NEWS RELEASE
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A world of
nutritional solutions
and cheese

2011 half yearly financial report

24 August 2011

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EXCELLENT FIRST HALF DELIVERS 55% INCREASE IN ADJUSTED EARNINGS PER SHARE

FULL YEAR OUTLOOK UPGRADED TO 18% TO 20% EXPECTED GROWTH IN ADJUSTED EARNINGS PER SHARE

24 August 2011 - Glanbia plc ('Glanbia'), the international nutritional solutions and cheese group, announces its half year results for the six months ended 2 July 2011. Commentary in this results announcement is primarily based on constant currency.

Half year results summary pre exceptional(1)	Constant Currency(2)			Reported	
	HY2011	HY2010	Change	HY2011	Change
Revenue(3)	€1,380.5	€1,036.4m	Up 33.2%	€1,342.9m	Up 29.6%
EBITDA pre exceptional	€121.7m	€89.2m	Up 36.4%	€117.0m	Up 31.2%
EBITA pre exceptional	€105.0m	€73.6m	Up 42.7%	€100.7m	Up 36.8%
EBITA margin pre exceptional	7.6%	7.1%	Up 50 bps	7.5%	Up 40 bps
Operating profit pre exceptional	€95.6m	€66.3m	Up 44.2%	€91.8m	Up 38.5%
Operating margin pre exceptional	6.9%	6.4%	Up 50bps	6.8%	Up 40 bps
Share of results of Joint Ventures & Associates(3)	€9.9m	€5.0m	Up €4.9m	€9.6m	Up €4.6m
Adjusted earnings per share(4)	28.91c	18.62c	Up 55.3%	27.63c	Up 48.4%

(1) In the first half there was a net exceptional charge of €7.6 million, post tax (€8.7 million pre tax). This relates to further rationalisation in Consumer Products, which is part of the Group's Dairy Ireland segment. There was no exceptional charge in the first half of 2010.

(2) Constant currency is based on translating half year 2011 results at the 2010 half year average market exchange rate. The 2010 half year average exchange rate was €1 = US$1.326 which compares with the reported average exchange rate for the six months ended 2 July 2011 of €1 = US$1.4044.

(3) Total Group revenue, including Glanbia's share of the revenue of Joint Ventures & Associates, was €1.6 billion for the half year (HY2010: €1.2 billion). Share of results of Joint Ventures & Associates is an after interest and tax amount.

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

Half year results highlights

- Strong global dairy markets and good demand in key nutritional sectors;
- Continued strong organic growth in Global Nutritionals supported by product innovation;
- First time contribution of Bio-Engineered Supplements and Nutrition (BSN®), acquired in January 2011 in line with expectations;
- Positive markets and volume growth underpins a good performance by Dairy Ingredients Ireland;
- Revenue increased 33.2% and operating profit pre exceptional grew 44.2%;
- EBITA margin pre exceptional grew 50 basis points to 7.6%;
- Adjusted earnings per share increased 55.3% to 28.91 cents;
- In process of finalisation and drawdown of US$325 million Private Debt Placement, 10-year senior loan notes with fixed coupon of 5.4%;
- Dividend per share in respect of the half year increased 10% to 3.33 cents; and
- Full year outlook upgraded to 18% to 20% expected growth in adjusted earnings per share, on a constant currency basis.

John Moloney, Group Managing Director, said:
"We have had an excellent first half delivering adjusted earnings per share growth of 55%, on a constant currency basis. Global dairy markets were strong as growth in dairy consumption in developing regions underpinned sustained demand and higher prices. US dairy markets were also significantly higher relative to the first half of last year. These positive market conditions underpinned a good performance in Dairy Ingredients Ireland, US Cheese and International Joint Ventures. Our Global Nutritionals' businesses had a very good first half with further growth in demand across all key nutritional markets and product categories.

Glanbia continues to perform well. The overall trading environment remains positive and while global dairy market prices appear to have peaked in the current cycle, indications are for a relatively modest softening in prices for the remainder of the year. Demand-led growth across all product categories in Global Nutritionals is also strong. The calibre of our first half performance, leading market positions and strength of our global portfolio, positions Glanbia strongly for the full year. We are upgrading our 2011 guidance today to 18% to 20% growth in adjusted earnings per share, on a constant currency basis."

Market commentary

Global dairy markets performed strongly in the first half of 2011, building on a positive 2010 performance. Sustained demand for dairy products from China, the Middle East/North Africa and Russia created a buoyant market and supported higher prices; particularly when coupled with tight global inventories of key dairy products and some milk supply constraints. In the second half there are strong prospects for extra milk supply which will require continued good demand to keep the market in balance. While demand has moderated somewhat recently as supply fears have receded, there is nothing to suggest a fundamental downward shift in underlying demand. The upward trend in global dairy prices appears to have peaked and a modest gradual weakening in prices, which have been at historically high levels, is expected. However, present indications are that there should be no very significant price adjustments in the near-term. As a result, global dairy markets are forecast to be relatively positive for the remainder of the year.

US Cheese & Global Nutritionals

US Cheese: Domestic demand for American cheese across all channels is up year to date. A favourable US dollar exchange rate and market development supported strong growth in export volumes, although cheese exports remain under-developed relative to other dairy categories. The significant cheese price rally that began in early 2011 continued throughout the first half, but the cheese markets did not rise at the same pace as other dairy products such as butter and milk powders. US milk production grew marginally in the first half but it was variable by State. Despite increased milk production in Idaho, milk procurement in the State remained competitive and as a consequence the most significant market issue in the first half and prevailing throughout the second half of the year is the management of milk supply, pricing and cheese stocks.

Global Nutritionals: In the first half, strong global demand for whey continued across all product categories. Whey prices were significantly higher compared to the prior year. The market for value-added whey continues to grow in key segments such as bars, beverages, fresh dairy, performance/sports nutrition and weight management. Similarly the market for customised premixes remains positive with strong growth in the key energy drink sector and product fortification (infant formula, nutrition bars, breakfast cereals and supplements). Market trends experienced during the second half of 2010 across the Performance Nutrition business have continued into the current year. Good demand and a strong innovation pipeline continue to underpin further market growth opportunities with the main challenge being the impact of significant price inflation across key raw material inputs. Demand-led growth in global nutritionals is firmly based on sustainable long-term trends such as an increased focus on health and wellness, healthy active aging, healthier and more nutritious food options, diet/exercise and wellness as well as weight management. Favourable market dynamics are expected to continue in the second half of the year.

