected to be fully utilised in the remainder of 2008.
(b) The UK pension provision relates to administration and certain costs associated with pension schemes relating to businesses disposed of in prior years.
(c) Included in 'Other' above are provisions in respect of property lease commitments, deferred consideration in respect of recent acquisitions, insurance and certain legal claims pending against the Group. It is expected that €5.0 million of this provision will be utilised in the remainder of 2008, with the balance being utilised over the next 5 years.

Notes to the Group condensed financial statements
for the half year ended 28 June 2008

13 Other reserves

	Capital and mergers reserves €'000	Currency reserve €'000	Fair value reserves €'000	Total €'000
Balance at 29 December 2007	**116,934**	**(22,481)**	**13,456**	**107,909**
Translation differences on foreign currency net investments	-	(7,124)	-	(7,124)
Revaluation of interest rate swaps - gain in period	-	-	63	63
Foreign exchange contracts - gain in period	-		3,848	3,848
Transfers to income statement				
- Foreign exchange contracts	-	-	(1,677)	(1,677)
- Interest rate swaps	-	-	(154)	(154)
Revaluation of forward commodity contracts - gain in period	-	-	660	660
Revaluation of available for sale investments - loss in period	-	-	(130)	(130)
Deferred tax on fair value adjustments	-	-	(483)	(483)
Cost of share options	149	-	-	149
Balance at 28 June 2008	**117,083**	**(29,605)**	**15,583**	**103,061**

14 Retained earnings

	Retained earnings €'000	Goodwill write-off €'000	Total €'000
Balance at 29 December 2007	**114,137**	**(92,961)**	**21,176**
Actuarial loss - defined benefit schemes	(1,252)	-	(1,252)
Deferred tax on actuarial loss	(709)	-	(709)
Net expense recognised directly in equity	(1,961)	-	(1,961)
Profit for the period	40,997	-	40,997
Total recognised income for the half year 2008	**39,036**	**-**	**39,036**
Dividends paid in 2008	(10,494)	-	(10,494)
Balance at 28 June 2008	**142,679**	**(92,961)**	**49,718**

15 Changes in estimates and assumptions

The following actuarial assumptions have been made in determining the Group's retirement benefit obligation for the half year ended 28 June 2008:

	Half Year 2008		Year 2007	
	IRL	**UK**	**IRL**	**UK**
Discount rate	6.3%	6.8%	5.5%	6.0%

The mortality assumptions imply the following life expectancies in years of an active member on retirement at age 65:

	Half Year 2008		Year 2007	
	Irish mortality rates	**UK mortality rates**	**Irish mortality rates**	**UK mortality rates**
Male	19.5	23.3	18.9	20.8
Female	22.5	26.0	21.9	23.9

16 Related party transactions

The Company is controlled by Glanbia Co-Operative Society Limited ("the Society") which holds 54.63% of the issued share capital of the Company and is the ultimate parent of the Group.

During the six months to 28 June 2008, sales to related parties amounted to €44.3 million (2007: €31.3 million) purchases from related parties amounted to €252.7 million (2007: €200.9 million) and net balances owing, to/(due from) related parties were €12.7 million (2007: €20.1 million). The related party transactions relate primarily to trading between the Company, a key joint venture Southwest Cheese and the Society.

In the opinion of the Directors, there have been no related party transactions, or changes therein, since year ended 29 December 2007, that have materially affected the Group's financial position or performance in the six months ended 28 June 2008.

17 Contingent liabilities

Bank guarantees, amounting to €5.3 million (2007: €14.2 million) are outstanding as at 28 June 2008, mainly in respect of the payment of EU subsidies. The Group does not expect any material loss to arise from these guarantees.

Notes to the Group condensed financial statements
for the half year ended 28 June 2008

18 Cash generated from operations

	Half year 2008 €'000	Half year 2007 €'000	Year 2007 €'000
Profit before tax	**50,502**	38,606	76,081
Development costs capitalised	**-**	-	(1,804)
Non-cash exceptional - exit from Pigmeat	**954**	-	13,706
Share of results of joint ventures and associates	**(5,611)**	1,308	(992)
Depreciation	**13,151**	14,938	27,246
Amortisation	**3,301**	2,340	6,816
Cost of share options	**149**	201	587
Difference between pension charge and cash contributions	**(6,979)**	(7,034)	(10,876)
Gain on disposal of property, plant and equipment	**(2,556)**	(4,079)	(3,002)
Interest income	**(2,378)**	(2,335)	(4,813)
Interest expense	**11,444**	10,965	22,095
Amortisation of government grants received	**(132)**	(393)	(736)
Cash generated from operations before changes in working capital	**61,845**	54,517	124,308
Change in net working capital			
- Increase in inventory	**(61,126)**	(20,204)	(82,093)
- Increase in short term receivables	**(90,741)**	(124,721)	(36,615)
- Increase in short term liabilities	**93,080**	95,786	78,649
- (Decrease)/increase in provisions	**(2,994)**	(7,110)	861
Cash generated/(absorbed by) operations	**64**	(1,732)	85,110