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

A world of
cheese and nutritional
ingredients

2009 Half yearly financial report

For further information contact

Glanbia plc +353 56 777 2200
Siobhan Talbot, Group Finance Director
Geraldine Kearney, Corporate Communications Director + 353 87 231 9430

ON TARGET TO ACHIEVE 2009 FULL YEAR EARNINGS GUIDANCE
DIFFICULT FIRST HALF AS EXPECTED

26 August 2009 - Glanbia plc ('Glanbia'), the international cheese and nutritional ingredients Group, announces its results for the half year ended 4 July 2009. The structure of this announcement reflects revised segmental reporting under the newly applicable accounting standard International Financial Reporting Standard ('IFRS') 8, 'Operating Segments'. Full details are contained on page 2 of this announcement.

2009 Half year results summary

	HY 2009	HY 2008	Change
Revenue[(1)]	€944.9 m	€1,106.2 m	**- 14.6 %**
Operating profit pre exceptional	€47.8 m	€56.5 m	**- 15.4 %**
Operating margin pre exceptional	5.1%	5.1%	**No change**
Net financing costs	(€12.5 m)	(€9.1 m)	**+ €3.4 m**
Share of results of joint ventures and associates[(1)]	€2.7 m	€5.6 m	**- €2.9m**
Profit before tax pre exceptional	€38.0 m	€53.1 m	**- 28.4 %**
Taxation pre exceptional	(€7.4 m)	(€9.0 m)	**- €1.6 m**
Profit after tax pre exceptional	€30.6 m	€44.1 m	**- 30.6%**
Exceptional items[(2)]	-	(€2.3 m)	**See note**
Basic earnings per share	10.30 c	13.98 c	**- 26.3%**
Adjusted earnings per share[(3)]	12.35 c	15.74 c	**- 21.5%**
Dividend per share in respect of the half year	2.89 c	2.75 c	**Up 5%**
Net debt	€546.5 m	€296.3 m	**Up €250.2 m**

(1) Revenue including Glanbia's share of the revenue of joint ventures & associates was €1.1 billion for the first half of 2009, compared with €1.3 billion for the first half of 2008. Share of results of joint ventures & associates is an after interest and tax amount.

(2) The €2.3 million exceptional in the first half of 2008 is additional costs of €2.6 million associated with the disposal of the Group's Pigmeat business (announced in March 2008) and a related tax credit of €0.3 million. There were no exceptional items in the first half of 2009.

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

John Moloney, Group Managing Director, said:

"A growing contribution from higher margin businesses and a strategic cost reduction programme have enabled us to counterbalance unprecedented market circumstances and deliver a reasonable set of results despite a very substantial first time loss in Irish Dairy Ingredients.

It has been, without doubt, a difficult six months. The sustained downturn in the global economy led to weakening consumer confidence. In addition, international dairy prices were sharply down on 2008 resulting in a dramatic reduction in dairy product returns and US cheese prices reached historic lows. The expected impact of these challenges led to a revision of earnings guidance for the full year. While we remain cautious in our outlook today, we expect the overall rate of decline to moderate in the second half. Earnings guidance for the full year is unchanged with full year adjusted earnings expected to be 30 to 32 cents per share.

We are pleased with the excellent operational performance throughout the Group and the success to date of a major cost saving programme and we remain confident in the businesses that are central to our growth strategy."

Presentation, webcast and conference calls

In conjunction with these results, Glanbia plc will conduct a conference call on Wednesday, 26 August 2009 at 10.30am (GMT) and a number of events for the financial community. Dial in details for the conference call are: Ireland dial 1890 924 780; UK dial Tel: 0208 974 7940; Europe dial Tel: +44 208 974 7940; US dial 718 354 1175. The access code for participants is: 395 190. A copy of the results announcement and the presentation to accompany this conference call will be available on the Group's website www.glanbia.com in the results centre.

Interim management report
for the half year ended 4 July 2009

Overview

Segmental analysis
Previously the Group reported on the basis of three segments – Ireland, International and Joint Ventures & Associates. These half year results and future reporting reflect revised segmental analysis under the newly applicable accounting standard International Financial Reporting Standard ('IFRS') 8, 'Operating Segments'. On this basis Glanbia has determined that there are four operating segments: US Cheese & Global Nutritionals; Dairy Ireland (incorporating Dairy Ingredients, Consumer Products and Agribusiness); Joint Ventures & Associates; and Other (including Property, a small dairy operation in Mexico and Pigmeat, which was disposed of in March 2008). Prior half and full year numbers have been restated in accordance with this new segmental analysis.

Market commentary
In the first half of the year Glanbia's trading environment was impacted by the downturn in the global economy and consumer confidence. This resulted in a sharp decline in international dairy prices leading to a dramatic reduction in dairy product returns. In addition low US cheese prices were at historical lows despite stable US domestic demand.

Glanbia's growth strategy has been successful in developing a more diversified earnings base and building a portfolio of higher margin businesses thereby reducing earnings exposure to commodity dairy markets. This is supported throughout the Group by a very strong focus on operational excellence and cost management. As a result, while unprecedented market conditions have led to a loss of earnings momentum for the half and full year, many aspects of the Group delivered reasonable performances despite a very challenging trading environment.

Results summary

2009 half year results summary

	US Cheese & Global Nutritionals	Dairy Ireland	Other	Group total	Joint Ventures & Associates	Total (including joint ventures & associates)
Revenue (€m)*	401.5	540.5	2.9	**944.9**	148.0	**1,092.9**
Operating profit (€m)*	44.9	5.9	(3.0)	**47.8**	6.3	**54.1**
Operating margin (%)	11.2	1.1	-	**5.1**	4.3	**5.0**

** Reported Group revenue and operating profit excludes joint ventures & associates. Share of results of joint ventures & associates is reported as an after interest and tax amount in the condensed income statement.*

- Despite difficult market conditions the Group operating margin was maintained at 5.1%.
- The Group and Dairy Ireland segment results were severely impacted by a significant loss at Irish Dairy Ingredients. In the same segment Consumer Products achieved an improvement in operating profit and operating margin mainly as a result of the implementation of a major cost reduction programme while Agribusiness had a weaker performance given the decline in farm incomes in the first half.
- Margins for the US Cheese and Global Nutritionals segment grew 380 basis points to 11.2%, benefiting from the acquisition of Optimum Nutrition and the maintenance of margins in the underlying businesses. In particular, a good performance by Global Nutritionals more than offset the effect of historically low US cheese prices.
- The performance of Joint Ventures & Associates was lower despite a good result by Southwest Cheese in the context of lower market pricing and a particularly strong first half last year. Glanbia Cheese in the UK marginally disimproved as selling prices reduced at a faster pace than raw material costs. Nutricima was also down due to an inability to recover higher priced raw material costs in the market.
- A €100 million increase in financing facilities was finalised in the first half.
- The Group's pension deficit now amounts to €200.3 million. A strategic review of the funding deficit in the Group's Irish Pension Scheme is underway.
- The half year dividend is to be increased by 5% to 2.89 cents per share.