Dairy Ireland

Dairy Ingredients: Most of the milk processed into cheese and dairy-based ingredients by Dairy Ingredients is sold into global dairy markets in more than 50 countries world-wide. The strong performance of global dairy markets in the first half was positive for Dairy Ingredients both in terms of sales pricing and volume with 10% milk supply volume growth year-on-year. Market pricing is expected to be moderately weaker in the second half. The strong volume growth experienced in the first six months is expected to reverse in the second half as Irish farmer suppliers respond to EU super levy concerns; leaving volumes broadly flat against 2010 for the full year. A super levy fine is applied to milk suppliers by the EU if milk production exceeds an annual milk quota. The abolition of the quota system is planned for April 2015 and a detailed evaluation is currently underway within Dairy Ingredients to assess the potential of the milk output expansion which can occur when EU milk quotas are eliminated.

Agribusiness: Global dairy markets also indirectly impact the performance of Agribusiness whose core customers are Irish farmers. Demand for Agribusiness key farm inputs was reasonable in the first half of the year, although many farmers are only purchasing for current use as input prices have been higher year-on-year. Volumes are expected to be challenging for the second half as Irish farmer customers reduce output in response to EU super levy concerns.

Consumer Products: The difficulties in the Irish food retail environment have persisted in the first half of 2011. The market size is estimated to be currently only just above 2007 levels and year-on-year real growth is negligible. Approximately one sixth of total purchases made by consumers are on promotion and a focus on price remains the key market dynamic. Consumer confidence is fragile and declined again in recent months as a result of the difficult domestic economic situation. This challenging trading environment is expected to persist in the second half of the year.

Operations review

Glanbia has four business segments: US Cheese & Global Nutritionals, Dairy Ireland, Joint Ventures & Associates and Other Business, which is a very small division representing less than 0.5% of total Group revenue. Commentary in this announcement on the Group's half year results is primarily based on constant currency.

Relevance of constant currency

Glanbia's financial results are exposed to movements in the euro/US dollar currency exchange rate and the impact this has on the translation into euro of the significant portion of the Group's profits that are US dollar denominated. To reflect the underlying performance of the business Glanbia uses constant currency as a basis for discussing financial results and providing earnings guidance. In the first half of 2011 US dollar profits represented approximately 69% of the Group's earnings before interest, taxation and amortisation (EBITA).

Segmental analysis

Total Group revenue, including Joint Ventures & Associates, increased by 33.4% to €1,636.0 million (HY2010: €1,226.6 million). The largest segment by revenue is Dairy Ireland which represents 43.1% of total Group revenue (HY2010: 44.3%) and 28.8% of total Group EBITA pre exceptional (HY2010: 25.3%). US Cheese & Global Nutritionals contributed 41.2% of total Group revenue (HY2010: 40.0%) and is the largest division by EBITA accounting for 57.9% of total Group EBITA pre exceptional (HY2010: 62.0%). Joint Ventures & Associates amounted to 15.6% of total Group revenue (HY2010: 15.5%) and 13.7% of total Group EBITA pre exceptional (HY2010: 13.1%).

US Cheese & Global Nutritionals

	Constant Currency			**Reported**	
	HY2011	**HY2010**	**Change**	**HY2011**	**Change**
Revenue	€674.0m	€490.6m	**Up 37.4%**	€636.4m	**Up 29.7%**
EBITDA pre exceptional	€77.5m	€58.8m	**Up 31.8%**	€72.8m	**Up 23.8%**
EBITA pre exceptional	€70.4m	€52.5m	**Up 34.1%**	€66.1m	**Up 25.9%**
EBITA margin pre exceptional	10.4%	10.7%	**Down 30bps**	10.4%	**Down 30bps**
Operating profit pre exceptional	€63.1m	€47.5m	**Up 32.8%**	€59.3m	**Up 24.8%**
Operating margin pre exceptional	9.4%	9.7%	**Down 30bps**	9.3%	**Down 40bps**

US Cheese: HY2011 performance and FY2011 outlook

US Cheese delivered a solid first half performance. As anticipated, other US dairy product classes continued to outpace cheese prices leading to a more competitive milk supply and pricing environment. As a result production volumes were marginally down. Revenue increased significantly due to higher cheese prices compared with the prior half year. Operating profit and margin also improved mainly reflecting a strong operational performance. The management of milk supply continues to be the key market-related issue for the second half and current expectations are that volumes will decline modestly year-on-year. For the full year US Cheese is expected to deliver a performance that will be broadly in line with 2010.

Global Nutritionals: HY2011 performance and FY2011 outlook

Strong organic volume growth across all key market segments helped to deliver a very good first half performance by Global Nutritionals. Revenue growth in the first six months reflected the positive impact of strong volume performance across the three business units, with growth in all businesses exceeding general market growth rates together with the acquisition of BSN® in the first half of 2011. Robust demand underpinned by continued product innovation continues to be an underlying positive feature of the business. While revenue and profits improved for Global Nutritionals when compared to the first half of 2010, margin pressure was a feature of the consumer facing elements of the business due to significant price inflation incurred in key raw material inputs.

The integration of BSN®, acquired in January 2011, is progressing well and has significantly enhanced and extended Glanbia's Performance Nutrition portfolio. In the first half the innovation pipeline has been particularly strong with the relaunch of BSN®'s flagship brand N.O.-XPLODE 2.0 and AMINO Energy from Optimum Nutrition (both pre-training performance and energy products), and Platinum Hydrobuilder from Optimum Nutrition (strength and recovery products). BSN®'s performance has been in line with expectations and results in the first five months reflect significant investment in organisational and product development.

In the second half, the strong structural growth drivers in key nutritional markets are expected to underpin the performance of Global Nutritionals for the full year. Revenue and profits are forecast to show good growth but margins will remain challenged due to ongoing inflationary pressures across key raw material inputs and planned investment in business development.

Dairy Ireland

	HY2011	**HY2010**	**Change**
Revenue	€705.6m	€542.9m	**Up 30.0%**
EBITDA pre exceptional	€44.6m	€30.2m	**Up 47.7%**
EBITA pre exceptional	€35.0m	€21.4m	**Up 63.6%**
EBITA margin pre exceptional	5.0%	3.9%	**Up 110bps**
Operating profit pre exceptional	€32.9m	€19.1m	**Up 72.3%**
Operating margin pre exceptional	4.7%	3.5%	**Up 120bps**

Dairy Ingredients: HY2011 performance and FY2011 outlook
The improvement in global dairy markets, which commenced with a strong recovery in 2010, continued in the first half of 2011. Dairy Ingredients benefitted from strong global dairy prices, good domestic supply of milk and strong sales volumes. Revenue, operating profit and operating margin improved when compared to the first half of 2010. The trading environment for Dairy Ingredients is expected to soften as a result of an easing of supply fears and modest weakening in demand. In addition, milk supply from the Irish farmer base is expected to contract in the second half in response to quota limitations. These factors will balance a strong first half level of activity. Overall, the performance of Dairy Ingredients is expected to deliver solid revenue, profit and margin growth for the full year.

Consumer Products: HY2011 performance and FY2011 outlook
The Irish food retail market continues to present a very challenging operating environment for food producers and suppliers in particular. Buying power is consolidating as the number of multiples reduces and consumer confidence remains low. Promotional activity and discounting has become a permanent feature of market activity. In the first half of the year this put considerable pressure on Consumer Products and profits and margins declined relative to the first half of 2010. The business responded by introducing new value-added branded milk products and reformulations to attract new customer categories. The acquisition of the Limerick-based liquid milk business of Kerry Group plc was successfully completed in the first half and this has further consolidated Consumer Products' market leading position in branded liquid milk. Consumer Products also continued to rationalise its activities in the first half. This gave rise to an exceptional charge of €8.7 million mainly relating to redundancies. Difficult market conditions are expected to prevail and a year-on-year decline in performance is expected in 2011.

Agribusiness: HY2011 performance and FY2011 outlook
Dairy farm incomes have continued to improve this year as a result of higher global prices for dairy products. However, there are significant cost pressures on primary farm inputs due to higher grain prices and energy costs. This resulted in lower volumes in key product categories of feed and fertiliser in Agribusiness in the first half. Despite this, Agribusiness performed well in the first half largely based on an improved product mix and prudent cost management. This business unit is expected to deliver a reasonable full year result with pricing and product mix driving an improvement in revenue and profits and margins broadly in line with the prior year.

Joint Ventures & Associates

	Constant Currency			Reported	
	HY2011	**HY2010**	**Change**	**HY2011**	**Change**
Revenue[(1)]	€255.5m	€190.2m	**Up 34.3%**	€246.8m	**Up 29.8%**
EBITDA pre exceptional	€20.0m	€14.1m	**Up 41.8%**	€19.3m	**Up 36.9%**
EBITA pre exceptional	€16.6m	€11.1m	**Up 49.5%**	€16.0m	**Up 44.1%**
EBITA margin pre exceptional	6.5%	5.8%	**Up 70bps**	6.5%	**Up 70bps**
Operating profit pre exceptional	€16.6m	€11.1m	**Up 49.5%**	€16.0m	**Up 44.1%**
Operating margin pre exceptional	6.5%	5.8%	**Up 70bps**	6.5%	**Up 70bps**

(1) Not included in Group revenue.

Joint Ventures & Associates delivered a significant increase in first half performance relative to the first half of 2010 with the performance of all three key international joint ventures exceeding 2010 levels. Revenue, profits and margins in US based Southwest Cheese reflected the benefit of the capacity expansion commissioned in the first half of 2010 combined with higher cheese and whey markets. Glanbia Cheese in the UK benefitted from good pizza demand across Europe and Nutricima, our consumer dairy products joint venture in Nigeria, delivered another improved operating performance due to volume growth across key product categories.

The Group's share of profit after interest and tax was €9.6 million, up from €5.0 million in the first half of 2010. The following table reconciles operating profit with profit after tax for Joint Ventures & Associates, as reported in the income statement.

Reconciliation of Joint Venture & Associates reported operating profit to profit after tax	**HY2011**	**HY2010**	**Change**
Operating profit pre exceptional	€16.0m	€11.1m	**€4.9m**
Finance costs	(€2.3m)	(€1.6m)	**(€0.7m)**
Income taxes	(€4.1m)	(€4.5m)	**€0.4m**
Profit after tax	€9.6m	€5.0m	**€4.6m**

Full year results for Joint Ventures & Associates are expected to be ahead of 2010, notwithstanding that some of the increase in first half performance will reverse in the second half as US cheese markets are expected to decline prior to the year-end.

Finance review

Glanbia's financial results are exposed to movements in the euro/US dollar currency exchange rate and the impact this has on translation into euro of the significant portion of the Group's profits that are US dollar denominated. To reflect the underlying performance of the business Glanbia uses constant currency as a basis for discussing financial results and providing earnings guidance. The Group's reported results reflect the negative impact of a 6% strengthening of the average euro/US dollar exchange rate relative to the same period in 2010.

Results summary pre exceptional

Group revenue increased by 33.2% to €1,380.5 million (HY2010 €1,036.4 million). Total Group revenue, including share of Joint Ventures and Associates, grew by 33.4% to €1,636.0 million (HY2010: €1,226.6 million). US Cheese & Global Nutritionals delivered a strong performance in the first six months of 2011. Revenue increased 37.4% to €674.0 million (HY2010: €490.6 million). Dairy Ireland also performed strongly in the first half of 2011 relative to the prior year. Revenue grew 30% to €705.6 million (HY2010: €542.9 million). For Joint Ventures & Associates Glanbia's share of revenue grew 34.3% to €255.5 million (HY2010: €190.2 million). Other Business is a very small division representing less than 0.5% the total Group revenue.

Group EBITA pre exceptional increased 42.7% to €105.0 million (HY2010: €73.6 million). Total Group EBITA pre exceptional, including Joint Ventures and Associates, grew 43.6% to €121.6 million (HY2010: €84.7 million). US Cheese & Global Nutritionals EBITA pre exceptional grew 34.1% to €70.4 million (HY2010: €52.5 million), mainly due to growing demand across all key nutritional markets and product categories. Strong commodity prices and higher volumes underpinned a 63.6% increase in EBITA pre exceptional for Dairy Ireland, up €13.6 million to €35.0 million (HY2010: €21.4 million). The Group's share of EBITA pre exceptional from Joint Ventures & Associates grew 49.5% to €16.6 million (HY2010: €11.1 million).

Group EBITA margin pre exceptional grew 50 basis points to 7.6% (HY2010: 7.1%). Total Group EBITA margin pre exceptional, including Joint Ventures and Associates, also grew 50 basis points to 7.4% (HY2010: 6.9%). US Cheese & Global Nutritionals EBITA margin pre exceptional declined 30 basis points to 10.4% (HY2010: 10.7%) as a result of higher raw material input costs and continued people and brand investment by Global Nutritionals. Dairy Ireland EBITA margin pre exceptional grew 110 basis points to 5.0% (HY2010: 3.9%), driven by a strong performance in Dairy Ingredients Ireland partly offset by continued margin erosion in Consumer Products. EBITA margin pre exceptional for Joint Ventures & Associates increased 70 basis points to 6.5% (HY2010: 5.8%).

Group operating profit pre exceptional, including Joint Ventures & Associates, increased by 45.0% to €112.2 million (HY2010: €77.4 million). Group operating margin pre exceptional, including Joint Ventures & Associates, increased 60 basis points to 6.9% (HY2010: 6.3%).

Net financing costs

Financing costs declined €0.6 million to €10.6 million (HY2010: €11.2 million). Rolling 12 month adjusted EBIT to net financing cost interest cover improved to 8.3 times in the first half (HY2010: 6.1 times); rolling 12 month adjusted EBITDA to net debt was 2.5 times (HY2010: 3.0 times). Both the interest cover and EBITDA to net debt calculations are in accordance with the Group's banking covenants. The Group's average interest rate for the half year was 3.9% (HY2010: 4.3%).