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 the ultimate responsibility for risk management and the key areas of risk and the Group's mitigation processes are set out in detail in the 2008 Annual Report and on the Group's website at www.glanbia.com.

Glanbia has issued consistent guidance to the market with regard to the outlook for the full year 2009. These half year results document the impact on the Group's performance of:

- the downturn in the global economy and, as a consequence, weaker consumer confidence and demand;
- the sharp decline in international dairy prices and resulting dramatic reduction in dairy product returns; and
- historically low US cheese prices.

In the second half of the year, while there are some improving trends, any unanticipated deterioration in global economic prospects may further affect pricing and volatility in the global dairy market and US Cheese markets which could lead to short term weakening in the Group's performance.

2009 Group outlook

There is no change to the 2009 outlook and revised earnings guidance. As previously announced adjusted earnings per share guidance for 2009 is between 30 to 32 cents for the full year.

Finance review

Income statement

In the first half of 2009 the Group results were primarily impacted by the performance of Dairy Ingredients, which is included in the Dairy Ireland segment. This business, which is substantially exposed to international dairy commodity markets, became loss making in the first half of the year as the magnitude and pace of the decline in global dairy markets created an environment where milk price was maintained above market returns.

Group revenue declined 14.6% to €944.9 million (HY 2008: €1,106.2 million). Operating profit pre exceptional declined 15.4% to €47.8 million (HY 2008: €56.5 million). Operating margins were maintained at 5.1% (HY 2008: 5.1%). The highlight is the strong growth in margins in the US Cheese & Global Nutritionals business segment which increased by 380 basis points to 11.2%. Group operating margins were also supported by the benefits of recent cost saving and rationalisation programmes.

Net financing costs

Financing costs increased €3.4 million to €12.5 million (HY 2008: €9.1 million) due mainly to the financing cost associated with the acquisition of Optimum Nutrition. EBIT Interest cover was 3.8 times compared to 6.2 times in the first half of 2008. Earnings before interest, tax, depreciation and amortisation ('EBITDA') interest cover was 5.6 times compared to 8 times in the first half of 2008. The Group's average interest rate for the half year 2009 was 4.5% compared to 5.9% for half year 2008. Glanbia operates a policy of fixing a significant amount of its interest exposure with approximately 95% of the Group's net debt currently contracted at fixed interest rates for 2009 and approximately 70% contracted at fixed rates for 2010.

Joint Ventures & Associates

Glanbia's share of revenue from Joint Ventures & Associates declined 20.6% to €148.0 million (HY 2008: €186.4 million). Lower US cheese and whey markets impacted Southwest Cheese while lower market prices also reduced revenue in Glanbia Cheese. Glanbia's share of profits post interest and tax declined to €2.7 million (HY 2008: €5.6 million). Southwest Cheese delivered a good result in the first half albeit lower than a strong 2008. The performance of Glanbia Cheese in the UK declined marginally as selling prices reduced at a faster pace than raw material costs. Despite growing revenues the Nutricima result declined relative to the first half of 2008 due to the inability to recover in the market the cost of higher priced raw materials already in the supply chain.

Profit before tax pre exceptional

Profit before tax pre exceptional declined 28.4% to €38.0 million (HY 2008: €53.1 million).

Taxation charge
Taxation for the first half of 2009 amounted to a net charge of €7.4 million (HY 2008: €9.0 million) reflecting the reduced profitability of the Group in the period.

Exceptional items
There were no exceptional items in the first half of 2009. For the corresponding period last year there was a net exceptional amounting to €2.3 million.

Basic earnings per share
Basic earnings per share decreased 26.3% from 13.98 cents to 10.30 cents. Adjusted earnings per share decreased 21.5% to 12.35 cents (HY 2008: 15.74 cents).

Balance sheet and Cash flow
The Group's net debt increased by €94.4 million from €452.1 million at year end 2008 to €546.5 million at half year ended 4 July 2009. EBITDA inflows of €69.9 million were offset by the seasonal increase in the Group's working capital requirement of €96.5 million, capital expenditure of €34.1 million and other payments including dividends, interest and tax of €22.7 million.

Relative to half year 2008, net debt increased by €250.2 million to €546.5 million (HY 2008: €296.3 million), the primary driver of this increase was the acquisition of Optimum Nutrition in August 2008 for €217.9 million.

The Group has total debt facilities of €761.0 million with bank facilities of €697.5 million and €63.5 million cumulative redeemable preference shares. The Group increased its bank facilities by €100m during the first half with the average age to maturity of the Group's debt facilities now at 3.6 years.

The equity of the Group decreased €10.0 million in the first half from €227.9 million at year end 2008 to €217.9 million at the half year, as retained profits for the period were offset by adverse reserve movements in the Group's pension deficit. The Group pension deficit increased by €35.9 million from €164.4 million at year end 2008 to €200.3 million at the half year. The deficit on the Group's UK defined benefit schemes amounts to €28.5 million with the Irish schemes deficit amounting to €171.8 million. Within the schemes the deficit was adversely impacted in the half year by a lower return than expected on pension assets and a revision to the actuarial assumptions. A strategic review of the funding deficit on the Irish pension schemes is in progress.

Dividends
The Board is recommending an interim dividend of 2.89 cents per share (HY 2008: 2.75 cents per share), an increase of 5%. Dividends will be paid on Wednesday 30 September 2009 to shareholders on the register of members as at Friday 11 September 2009. Irish withholding tax will be deducted at the standard rate where appropriate.

Operations review

US Cheese & Global Nutritionals

2009 half year results summary

	HY 2009	HY 2008	Change
Revenue	€401.5 m	€394.8 m	**Up 1.7%**
Operating profit pre exceptional	€44.9 m	€29.4 m	**Up 52.7%**
Operating margin pre exceptional	11.2%	7.4%	**Up 380 bps**

In the first half of the year overall demand in the US Cheese & Global Nutritionals business segment remained robust. A decline in revenue, driven by lower market pricing for cheese and certain nutritional products, was offset by the acquisition of Optimum Nutrition which further improved the Global Nutritionals mix of businesses.

US Cheese delivered a good performance in a volatile market environment with cheese prices at historical lows. While demand for cheese was resilient and operating margins were stable, operating profit declined due to lower market pricing relative to a strong 2008.

Global Nutritionals was to a lesser extent impacted by lower global dairy markets and continued to deliver good organic growth through innovation and new product development. The Group is pleased with the performance of Optimum Nutrition with demand and growth remaining positive across all areas of the business. Operating profit and operating margin for the Global Nutritional business unit increased.

2009 Full year outlook
The US cheese market is forecast to remain relatively low for the second half of 2009. US milk production is expected to continue to contract in response to the current low milk price and as a result some rise in market prices is expected over the medium term. However, average 2009 prices are likely to remain significantly below 2008 levels. While demand remains robust a full year decline in revenue and operating profit is expected as a consequence of significantly lower cheese markets throughout this year. US Cheese operations continue to deliver an excellent cost and operational performance.

In Global Nutritionals organic growth is expected to be solid and key growth segments are forecast to deliver a good performance in the second half.

For 2009, while revenues are forecast to be behind year-on-year for US Cheese & Global Nutritionals, this segment is expected to deliver a marginally improved operating profit and operating margin.

Dairy Ireland

2009 half year results summary

	HY 2009	HY 2008	Change
Revenue	€540.5 m	€672.3 m	**Down 19.6%**
Operating profit pre exceptional	€5.9 m	€25.7 m	**Down 77%**
Operating margin pre exceptional	1.1%	3.8%	**Down 270 bps**

The performance of Dairy Ireland declined sharply due to a very significant loss in Dairy Ingredients. This business exports substantially all of its output and is therefore significantly impacted by trends in global dairy markets. Relative to the first half of 2008 global dairy markets declined sharply resulting in a significant decline in the performance of this business. Despite a reduction in the milk price paid to suppliers in the first half of the year the pace and scale of market changes were such that the full extent of market declines were not fully reflected in milk cost. The decision to support milk price in this manner was made in the interest of helping to maintain the Group's Irish dairy supply and trading base in very challenging circumstances for farming. As a result the performance of Dairy Ireland was significantly reduced.

Consumer Products had a challenging first half. Weaker consumer confidence, growing value consciousness and an increase in sterling based imports created an extremely competitive food retailing environment in Ireland. These factors' together with selected price reductions, which were implemented to remain competitive and defend market positions resulted in a decline in Consumer Products revenue in the first half. An improvement in operating profit and operating margin was achieved mainly through the implementation of a major cost reduction programme.

The effect of the decline in global dairy markets has had serious implications for farm incomes and this impacted Glanbia's farm supply and trading base. Consequently revenue, operating profit and operating margin from the sale of farm inputs by Agribusiness were lower as expected in the first half. This business continues to restructure and reduce its cost base.

2009 Outlook
In the second half of 2009 some seasonal uplift in global dairy markets is expected. This combined with an improved product mix and aggressive cost management is expected to result in a small loss in Irish Dairy Ingredients in the second half. However for the full year this business will remain significantly loss making. Revenues in the second half of the year are forecast to decline in Consumer Products and Agribusiness albeit at a slower pace than in the first half. Overall operating profit and operating margin for Dairy Ireland will be significantly lower than 2008, as expected.

Joint Ventures & Associates

2009 half year results summary

	HY 2009	HY 2008	Change
Revenue[1]	€148.0 m	€186.4 m	**Down 20.6%**
Operating profit pre exceptional[1]	€6.3 m	€12.1 m	**Down 47.9%**
Operating margin pre exceptional[1]	4.3%	6.5%	**Down 220 bps**
Profit after interest and tax[2]	€2.7 m	€5.6 m	**Down €2.9 m**

[1] Not included in reported results. [2] Included in the income statement as share of results of joint ventures and associates

The decline in the performance of the Group's Joint Ventures & Associates was driven by a reduction in the performance of Southwest Cheese in the USA relative to a strong first half in 2008. While volumes were solid in Southwest Cheese in the first half, revenue and profits were negatively affected by lower market prices. Nutricima in Nigeria delivered good top line growth but profits and margins were negatively affected as product produced from high priced raw materials moved through the supply chain. The performance of Glanbia Cheese in the UK was marginally lower than 2008 as the rate of decline in sales prices outpaced milk input cost reductions.

2009 Outlook

Southwest Cheese is expected to deliver a full year result broadly in line with 2008 as cheese markets are forecast to slowly improve in the second half of the year. The planned 33% expansion in production capacity is well underway and is forecast to be commissioned in the second quarter of 2010. Nutricima is expected to deliver a positive performance for the full year aided by a first time contribution from a new plant producing UHT milk and ready to drink products, tight cost management and improved input costs. The performance of Glanbia Cheese is expected to be marginally lower than 2008 for the full year. Overall profits for Joint Ventures & Associates are expected to be broadly similar to 2008 and margins are forecast to improve somewhat.

Other

2009 half year results summary

	HY 2009	HY 2008	Change
Revenue	€2.9 m	€39.1 m	**Down €36.2 m**
Operating profit pre exceptional	(€3.0 m)	€1.4 m	**Down €4.4 m**

This segment includes Property, a small dairy operation in Mexico and the Pigmeat business which was disposed in March 2008. In the first half, an absence of property transactions and a loss at the Mexican operation due to low global dairy markets led to a poor performance. The decline in revenue is attributed to the disposal of the Pigmeat business. The full year outcome is expected to be broadly similar to the half year result and a review of this segment is being undertaken in the second half of 2009.