Taxation

The tax charge, pre exceptional items, for the first half of 2011 increased by €5.5 million to €17.1 million (HY2010: €11.6 million) reflecting the Group's improved profitability. The Group's effective tax rate in the first half, excluding Joint Ventures & Associates, was 21% (HY2010: 21%).

Exceptional items

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

Earnings per share

Basic earnings per share (EPS), on a reported basis increased 36.1% to 22.38 cents (HY2010: 16.44 cents), reflecting the improved operating performance across the Group and adjusted earnings per share, on a constant currency basis increased 55.3% to 28.91 cents (HY2010: 18.62 cents) driven mainly by the improved organic growth in Global Nutritionals and the benefits of positive global and US dairy markets. Adjusted EPS is calculated as the profit for the year attributable to the equity holders of the parent before exceptional items and amortisation of intangible assets (net of tax).

Dividend

The Board is recommending a half year dividend of 3.33 cent per share (HY2010: 3.03 cent per share), an increase of 10%. Dividends will be paid on Friday, 14 October 2011 to shareholders on the register of members as at Friday, 2 September 2011. Irish withholding tax will be deducted at the standard rate where appropriate.

Net debt and cash flow

The Group's net debt position increased by €29.8 million to €569.1 million relative to half year 2010 (HY2010: €539.3 million). Relative to the year ended 1 January 2011, the Group's net debt increased by €161.0 million. This movement in net debt, which is after a favourable foreign exchange movement primarily on US dollar denominated bank debt of €19.4 million, is due to the strong trading performance in the first half represented by EBITDA of €117.0 million, offset by the €116.1 million acquisition spend (primarily BSN® in January 2011) and an increase in the Group's working capital requirement of €134.3 million arising from annual seasonal factors. The remaining cash outflows for the half year were capital expenditure €20.8 million, interest, tax, net dividends and other payments of €26.2 million.

Financing

The Group has total committed debt facilities of €734.2 million incorporating bank facilities of €670.7 million and €63.5 million cumulative redeemable preference shares. €160.7 million of the bank facilities are renewable in July 2012 and €510.0 million in July 2013. The €63.5 million cumulative redeemable preference shares mature in July 2014. Cash management remains a focus of the Group and as per banking covenants rolling twelve month adjusted EBITDA to net debt improved to 2.5 times (HY2010: 3.0 times). Glanbia is in the process of finalising and drawing down a $325 million Private Debt Placement of 10-year senior loan notes with a fixed coupon of 5.4%. These funds will be used to repay existing bank debt.

Pension

Relative to the first half of 2010, the Group's net pension liability under IAS 19 'Employee benefits', before deferred tax, decreased by €86.4 million to €29.7 million (HY2010: €116.1 million). Relative to the year ended 1 January 2011, the Group's net pension liability decreased by €18.9 million to €29.7 million (FY2010: €48.6 million). This decrease was largely driven by changes in actuarial assumptions used in the discount rates applicable to the Irish schemes, which increased by 50 basis points to 5.9% (FY2010: 5.4%).

As previously advised a strategic review of the Group's pension arrangements was completed during 2009 and 2010 following which the Group revised benefits under the Irish defined benefit pension schemes giving rise to a combined exceptional gain and corresponding reduction in the pension deficit of €110.3 million. The process to effect the benefit reductions involved a funding proposal, including a Section 50 application to the Irish Pensions' Board, the Irish regulatory body. While approval from the Pensions' Board was not a pre requisite to the Group recognising the combined curtailment gain and negative past service cost and associated reduction in pension deficit of €110.3 million, we can advise that the Group received approval for the funding proposal, including a Section 50 application, from the Pensions' Board during the first half of 2011, thus facilitating final implementation of the benefit reductions across the main Irish schemes.

Principal risks and uncertainties in the second half of 2011

The principal risks and uncertainties facing the Group are set out in detail in the 2010 Annual Report at http://www.glanbia.com/annualreport2010. The performance of the Group is influenced by economic growth, global dairy and US cheese markets, and consumer confidence in key markets. Further economic uncertainty or excessive volatility in global dairy prices would represent a material change to the Group's trading environment.

In the second half of 2011, the principal risks and uncertainties affecting the Group's performance are:

- Any significant or unanticipated change to the supply or demand dynamics in major markets and the influence of such an event on the fundamentals of pricing in global dairy markets;
- Any potential imbalance in the pricing of dairy product classes on the availability or cost of milk procurement for the US cheese business; and
- The effect of a further deterioration in consumer confidence on the Irish food retail market.

2011 outlook

Glanbia continues to perform well. The overall trading environment remains positive and while global dairy market prices appear to have peaked in the current cycle, indications are for a relatively modest softening in prices for the remainder of the year. Demand-led growth across all product categories in Global Nutritionals is also strong. The calibre of the Group's first half performance, leading market positions and strength of our global portfolio, positions Glanbia strongly for the full year. 2011 guidance is today being upgraded to 18% to 20% growth in adjusted earnings per share, on a constant currency basis.

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 2 July 2011 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 development and performance of the business and the position of the Group;

- 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 2 July 2011, 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 in the first six months of the current financial year; and

- The directors of Glanbia plc are listed in the Glanbia plc 2010 Annual Report, with the exception of the following changes in the period: Mr Victor Quinlan, Mr Edward Fitzpatrick, Mr James Gilsenan and Mr Anthony O'Connor retired on 26 May 2011 and Mr William Carroll, Mr David Farrell, Mr Patrick Murphy and Mr Eamon Power were appointed on the same date. A list of current directors is maintained on the Glanbia plc website: www.glanbia.com

On behalf of the Board

John Moloney
Group Managing Director

Siobhán Talbot
Group Finance Director

24 August 2011

Cautionary Statement

This report contains forward-looking statements. These statements have been made by the Directors in good faith based on the information available to them up to the time of their approval of this report. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The directors undertake no obligation to update any forward-looking statements contained in this report, whether as a result of new information, future events, or otherwise.