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 4 July 2009 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 4 July 2009, 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

Siobhan Talbot
Group Finance Director

25 August 2009

Condensed income statement
for the half year ended 4 July 2009

	Notes	Half year 2009	Half year 2008			Year 2008		
		Total 2009 €'000	Pre-exceptional 2008 €'000	Exceptional 2008 €'000	Total 2008 €'000	Pre-exceptional 2008 €'000	Exceptional 2008 €'000	Total 2008 €'000
Revenue	3	**944,852**	1,106,177	-	1,106,177	2,232,161	-	2,232,161
Cost of sales		**(783,422)**	(939,635)	-	(939,635)	(1,890,549)	(10,113)	(1,900,662)
Gross profit		**161,430**	166,542	-	166,542	341,612	(10,113)	331,499
Distribution expenses		**(62,860)**	(61,707)	-	(61,707)	(121,373)	(3,251)	(124,624)
Administration expenses		**(50,763)**	(48,295)	(2,583)	(50,878)	(86,185)	(5,939)	(92,124)
Operating profit		**47,807**	56,540	(2,583)	53,957	134,054	(19,303)	114,751
Finance income	6	**2,784**	2,378	-	2,378	5,590	-	5,590
Finance costs	6	**(15,274)**	(11,444)	-	(11,444)	(26,695)	-	(26,695)
Share of results of joint ventures and associates		**2,657**	5,611	-	5,611	7,306	(947)	6,359
Profit before taxation		**37,974**	53,085	(2,583)	50,502	120,255	(20,250)	100,005
Income taxes	7	**(7,417)**	(9,020)	323	(8,697)	(21,528)	892	(20,636)
Profit for the period		**30,557**	44,065	(2,260)	41,805	98,727	(19,358)	79,369
Attributable to:								
Equity holders of the Parent		**30,188**			40,997			78,399
Minority interests		**369**			808			970
		30,557			41,805			79,369
Basic earnings per share (cents)	9	**10.30**			13.98			26.76
Diluted earnings per share (cents)	9	**10.29**			13.92			26.63

Condensed statement of comprehensive income
for the half year ended 4 July 2009

	Notes	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Profit for the period		**30,557**	41,805	79,369
Other comprehensive income				
Actuarial loss - defined benefit schemes	13	**(41,141)**	(1,252)	(68,246)
Deferred tax on actuarial loss/(gain)	13	**4,496**	(709)	7,084
Share of actuarial loss - joint ventures		**-**	-	(204)
Currency translation differences	13	**4,887**	(7,124)	17,251
Fair value adjustments	13	**2,256**	2,610	(23,894)
Deferred tax on fair value adjustments	13	**183**	(483)	964
Other comprehensive expense for the period, net of tax		**(29,319)**	(6,958)	(67,045)
Total comprehensive income for the period		**1,238**	34,847	12,324
Total comprehensive income attributable to:				
Equity holders of the Parent		**869**	34,039	11,354
Minority interest		**369**	808	970
		1,238	34,847	12,324

Condensed statement of changes in equity

for the half year ended 4 July 2009

Half year 2009

	Notes	Share capital €'000	Other reserves €'000	Retained earnings €'000	Total €'000	Minority interest €'000	Total equity €'000
Balance at 3 January 2009		**97,320**	**102,882**	**19,707**	**219,909**	**8,010**	**227,919**
Profit for the period		-	-	30,188	**30,188**	369	**30,557**
Actuarial loss - defined benefit schemes	13	-	-	(41,141)	**(41,141)**	-	**(41,141)**
Deferred tax on actuarial loss	13	-	-	4,496	**4,496**	-	**4,496**
Fair value adjustments	13	-	2,256	-	**2,256**	-	**2,256**
Deferred tax on fair value adjustments	13	-	183	-	**183**	-	**183**
Currency translation differences	13	-	4,887	-	**4,887**	-	**4,887**
Total comprehensive income / (expense)		-	7,326	(6,457)	**869**	369	**1,238**
Dividend paid during the period	13	-	-	(11,016)	**(11,016)**	-	**(11,016)**
Credit to share options	13	-	(203)	-	**(203)**	-	**(203)**
Balance at 4 July 2009		**97,320**	**110,005**	**2,234**	**209,559**	**8,379**	**217,938**

Goodwill previously written off amounting to €93.0 million (2008: €93.0 million) is included in opening and closing retained earnings.

Half year 2008

	Notes	Share capital €'000	Other reserves €'000	Retained earnings €'000	Total €'000	Minority interest €'000	Total equity €'000
Balance at 29 December 2007		**98,450**	**107,909**	**21,176**	**227,535**	**7,040**	**234,575**
Profit for the period		-	-	40,997	**40,997**	808	**41,805**
Actuarial loss - defined benefit schemes	13	-	-	(1,252)	**(1,252)**	-	**(1,252)**
Deferred tax on actuarial loss	13	-	-	(709)	**(709)**	-	**(709)**
Fair value adjustments	13	-	2,610	-	**2,610**	-	**2,610**
Deferred tax on fair value adjustments	13	-	(483)	-	**(483)**	-	**(483)**
Currency translation differences	13	-	(7,124)	-	**(7,124)**	-	**(7,124)**
Total comprehensive (expense) / income		-	(4,997)	39,036	**34,039**	808	**34,847**
Dividend paid during the period	13	-	-	(10,494)	**(10,494)**	-	**(10,494)**
Cost of share options	13	-	149	-	**149**	-	**149**
Shares issued	13	3	-	-	**3**	-	**3**
Premium on shares issued	13	102	-	-	**102**	-	**102**
Shares purchased	13	(1,407)	-	-	**(1,407)**	-	**(1,407)**
Balance at 28 June 2008		**97,148**	**103,061**	**49,718**	**249,927**	**7,848**	**257,775**

Goodwill previously written off amounting to €93.0 million (2007: €93.0 million) is included in opening and closing retained earnings.

Condensed balance sheet

as at 4 July 2009

	Notes	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
ASSETS				
Non-current assets				
Property, plant and equipment		**371,200**	311,232	361,131
Intangible assets		**353,175**	127,991	359,212
Investments in associates		**11,932**	11,543	11,597
Investments in joint ventures		**63,027**	52,317	64,895
Trade and other receivables		**21,424**	26,895	11,929
Deferred tax assets		**31,438**	20,632	25,380
Available for sale financial assets		**19,702**	30,136	24,112
Derivative financial instruments		**3,521**	1,220	2,754
		875,419	581,966	861,010
Current assets				
Inventories		**229,200**	283,218	267,422
Trade and other receivables		**241,959**	286,341	183,587
Derivative financial instruments		**18,531**	8,685	10,378
Cash and cash equivalents	11	**89,456**	123,738	132,572
		579,146	701,982	593,959
Total assets		**1,454,565**	1,283,948	1,454,969
EQUITY				
Issued capital and reserves attributable to equity holders of the Parent				
Share capital and share premium	13	**97,320**	97,148	97,320
Other reserves	13	**110,005**	103,061	102,882
Retained earnings	13	**2,234**	49,718	19,707
		209,559	249,927	219,909
Minority interests	13	**8,379**	7,848	8,010
Total equity		**217,938**	257,775	227,919
LIABILITIES				
Non-current liabilities				
Borrowings	11	**635,063**	419,134	569,374
Derivative financial instruments		**7,803**	5,180	9,248
Deferred tax liabilities		**59,099**	37,122	59,056
Retirement benefit obligations	14	**200,338**	106,942	164,410
Provisions for other liabilities and charges	12	**3,647**	12,227	4,899
Capital grants		**11,985**	3,403	12,694
		917,935	584,008	819,681
Current liabilities				
Trade and other payables		**282,788**	421,562	351,452
Current tax liabilities		**3,090**	4,145	332
Borrowings	11	**890**	886	15,281
Derivative financial instruments		**19,247**	6,112	16,815
Provisions for other liabilities and charges	12	**12,677**	9,460	23,489
		318,692	442,165	407,369
Total liabilities		**1,236,627**	1,026,173	1,227,050
Total equity and liabilities		**1,454,565**	1,283,948	1,454,969

Condensed cash flow statement
for the half year ended 4 July 2009

	Notes	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Cash flows from operating activities				
Cash (absorbed by)/generated from operations	19	**(35,205)**	64	146,946
Interest received		**1,743**	2,213	7,149
Interest paid		**(15,073)**	(10,816)	(30,768)
Tax paid		**(4,659)**	(13,720)	(26,096)
Net cash (absorbed by)/generated from operating activities		**(53,194)**	(22,259)	97,231
Cash flows from investing activities				
Dividend received from joint ventures		**9,360**	281	451
Disposal/(purchase) of available for sale investments		**2,026**	(644)	2,513
Acquisition of subsidiary, net of cash acquired		**(544)**	-	(217,942)
Payment of deferred consideration on acquisition of subsidiaries		**(272)**	(10,729)	(11,427)
Purchase of property, plant and equipment	10	**(34,079)**	(35,523)	(84,507)
Loans advanced to joint ventures		**(8,922)**	(13,910)	(12,602)
Disposal proceeds received - exit from Pigmeat		**-**	3,308	3,308
Insurance proceeds received - exit from Pigmeat		**-**	5,820	8,820
Proceeds from sale of property, plant and equipment		**-**	164	7,629
Net cash used in investing activities		**(32,431)**	(51,233)	(303,757)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	13	**-**	105	360
Purchase of treasury shares	13	**-**	(1,407)	(1,665)
Increase in borrowings		**54,331**	50,348	188,090
Finance lease principal payments		**(432)**	(532)	(934)
Dividends paid to Company's shareholders	8	**(11,016)**	(10,494)	(18,502)
Capital grants received		**47**	1,366	9,655
Net cash from financing activities		**42,930**	39,386	177,004
Net decrease in cash and cash equivalents		**(42,695)**	(34,106)	(29,522)
Cash and cash equivalents at the beginning of the period		**132,572**	159,819	159,819
Effects of exchange rate changes on cash and cash equivalents		**(421)**	(1,975)	2,275
Cash and cash equivalents at the end of the period		**89,456**	123,738	132,572

Reconciliation of net cash flow to movement in net debt	Notes	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Net decrease in cash and cash equivalents		**(42,695)**	(34,106)	(29,522)
Movement in debt financing		**(53,899)**	(49,816)	(187,156)
		(96,594)	(83,922)	(216,678)
Fair value of interest rate swaps qualifying as fair value hedges		**(2,428)**	2,067	(5,544)
Exchange translation adjustment on net debt		**4,608**	5,748	(9,686)
Movement in net debt in the period		**(94,414)**	(76,107)	(231,908)
Net debt at beginning of period		**(452,083)**	(220,175)	(220,175)
Net debt at end of period		**(546,497)**	(296,282)	(452,083)
Net debt comprises:				
Borrowings	11	**(635,953)**	(420,020)	(584,655)
Cash and cash equivalents	11	**89,456**	123,738	132,572
		(546,497)	(296,282)	(452,083)

Notes to the condensed financial statements
for the half year ended 4 July 2009

1 Basis of preparation

The figures for the half years ended 4 July 2009 and 28 June 2008 have not been audited by the Group's auditors. The figures for the full year ended 3 January 2009 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 3 January 2009 were approved by the Board of Directors on 3 March 2009 and contained an unqualified audit report. These financial statements will be filed with the Registrar of Companies by their due date.

The Group condensed interim financial statements for the six months ended 4 July 2009 have 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 interim financial statements should be read in conjunction with the annual financial statements for the year ended 3 January 2009, 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 are consistent with those applied in the annual report for the year ended 3 January 2009 except for the IFRS' outlined below. The Group's accounting policies are set out in the annual report for the year ended 3 January 2009.

The following standards and interpretations, issued by the IASB and the International Financial Reporting Interpretations Committee ('IFRIC'), are effective for the Group for the first time in the current financial period and have been adopted by the Group:

IFRS 2 (Amendment), 'Share based payment'
IFRS 8, 'Operating segments'
IAS 1 (Revised), 'Presentation of financial statements'
IAS 23 (Revised), 'Borrowing costs'
IAS 32 (Amendment), 'Presentation'
IAS 39 (Amendment), 'Financial instruments: recognition and measurement'
IFRIC 16, 'Hedges of a net investment in a foreign operation'

Except for IFRS 8, 'Operating segments' adoption of the standards and interpretations above had no significant impact on the results or financial position of the Group during the period.

IFRS 8 replaces IAS 14, 'Segment reporting'. The new standard requires a 'management approach', under which the segment information is presented on the same basis as that used for internal reporting purposes. In addition, the segments are reported in a manner consistent with information provided to the Chief Operating Decision Maker. On adoption of IFRS 8, the number of reportable segments presented by the Group has increased. The measure of segmental performance has changed from Ireland and International to US Cheese and Global Nutritionals, Dairy Ireland, Joint Ventures & Associates and Other.