Results webcast and dial-in facility

There will be a webcast and presentation to accompany this results announcement at 8.30 a.m. today. Please access the webcast from our website at www.glanbia.com/HYR-Webcast, where the presentation can be also be viewed / downloaded. In addition, a dial-in facility is available using the following numbers:

Ireland: 01 2421074
UK: 01296 480 100
Europe: +44 1296 480 100
US: 1718 354 1175

Passcode: 221803

Condensed income statement

for the half year ended 2 July 2011

	Notes	Half year 2011			Half year 2010	Year 2010		
		Pre-exceptional 2011 €'000	**Exceptional 2011 €'000** (note 8)	**Total 2011 €'000**	**Total 2010 €'000**	**Pre-exceptional 2010 €'000**	**Exceptional 2010 €'000** (note 8)	**Total 2010 €'000**
Revenue	6	1,342,940	-	1,342,940	1,036,401	2,166,695	-	2,166,695
Cost of sales		(1,114,028)	(3,508)	(1,117,536)	(844,813)	(1,784,263)	-	(1,784,263)
Gross profit		**228,912**	**(3,508)**	**225,404**	**191,588**	**382,432**	**-**	**382,432**
Distribution expenses		(68,158)	(2,924)	(71,082)	(64,206)	(115,896)	-	(115,896)
Administration expenses		(68,939)	(2,290)	(71,229)	(61,042)	(130,029)	-	(130,029)
Other gains & losses		-	-	-	-	-	10,238	10,238
Operating profit		**91,815**	**(8,722)**	**83,093**	**66,340**	**136,507**	**10,238**	**146,745**
Finance income	9	1,333	-	1,333	1,785	3,290	-	3,290
Finance costs	9	(11,936)	-	(11,936)	(12,993)	(25,420)	-	(25,420)
Share of results of Joint Ventures & Associates		9,566	-	9,566	5,041	10,103	-	10,103
Profit before taxation		**90,778**	**(8,722)**	**82,056**	**60,173**	**124,480**	**10,238**	**134,718**
Income taxes	10	(17,055)	1,090	(15,965)	(11,578)	(25,527)	(558)	(26,085)
Profit for the period		**73,723**	**(7,632)**	**66,091**	**48,595**	**98,953**	**9,680**	**108,633**
Attributable to:								
Equity holders of the Parent				65,677	48,191			108,047
Non-controlling interests				414	404			586
				66,091	**48,595**			**108,633**
Basic earnings per share (cents)	12			**22.38**	16.44			36.86
Diluted earnings per share (cents)	12			**22.18**	16.35			36.63

Condensed statement of comprehensive income

for the half year ended 2 July 2011

	Notes	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Profit for the period		**66,091**	**48,595**	**108,633**
Other comprehensive income/(expense)				
Actuarial gain/(loss) - defined benefit schemes	18	**8,272**	(34,383)	13,379
Deferred tax (charge)/credit on actuarial gain/(loss)		**(777)**	3,955	(1,250)
Share of actuarial gain - Joint Ventures & Associates		**-**	-	2,760
Deferred tax (charge) on actuarial gain - Joint Ventures & Associates		**-**	-	(316)
Currency translation differences	17	**(31,066)**	38,651	20,169
Revaluation of available for sale financial assets	17	**(276)**	(2,389)	(5,381)
Fair value movements on cash flow hedges	17	**3,792**	(3,348)	3,936
Deferred tax on cash flow hedges and revaluation of available for sale financial assets	17	**921**	1,349	2,267
Other comprehensive (expense)/income for the period, net of tax		**(19,134)**	**3,835**	**35,564**
Total comprehensive income for the period		**46,957**	**52,430**	**144,197**
Total comprehensive income attributable to:				
Equity holders of the Parent		**46,543**	52,026	143,611
Non-controlling interests		**414**	404	586
		46,957	**52,430**	**144,197**

Condensed statement of changes in equity

for the half year ended 2 July 2011

Half year 2010	Notes	Share capital and share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000	Non – controlling interests €'000	Total equity €'000
Balance at 2 January 2010		**99,219**	**108,672**	**83,004**	**290,895**	**6,493**	**297,388**
Profit for the period		-	-	48,191	**48,191**	404	**48,595**
Other comprehensive income/ (expense)							
Actuarial loss - defined benefit schemes		-	-	(34,383)	**(34,383)**	-	**(34,383)**
Deferred tax on actuarial loss		-	-	3,955	**3,955**	-	**3,955**
Fair value movements	17	-	(5,737)	-	**(5,737)**	-	**(5,737)**
Deferred tax on fair value movements	17	-	1,349	-	**1,349**	-	**1,349**
Currency translation differences	17	-	38,651	-	**38,651**	-	**38,651**
Total comprehensive income		**-**	**34,263**	**17,763**	**52,026**	**404**	**52,430**
Dividends paid during the period	11	-	-	(11,573)	**(11,573)**	-	**(11,573)**
Cost of share based payments	17	-	2,214	-	**2,214**	-	**2,214**
Transfer on exercise, forfeit or lapse of share based payments that have vested	17	-	(479)	479	**-**	-	**-**
Balance at 3 July 2010		**99,219**	**144,670**	**89,673**	**333,562**	**6,897**	**340,459**

Half year 2011	Notes	Share capital and share premium €'000	Other reserves €'000	Retained earnings €'000	Total €'000	Non – controlling interests €'000	Total equity €'000
Balance at 1 January 2011		**99,741**	**132,227**	**185,544**	**417,512**	**6,892**	**424,404**
Profit for the period		-	-	65,677	**65,677**	414	**66,091**
Other comprehensive income/ (expense)							
Actuarial gain - defined benefit schemes		-	-	8,272	**8,272**	-	**8,272**
Deferred tax on actuarial gain		-	-	(777)	**(777)**	-	**(777)**
Fair value movements	17	-	3,516	-	**3,516**	-	**3,516**
Deferred tax on fair value adjustments	17	-	921	-	**921**	-	**921**
Currency translation differences	17	-	(31,066)	-	**(31,066)**	-	**(31,066)**
Total comprehensive (expense)/income		**-**	**(26,629)**	**73,172**	**46,543**	**414**	**46,957**
Dividends paid during the period	11	-	-	(13,177)	**(13,177)**	-	**(13,177)**
Cost of share based payments	17	-	1,167	-	**1,167**	-	**1,167**
Transfer on exercise, forfeit or lapse of share based payments that have vested	17	-	(84)	84	**-**	-	**-**
Shares issued	16	7	-	-	**7**	-	**7**
Premium on shares issued	16	320	-	-	**320**	-	**320**
Balance at 2 July 2011		**100,068**	**106,681**	**245,623**	**452,372**	**7,306**	**459,678**