3 Segment information

On adoption of IFRS 8, the Group has changed the measure of segmental performance from Ireland and International to US Cheese & Global Nutritionals, Dairy Ireland, Joint Ventures & Associates and Other. 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 Glanbia Executive Committee which acts as the Chief Operating Decision Maker for the Group.

Each segment derives their revenues as follows: US Cheese & Global Nutritionals earns its revenues from the sale of cheese, whey protein and other nutritional ingredients; Dairy Ireland incorporates the manufacture and sale of a range of dairy products and the sale of feed, fertilizer and other farm inputs; Joint Ventures & Associates revenues mainly include the sale of cheese, whey proteins, dairy consumer products and are reviewed in their totality by the Chief Operating Decision Maker. Other includes Property, a small dairy operation in Mexico and the Pigmeat business which was disposed of in March 2008.

Comparatives for the 2008 half year and full year have been restated.

3 Segment information

Half Year 2009

		US Cheese and Global Nutritionals	Dairy Ireland	JV's and Associates	Other	Group Including JV's and Associates
		€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	(a)	401,847	542,891	148,010	2,851	**1,095,599**
Inter-segment revenue		(371)	(2,366)	-	-	(2,737)
Segment external revenue		401,476	540,525	148,010	2,851	**1,092,862**
Segment earnings before interest and tax	(b)	44,942	5,869	6,253	(3,004)	**54,060**
Segment assets	(c)	619,082	584,221	96,383	29,207	**1,328,893**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €30 million and related party sales between US Cheese & Global Nutritionals and Joint Ventures & Associates of €1 million.

(a) Segment revenue is reconciled to reported external revenue as follows:	**€'000**
Total gross segment revenue	**1,095,599**
Inter-segment revenue	(2,737)
Joint ventures & associates revenue	(148,010)
Reported external revenue	**944,852**

(b) Segment EBIT is reconciled to reported PBT as follows:	**€'000**
Segment EBIT	**54,060**
Joint ventures & associates interest and tax	(3,596)
Finance income	2,784
Finance costs	(15,274)
Reported PBT	**37,974**

(c) Segment assets are reconciled to reported assets as follows:	**€'000**
Segment assets	**1,328,893**
Unallocated assets	125,672
Reported assets	**1,454,565**

Notes to the condensed financial statements
for the half year ended 4 July 2009

3 Segment information *(continued)*

Half Year 2008

		US Cheese and Global Nutritionals	Dairy Ireland	JV's and Associates	Other	Group Including JV's and Associates
		€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	(a)	395,111	678,432	186,404	39,080	**1,299,027**
Inter-segment revenue		(320)	(6,126)	-	-	(6,446)
Segment external revenue		394,791	672,306	186,404	39,080	**1,292,581**
Segment earnings before interest, tax and exceptional items	(b)	29,398	25,712	12,123	1,430	**68,663**
Exceptional items		-	(2,583)	-	-	(2,583)
Segment earnings before interest and tax		29,398	23,129	12,123	1,430	**66,080**
Segment assets	(c)	357,488	684,642	90,755	20,859	**1,153,744**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €35 million and related party sales between US Cheese & Global Nutritional and Joint Ventures & Associates of €1.5 million.

(a) Segment revenue is reconciled to reported external revenue as follows:	**€'000**
Total gross segment revenue	**1,299,027**
Inter-segment revenue	(6,446)
Joint ventures & associates revenue	(186,404)
Reported external revenue	**1,106,177**

(b) Segment EBIT is reconciled to reported PBT as follows:	**€'000**
Segment EBIT	**68,663**
Exceptional items	(2,583)
Joint ventures & associates interest and tax	(6,512)
Finance income	2,378
Finance costs	(11,444)
Reported PBT	**50,502**

(c) Segment assets are reconciled to reported assets as follows:	**€'000**
Segment assets	**1,153,744**
Unallocated assets	130,204
Reported assets	**1,283,948**

3 Segment information *(continued)*

Year 2008

		US Cheese and Global Nutritionals €'000	Dairy Ireland €'000	JV's and Associates €'000	Other €'000	Group Including JV's and Associates €'000
Total gross segment revenue	(a)	844,911	1,357,027	370,315	47,391	**2,619,644**
Inter-segment revenue		(695)	(16,473)	-	-	(17,168)
Segment external revenue		844,216	1,340,554	370,315	47,391	**2,602,476**
Segment earnings before interest, tax and exceptional items	(b)	83,839	49,660	17,039	555	**151,093**
Exceptional items		-	(19,303)	(947)	-	(20,250)
Segment earnings before interest and tax		83,839	30,357	16,092	555	**130,843**
Segment assets	(c)	637,994	534,612	88,421	7,676	**1,268,703**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €69.3 million and related party sales between US Cheese & Global Nutritionals and Joint Ventures & Associates of €2.9 million.

(a) Segment revenue is reconciled to reported external revenue as follows:	**€'000**
Total gross segment revenue	**2,619,644**
Inter-segment revenue	(17,168)
Joint ventures & associates revenue	(370,315)
Reported external revenue	**2,232,161**

(b) Segment EBIT is reconciled to reported PBT as follows:	**€'000**
Segment EBIT	**151,093**
Exceptional items	(20,250)
Joint ventures & associates interest and tax	(9,733)
Finance income	5,590
Finance costs	(26,695)
Reported PBT	**100,005**

(c) Segment assets are reconciled to reported assets as follows:	**€'000**
Segment assets	**1,268,703**
Unallocated assets	186,266
Reported assets	**1,454,969**

4 Seasonality

Elements of the business, particularly within Dairy Ireland reflect the seasonal nature of Irish dairying. The increase in working capital for half year 2009 versus year end 2008 of €96.5 million (HY 2008: €61.7 million) was primarily driven by the above seasonal patterns.

5 Exceptional items

	Notes	**Half year 2009 €'000**	**Half year 2008 €'000**	**Year 2008 €'000**
Exit from Pigmeat	(a)	**-**	(2,583)	(3,332)
Rationalisation costs	(b)	**-**	-	(15,971)
Joint Venture - deferred tax charge	(c)	**-**	-	(947)
		-	(2,583)	(20,250)
Exceptional tax credit		**-**	323	892
Net exceptional item		**-**	(2,260)	(19,358)

(a) An exceptional charge was incurred on the finalisation of the exit from the Pigmeat business announced in March 2008.
(b) €16.0 million related to a rationalisation programme, primarily redundancy costs, in Dairy Ireland.
(c) An exceptional deferred tax charge of €1.0 million (Group Share) arose in the Group's joint venture, Glanbia Cheese. This related to a UK tax legislation change providing for the withdrawal of industrial buildings allowances.

6 Finance income and costs

(a) Finance income

	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Interest income	**2,565**	2,242	5,164
Interest income on deferred consideration	**219**	136	426
	2,784	2,378	5,590

(b) Finance costs

	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Interest expense			
- Bank borrowings repayable within five years	**(9,304)**	(9,025)	(21,471)
- Interest cost on deferred consideration	**(33)**	(228)	(22)
- Finance lease costs	**(181)**	(155)	(360)
- Interest rate swaps, transfer from equity	**(3,582)**	154	(477)
- Interest rate swaps, fair value hedges	**(342)**	(1,539)	(1,295)
- Fair value adjustment of borrowings attributable to interest rate risk	**342**	1,539	1,295
	(13,100)	(9,254)	(22,330)
Finance cost of preference shares	**(2,174)**	(2,190)	(4,365)
Total finance costs	**(15,274)**	(11,444)	(26,695)
Net finance costs	**(12,490)**	(9,066)	(21,105)

7 Income taxes

The Group's income tax charge of €7.4 million (HY 2008: €9.0 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 3 January 2009 of 3.76 cents per share was paid during the period. On 25 August 2009, the Directors declared the payment of an interim dividend for 2009 of 2.89 cents per share (2008 interim dividend: 2.75 cents per share). The interim dividend will be reflected in the financial statements for the full year 2009 in line with IAS 10, 'Events after the balance sheet date'.

9 Earnings per share

Basic

	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Profit attributable to equity holders of the Company	**30,188**	40,997	78,399
Weighted average number of ordinary shares in issue	**292,989,984**	293,252,086	293,018,610
Basic earnings per share (cents per share)	**10.30**	13.98	26.76

Diluted

	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Weighted average number of ordinary shares in issue	**292,989,984**	293,252,086	293,018,610
Adjustment for share options	**466,550**	1,355,427	1,356,809
Adjusted weighted average number of ordinary shares	**293,456,534**	294,607,513	294,375,419
Diluted earnings per share (cents per share)	**10.29**	13.92	26.63

Adjusted

	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Profit attributable to equity holders of the Company	**30,188**	40,997	78,399
Amortisation on intangible assets (net of related tax)	**5,997**	2,888	7,312
Net exceptional items	**-**	2,260	19,358
	36,185	46,145	105,069
Adjusted earnings per share (cents per share)	**12.35**	15.74	35.86
Diluted adjusted earnings per share (cents per share)	**12.33**	15.66	35.69

10 Property, plant & equipment and intangible assets

During the six month period to 4 July 2009 the Group spent €34.1 million (HY 2008: €35.5 million) on additions to property, plant & equipment and intangible assets. The Group did not dispose of any property, plant & equipment or intangible assets during the period (HY 2008: €1.1 million with related proceeds of €3.7 million). At 4 July 2009 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €8.1 million (HY 2008: €14.3 million).

11 Net debt

	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Borrowings due within one year	**890**	886	15,281
Borrowings due after one year	**635,063**	419,134	569,374
Less:			
Cash and cash equivalents	**(89,456)**	(123,738)	(132,572)
	546,497	296,282	452,083

The increase in net debt of €250.2 million from half year 2008 was primarily driven by the Group's acquisition of Optimum Nutrition Inc on 22 August 2008.

The Group has the following undrawn borrowing facilities:	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
- Expiring within one year	**46,489**	16,326	31,803
- Expiring beyond one year	**100,585**	239,921	67,302
	147,074	256,247	99,105

12 Provisions for other liabilities & charges

	Restructuring €'000	UK pension €'000	Other €'000	Total €'000
At 3 January 2009	**19,437**	**1,334**	**7,617**	**28,388**
Provided in the period	98	-	34	**132**
Utilised in the period	(11,092)	(187)	(1,286)	**(12,565)**
Exchange differences	-	154	215	**369**
At 4 July 2009	**8,443**	**1,301**	**6,580**	**16,324**
Non-current	-	-	3,647	**3,647**
Current	8,443	1,301	2,933	**12,677**
	8,443	**1,301**	**6,580**	**16,324**

(a) The restructuring provision relates to the rationalisation programme Glanbia is currently undertaking. The provision which relates mainly to redundancy is expected to be fully utilised during 2009.

(b) The UK pension provision relates to administration and certain costs associated with pension schemes relating to businesses disposed of in prior years. This provision is expected to be fully utilised during 2009.

(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 €2.9 million of this provision will be utilised during 2009, with the balance being utilised over a further five year period. Due to the nature of these items, there is some uncertainty around the amount and timing of payments.

13 Reconciliation of changes in equity

Half Year 2009

	Share capital €'000	Other Reserves: Capital and merger reserves €'000	Other Reserves: Currency reserve €'000	Other Reserves: Fair value reserve €'000	Retained earnings €'000	Minority interest €'000	Total €'000
Balance at 3 January 2009	**97,320**	**117,586**	**(5,230)**	**(9,474)**	**19,707**	**8,010**	**227,919**
Currency translation differences	-	-	4,887	-	-	-	4,887
Actuarial loss - defined benefit schemes	-	-	-	-	(41,141)	-	(41,141)
Deferred tax on actuarial loss	-	-	-	-	4,496	-	4,496
Revaluation of interest rate swaps - loss in period	-	-	-	(2,250)	-	-	(2,250)
Foreign exchange contracts - gain in period	-	-	-	4,709	-	-	4,709
Transfers to income statement							
- Foreign exchange contracts - loss in period	-	-	-	(1,130)	-	-	(1,130)
- Forward commodity contracts - gain in period	-	-	-	808	-	-	808
- Interest rate swaps - gain in period	-	-	-	3,582	-	-	3,582
Revaluation of forward commodity contracts - loss in period	-	-	-	(714)	-	-	(714)
Revaluation of available for sale investments - loss in period	-	-	-	(2,749)	-	-	(2,749)
Deferred tax on fair value adjustments	-	-	-	183	-	-	183
Profit for the period	-	-	-	-	30,188	369	30,557
Credit to share options	-	(203)	-	-	-	-	(203)
Dividend paid during the period	-	-	-	-	(11,016)	-	(11,016)
Balance at 4 July 2009	**97,320**	**117,383**	**(343)**	**(7,035)**	**2,234**	**8,379**	**217,938**

Goodwill previously written off amounting to €93.0 million (2008: €93.0 million) is included in opening and closing retained earnings.