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

Condensed statement of financial position
as at 2 July 2011

	Notes	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
ASSETS				
Non-current assets				
Property, plant and equipment		**363,088**	383,768	369,346
Intangible assets		**423,467**	380,071	356,830
Investments in associates		**11,930**	10,102	11,757
Investments in joint ventures		**59,490**	69,825	58,945
Trade and other receivables		**16,940**	54,544	23,084
Deferred tax assets		**4,911**	8,955	7,388
Available for sale financial assets		**12,059**	15,889	14,127
Derivative financial instruments	5	**401**	2,799	1,643
		892,286	925,953	843,120
Current assets				
Inventories		**330,679**	265,845	303,881
Trade and other receivables		**366,132**	288,576	246,831
Derivative financial instruments	5	**13,011**	7,851	3,912
Cash and cash equivalents	14	**151,201**	113,175	229,101
		861,023	675,447	783,725
Total assets		**1,753,309**	1,601,400	1,626,845
EQUITY				
Issued capital and reserves attributable to equity holders of the Parent				
Share capital and share premium	16	**100,068**	99,219	99,741
Other reserves	17	**106,681**	144,670	132,227
Retained earnings		**245,623**	89,673	185,544
		452,372	333,562	417,512
Non-controlling interests		**7,306**	6,897	6,892
Total equity		**459,678**	340,459	424,404
LIABILITIES				
Non-current liabilities				
Borrowings	14	**719,278**	651,523	636,251
Derivative financial instruments	5	**1,640**	5,665	3,315
Deferred tax liabilities		**75,589**	72,511	75,966
Retirement benefit obligations	18	**29,655**	116,080	48,560
Provisions for other liabilities and charges	15	**22,019**	21,638	22,392
Capital grants		**17,893**	17,426	18,609
		866,074	884,843	805,093
Current liabilities				
Trade and other payables		**384,484**	319,181	366,246
Current tax liabilities		**9,103**	8,929	2,538
Borrowings	14	**1,006**	943	972
Derivative financial instruments	5	**12,462**	19,629	6,487
Provisions for other liabilities and charges	15	**20,502**	27,416	21,105
		427,557	376,098	397,348
Total liabilities		**1,293,631**	1,260,941	1,202,441
Total equity and liabilities		**1,753,309**	1,601,400	1,626,845

Condensed statement of cash flows

for the half year ended 2 July 2011

	Notes	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Cash flows from operating activities				
Cash (absorbed by)/generated from operations	21	**(25,437)**	(16,884)	107,214
Interest received		**834**	1,116	3,054
Interest paid		**(11,410)**	(12,554)	(25,613)
Tax paid		**(2,441)**	(1,357)	(11,955)
Net cash (outflow)/inflow from operating activities		**(38,454)**	(29,679)	72,700
Cash flows from investing activities				
Acquisition of subsidiary, net of cash acquired		**(115,832)**	-	-
Payment of deferred consideration on acquisition of subsidiaries		**(307)**	(321)	(644)
Purchase of property, plant and equipment	13	**(19,548)**	(17,824)	(31,631)
Purchase of intangible assets	13	**(1,179)**	(1,428)	(4,333)
Dividends received from joint ventures		**4,533**	-	11,210
Loans (advanced to)/repaid by joint ventures		**-**	(3,771)	23,280
Decrease in available for sale financial assets		**1,792**	1,643	438
Proceeds from sale of property, plant and equipment		**63**	210	1,163
Net cash outflow from investing activities		**(130,478)**	(21,491)	(517)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	16	**327**	-	522
Increase in borrowings		**107,902**	19,788	21,823
Finance lease principal payments		**(496)**	(414)	(926)
Dividends paid to Company shareholders	11	**(13,177)**	(11,573)	(20,453)
Dividends paid to non-controlling interests		**-**	-	(187)
Capital grants received		**-**	-	1,432
Net cash inflow from financing activities		**94,556**	7,801	2,211
Net (decrease)/increase in cash and cash equivalents		**(74,376)**	(43,369)	74,394
Cash and cash equivalents at the beginning of the period		**229,101**	152,789	152,789
Effects of exchange rate changes on cash and cash equivalents		**(3,524)**	3,755	1,918
Cash and cash equivalents at the end of the period	14	**151,201**	113,175	229,101

Reconciliation of net cash flow to movement in net debt		Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Net (decrease)/increase in cash and cash equivalents		**(74,376)**	(43,369)	74,394
Cash movements from debt financing		**(107,406)**	(19,374)	(20,897)
		(181,782)	(62,743)	53,497
Fair value movement of interest rate swaps qualifying as fair value		**1,460**	(2,837)	(2,165)
Exchange translation adjustment on net debt		**19,361**	(31,093)	(16,836)
Movement in net debt in the period		**(160,961)**	(96,673)	34,496
Net debt at the beginning of the period		**(408,122)**	(442,618)	(442,618)
Net debt at the end of the period		**(569,083)**	(539,291)	(408,122)
Net debt comprises:				
Borrowings	14	**(720,284)**	(652,466)	(637,223)
Cash and cash equivalents	14	**151,201**	113,175	229,101
		(569,083)	(539,291)	(408,122)

Notes to the condensed financial statements

for the half year ended 2 July 2011

1 General information

Glanbia plc ("the Company") and its subsidiaries (together "the Group") is a global nutritional solutions and cheese group with its main operations in Ireland, Europe, the USA, Canada, Asia and Nigeria.

The Company is a public limited company incorporated and domiciled in Ireland. The address of its registered office is Glanbia House, Kilkenny, Ireland. The Group is controlled by Glanbia Co-operative Society Limited ("the Society"), which holds 54.5% of the issued share capital of the Company and is the ultimate parent of the Group.

The Company shares are quoted on the Irish and London Stock Exchanges.

2 Basis of preparation

The condensed interim financial statements for the six months ended 2 July 2011 and 3 July 2010 have not been audited by the Group's auditors. The amounts disclosed for the full year ended 1 January 2011 represent an abbreviated version of the Group's financial statements for that year, which received an unqualified audit report. The statutory accounts for the financial year ended 1 January 2011 were approved by the Board of Directors on 1 March 2011 and have been filed with the Companies Registration Office.

The Group's condensed interim financial statements for the six months ended 2 July 2011 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'. These condensed interim financial statements do not constitute statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The condensed interim financial statements should be read in conjunction with the financial statements for the year ended 1 January 2011, which have been prepared in accordance with IFRS.

The Group meets its day-to-day working capital requirements through its bank facilities. The Group's forecasts and projections, taking account of changes in trading performance, show that the Group expects to be able to operate within the level of its current facilities. After making enquiries, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its condensed interim financial statements for the six months ended 2 July 2011.

3 Accounting policies

The methods of computation and accounting policies adopted in the preparation of the Group's condensed interim financial statements are consistent with those applied in the annual report for the year ended 1 January 2011 except for the IFRS' outlined below. The Group's accounting policies are set out in the financial statements in the 2010 Annual Report.

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

Amendments to IAS 32, 'Financial instruments: presentation', on classification of rights issues
Amendment to IFRS 1, 'First-time adoption', on financial instrument disclosures
IFRIC 19, 'Extinguishing financial liabilities with equity instruments'
Amendment to IAS 24, 'Related party disclosures'
Amendment to IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'

Adoption of the standards and interpretations above had no significant impact on the results or financial position of the Group during the period.

4 Changes in estimates and assumptions

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 1 January 2011, with the exception of changes in estimates outlined in note 8 – exceptional items and note 18 – retirement benefit obligations.

5 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, (including currency risk, interest rate risk, price risk, liquidity and cash flow risk) and credit risk. The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements in the 2010 Annual Report.

There have been no changes to the risk management procedures or policies since 2010 year end.

Fair value estimation
The fair value of financial instruments traded in active markets (such as available for sale financial assets) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date.

In accordance with IFRS 7 – Financial Instruments: Disclosures, the Group has disclosed the fair value of instruments by the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets and liabilities (level 1)
- inputs, other than quoted prices included in level 1, that are observable for the asset and liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The following table presents the Group's assets and liabilities that are measured at fair value at 2 July 2011 and 1 January 2011:

2 July 2011

	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000
Assets				
Derivatives used for hedging	-	13,412	-	**13,412**
Available for sale financial assets				
- equity securities	165	2,684	-	**2,849**
Total assets	**165**	**16,096**	-	**16,261**
Liabilities				
Derivatives used for hedging	-	(14,102)	-	**(14,102)**
Total liabilities	-	**(14,102)**	-	**(14,102)**

1 January 2011

	Level 1	Level 2	Level 3	Total
	€'000	€'000	€'000	€'000
Assets				
Derivatives used for hedging	-	5,555	-	**5,555**
Available for sale financial assets				
- equity securities	143	2,983	-	**3,126**
Total assets	**143**	**8,538**	-	**8,681**
Liabilities				
Derivatives used for hedging	-	(9,802)	-	**(9,802)**
Total liabilities	-	**(9,802)**	-	**(9,802)**

6 Segment information

In accordance with IFRS 8 – Operating segments, the Group has four segments as follows: US Cheese & Global Nutritionals, Dairy Ireland, Joint Ventures & Associates and Other Business. These segments align with the Group's internal financial reporting system and the way in which the Chief Operating Decision Maker assesses performance and allocates the Group's resources. A segment manager is responsible for each segment and is directly accountable for the performance of that segment to the Glanbia Operating 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 manufacture and sale of cheese, whey protein and other nutritional solutions; Dairy Ireland incorporates the manufacture and sale of a range of dairy products and farm inputs; Joint Ventures & Associates revenue arises due to the manufacture and sale of cheese, whey proteins and dairy consumer products. The Other Business segment refers to all other businesses which comprise a property business unit, a small dairy processing operation in Mexico which was disposed of in September 2010 and a small dairy sales office in Mexico which ceased trading in June 2011. Each segment is reviewed in its totality by the Chief Operating Decision Maker.

The Glanbia Operating Executive Committee assesses the trading performance of operating segments based on a measure of earnings before interest and tax. This measure excludes exceptional items.

Comparatives for the 2010 half year and full year are also given.

Notes to the condensed financial statements
for the half year ended 2 July 2011

6 Segment information *(continued)*

Half year 2011

		US Cheese & Global Nutritionals	Dairy Ireland	JV's & Associates	Other Business	Group including JV's & Associates
		€'000	**€'000**	**€'000**	**€'000**	**€'000**
Total gross segment revenue	(a)	638,065	711,942	246,822	895	**1,597,724**
Inter-segment revenue		(1,696)	(6,266)	-	-	**(7,962)**
Segment external revenue		**636,369**	**705,676**	**246,822**	**895**	**1,589,762**
Segment earnings before interest and tax	(b)	**59,237**	**32,933**	**15,996**	**(355)**	**107,811**
Segment assets	(c)	**848,411**	**631,458**	**87,226**	**14,219**	**1,581,314**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €52.7 million and related party sales between US Cheese & Global Nutritionals and Joint Ventures & Associates of €5.7 million.

(a) Segment revenue is reconciled to reported external revenue as follows:	**€'000**
Segment revenue	**1,597,724**
Inter-segment revenue	(7,962)
Joint Ventures & Associates revenue	(246,822)
Reported external revenue	**1,342,940**

(b) Segment earnings before interest and tax is reconciled to reported profit before tax as follows:

	€'000
Segment earnings before interest and tax	**107,811**
Exceptional items	(8,722)
Joint Ventures & Associates interest and tax	(6,430)
Finance income	1,333
Finance costs	(11,936)
Reported profit before tax	**82,056**

(c) Segment assets are reconciled to reported assets as follows:	**€'000**
Segment assets	**1,581,314**
Unallocated assets	171,995
Reported assets	**1,753,309**

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

6 Segment information *(continued)*

Half year 2010

		US Cheese & Global Nutritionals €'000	Dairy Ireland €'000	JV's & Associates €'000	Other Business €'000	Group including JV's & Associates €'000
Total gross segment revenue	(a)	492,178	549,286	190,185	2,855	**1,234,504**
Inter-segment revenue		(1,603)	(6,315)	-	-	**(7,918)**
Segment external revenue		**490,575**	**542,971**	**190,185**	**2,855**	**1,226,586**
Segment earnings before interest and tax	(b)	**47,542**	**19,071**	**11,091**	**(273)**	**77,431**
Segment assets	(c)	**764,203**	**570,194**	**122,313**	**23,279**	**1,479,989**

Included in external revenue are related party sales between Dairy Ireland and Joint Ventures & Associates of €27.4 million and related party sales between US Cheese & Global Nutritionals and Joint Ventures & Associates of €3.9 million.

(a) Segment revenue is reconciled to reported external revenue as follows:	**€'000**
Segment revenue	**1,234,504**
Inter-segment revenue	(7,918)
Joint Ventures & Associates revenue	(190,185)
Reported external revenue	**1,036,401**

(b) Segment earnings before interest and tax is reconciled to reported profit before tax as follows:

	€'000
Segment earnings before interest and tax	**77,431**
Joint Ventures & Associates interest and tax	(6,050)
Finance income	1,785
Finance costs	(12,993)
Reported profit before tax	**60,173**

(c) Segment assets are reconciled to reported assets as follows:	**€'000**
Segment assets	**1,479,989**
Unallocated assets	121,411
Reported assets	**1,601,400**

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

6 Segment information *(continued)*

Year end 2010

		US Cheese & Global Nutritionals	Dairy Ireland	JV's & Associates	Other Business	Group including JV's & Associates
		€'000	€'000	€'000	€'000	€'000
Total gross segment revenue	(a)	1,024,653	1,154,023	416,564	6,244	2,601,484
Inter-segment revenue		(2,752)	(15,473)	-	-	(18,225)
Segment external revenue		**1,021,901**	**1,138,550**	**416,564**	**6,244**	**2,583,259**
Segment earnings before interest, tax and exceptional items	(b)	93,795	43,543	21,554	(831)	158,061
Exceptional items-defined benefit pensions		-	10,238	-	-	10,238
Segment earnings before interest and tax		**93,795**	**53,781**	**21,554**	**(831)**	**168,299**
Segment assets	(c)	**725,960**	**556,455**	**87,362**	**17,041**	**1,386,818**

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

(a) Segment revenue is reconciled to reported external revenue as follows:	**€'000**
Segment revenue	**2,601,484**
Inter-segment revenue	(18,225)
Joint Ventures & Associates revenue	(416,564)
Reported external revenue	**2,166,695**

(b) Segment earnings before interest and tax is reconciled to reported profit before tax and profit after tax as follows:

	€'000
Segment earnings before interest and tax	**158,061**
Exceptional items-defined benefit pension schemes	10,238
Joint Ventures & Associates interest and tax	(11,451)
Finance income	3,290
Finance costs	(25,420)
Reported profit before tax	**134,718**
Income taxes	(26,085)
Reported profit after tax	**108,633**

(c) Segment assets are reconciled to reported assets as follows:	**€'000**
Segment assets	**1,386,818**
Unallocated assets	240,027
Reported assets	**1,626,845**

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

7 Seasonality

Elements of the business, particularly within the Dairy Ireland segment reflect the seasonal nature of the Irish dairy industry. The increase in working capital for half year 2011 versus year end 2010 of €134.3 million (HY 2010: €113.0 million) was primarily driven by the above seasonal patterns.