13 Reconciliation of changes in equity *(continued)*

Half Year 2008

		Other Reserves					
	Share capital €'000	**Capital and merger reserves €'000**	**Currency reserve €'000**	**Fair value reserve €'000**	**Retained earnings €'000**	**Minority interest €'000**	**Total €'000**
Balance at 29 December 2007	**98,450**	**116,934**	**(22,481)**	**13,456**	**21,176**	**7,040**	**234,575**
Currency translation differences	-	-	(7,124)	-	-	-	(7,124)
Actuarial loss - defined benefit schemes	-	-	-	-	(1,252)	-	(1,252)
Deferred tax on actuarial loss	-	-	-	-	(709)	-	(709)
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 - loss in period	-	-	-	(1,677)	-	-	(1,677)
- Interest rate swaps - loss in period	-	-	-	(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)
Profit for the period	-	-	-	-	40,997	808	41,805
Shares issued	3	-	-	-	-	-	3
Premium on shares issued	102	-	-	-	-	-	102
Shares purchased	(1,407)	-	-	-	-	-	(1,407)
Cost of share options	-	149	-	-	-	-	149
Dividend paid during the period	-	-	-	-	(10,494)	-	(10,494)
Balance at 28 June 2008	**97,148**	**117,083**	**(29,605)**	**15,583**	**49,718**	**7,848**	**257,775**

Goodwill previously written off amounting to €93.0 million (2007: €93.0 million) is included in opening and closing retained earnings.

14 Changes in estimates and assumptions

The following actuarial assumptions represent the main changes in estimates for the Group during the period. The assumptions have been made in determining the Group's retirement benefit obligation for the half year ended 4 July 2009:

	Half Year 2009		Year 2008	
	IRL	**UK**	**IRL**	**UK**
Discount rate	5.60%	6.50%	5.90%	6.60%
Inflation rate	2.00%	3.50%	2.50%	3.10%
Future salary increases	3.00%	4.25%	3.50%	3.85%
Future pension increases	1.50% - 3.50%	3.30%	1.50% - 3.50%	3.00%

The mortality assumptions imply the following life expectancies in years of an active member on retiring at age 65, 20 years from now:

	Half Year 2009		Year 2008	
	Irish mortality Rates	**UK mortality rates**	**Irish mortality rates**	**UK mortality rates**
Male	21.5	24.0	20.0	24.0
Female	24.2	26.8	22.9	26.8

The mortality assumptions imply the following life expectancies in years of an active member, aged 65, retiring now:

	Half Year 2009		Year 2008	
	Irish mortality Rates	**UK mortality rates**	**Irish mortality rates**	**UK mortality rates**
Male	19.2	22.9	18.9	22.9
Female	21.9	25.8	21.8	25.8

The financial position of the schemes was as follows:

	Half year 2009 €'000	**Half year 2008 €'000**	**Year 2008 €'000**
Total market value of assets	**317,821**	347,593	301,499
Present value of scheme liabilities	**(518,159)**	(454,535)	(465,909)
Net deficit in schemes	**(200,338)**	(106,942)	(164,410)

15 Related party transactions

The Company is controlled by Glanbia Co-Operative Society Limited ("the Society") which holds 54.6% of the issued share capital of the Company and is the ultimate parent of the Group.

During the six months to 4 July 2009, sales to related parties amounted to €30.9 million (HY 2008: €44.3 million), purchases from related parties amounted to €156.9 million (HY 2008: €252.7 million) and net balances due from related parties were €11.7 million (HY 2008: €12.7 million owed to related parties). The related party transactions relate primarily to trading between the Company, Southwest Cheese Company LLC, Milk Ventures (UK) Limited and the Society.

In the opinion of the Directors, there have been no related party transactions, or changes therein, since the year ended 3 January 2009, that have materially affected the Group's financial position or performance during the six months ended 4 July 2009.

16 Contingent liabilities

Bank guarantees, amounting to €8.5 million (HY 2008: €5.3 million) are outstanding as at 4 July 2009, mainly in respect of the payment of EU subsidies. The Group does not expect any material loss to arise from these guarantees.

17 Comparatives

Certain comparatives have been reclassified to reflect the current period classification.

18 Events after the balance sheet date

There have been no material events subsequent to the end of the interim period 4 July 2009 which require disclosure in this report.

19 Cash generated from operations

	Half year 2009 €'000	Half year 2008 €'000	Year 2008 €'000
Profit before taxation	**37,974**	50,502	100,005
Development costs capitalised	**(974)**	-	(3,253)
Other movements - impairment charge	**-**	-	620
Non-cash exceptional - exit from pigmeat	**-**	954	943
Share of results of associates and joint ventures	**(2,657)**	(5,611)	(6,359)
Depreciation	**15,903**	13,151	25,789
Amortisation	**6,854**	3,301	8,358
(Credit)/cost of share options	**(203)**	149	827
Difference between pension charge and cash contributions	**(7,494)**	(7,064)	(12,483)
Gain on disposal of property, plant and equipment	**-**	(2,556)	(5,319)
Interest income	**(2,784)**	(2,378)	(5,590)
Interest expense	**15,274**	11,444	26,695
Amortisation of government grants received	**(626)**	(132)	(600)
Cash generated from operations before changes in working capital	**61,267**	61,760	129,633
Change in net working capital			
- Decrease/(increase) in inventory	**37,865**	(61,126)	(20,888)
- (Increase)/decrease in short term receivables	**(58,236)**	(90,741)	27,088
- (Decrease)/increase in short term liabilities	**(63,505)**	93,080	(1,481)
- (Decrease)/increase in provisions	**(12,596)**	(2,909)	12,594
Cash (absorbed by) / generated from operations	**(35,205)**	64	146,946

20 Information

Copies of this interim report are available for download from the Group's website at www.glanbia.com.