8 Exceptional items

	Notes	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Rationalisation costs	(a)	(8,722)	-	-
Irish defined benefit pension schemes	(b)	-	-	10,238
Total exceptional (charge)/credit before tax		**(8,722)**	**-**	**10,238**
Exceptional tax credit/(charge)		1,090	-	(558)
Net exceptional (charge)/credit		**(7,632)**	**-**	**9,680**

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

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

9 Finance income and costs

	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Finance income			
Interest income	**1,262**	1,777	3,008
Interest income on deferred consideration	**71**	8	282
Total finance income	**1,333**	**1,785**	**3,290**
Finance costs			
- Bank borrowings repayable within five years	**(7,014)**	(6,554)	(13,001)
- Interest cost on deferred consideration	**(51)**	(39)	(80)
- UK pension provision	**(59)**	(63)	(121)
- Finance lease costs	**(84)**	(128)	(256)
- Interest rate swaps, transfer from equity	**(2,554)**	(4,035)	(7,613)
- Interest rate swaps, fair value hedges	**1,286**	1,350	2,733
- Fair value adjustment to borrowings attributable to interest rate risk	**(1,286)**	(1,350)	(2,733)
- Finance cost of preference shares	**(2,174)**	(2,174)	(4,349)
Total finance costs	**(11,936)**	**(12,993)**	**(25,420)**
Net finance costs	**(10,603)**	**(11,208)**	**(22,130)**

10 Income taxes

The Group's income tax charge of €16.0 million (HY 2010: €11.6 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. Included in the tax charge for the half year 2011 is an exceptional current tax credit of €1.1 million primarily relating to the rationalisation provision charged during the period.

11 Dividends

A final dividend in respect of the year ended 1 January 2011 of 4.49 cents per share was paid during the period. On 23 August 2011, the Directors declared the payment of an interim dividend for 2011 of 3.33 cents per share (2010 interim dividend: 3.03 cents per share). The interim dividend will be reflected in the financial statements for the full year 2011 in line with IAS 10, 'Events After the Reporting Period'.

12 Earnings per share

	Half year 2011	Half year 2010	Year 2010
Basic			
Profit attributable to equity holders of the Parent (€'000)	**65,677**	48,191	108,047
Weighted average number of ordinary shares in issue	**293,430,380**	293,070,380	293,105,068
Basic earnings per share (cents per share)	**22.38**	16.44	36.86

	Half year 2011	Half year 2010	Year 2010
Diluted			
Weighted average number of ordinary shares in issue	**293,430,380**	293,070,380	293,105,068
Dilutive effect of share option and Long Term Incentive Plan schemes	**2,662,602**	1,720,999	1,874,570
Adjusted weighted average number of ordinary shares	**296,092,982**	294,791,379	294,979,638
Diluted earnings per share (cents per share)	**22.18**	16.35	36.63

Adjusted

	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Profit attributable to equity holders of the Parent	**65,677**	48,191	108,047
Amortisation of intangible assets (net of related tax)	**7,777**	6,388	13,222
Net exceptional items	**7,632**	-	(9,680)
Adjusted net income	**81,086**	54,579	111,589
Adjusted earnings per share (cents per share)	**27.63**	18.62	38.07
Diluted adjusted earnings per share (cents per share)	**27.39**	18.51	37.83

13 Property, plant & equipment and intangible assets

During the six month period to 2 July 2011 the Group spent €20.8 million (HY 2010: €19.3 million) on additions to property, plant & equipment and intangible assets. The Group did not dispose of any significant property, plant & equipment or intangible assets during the period (HY 2010: nil). At 2 July 2011 the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to €21.5 million (HY 2010: €2.6 million).

Notes to the condensed financial statements
for the half year ended 2 July 2011

14 Net debt

	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Borrowings due within one year	**1,006**	943	972
Borrowings due after one year	**719,278**	651,523	636,251
Less:			
Cash and cash equivalents	**(151,201)**	(113,175)	(229,101)
	569,083	539,291	408,122

The Group has the following undrawn borrowing facilities:	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
- Expiring within one year	**16,214**	17,015	16,646
- Expiring beyond one year	**22,210**	91,036	101,178
	38,424	108,051	117,824

Movement in borrowings is analysed as follows:

	Half year 2010 €'000
Opening borrowings as at 2 January 2010	**442,618**
- Net drawdown of borrowings	62,743
- Fair value of interest rate swaps qualifying as fair value hedges	2,837
- Exchange translation adjustment on net debt	31,093
Closing borrowings as at 3 July 2010	**539,291**

	Half year 2011 €'000
Opening borrowings as at 1 January 2011	**408,122**
- Acquisition expenditure	115,832
- Net drawdown of borrowings	65,950
- Fair value of interest rate swaps qualifying as fair value hedges	(1,460)
- Exchange translation adjustment on net debt	(19,361)
Closing borrowings as at 2 July 2011	**569,083**

15 Provisions for other liabilities & charges

	Restructuring €'000 note (a)	UK pension €'000 note (b)	Other €'000 note (c)	Total €'000
At 1 January 2011	**10,471**	**19,720**	**13,306**	**43,497**
Provided in the period	8,722	-	1,974	**10,696**
Utilised in the period	(7,054)	(251)	(2,699)	**(10,004)**
Exchange differences	-	(963)	(343)	**(1,306)**
Unwinding of discounts	-	59	(421)	**(362)**
At 2 July 2011	**12,139**	**18,565**	**11,817**	**42,521**
Non-current	-	17,329	4,690	**22,019**
Current	12,139	1,236	7,127	**20,502**
	12,139	**18,565**	**11,817**	**42,521**

(a) The restructuring provision relates primarily to the rationalisation programme Glanbia is currently undertaking. The provision which relates mainly to redundancy is expected to be fully utilised over the next twelve months.

(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 over the next 32 years.

(c) Included in 'Other' 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 €7.1 million of this provision will be utilised within one year, with the balance being utilised over a further four year period. Due to the nature of these items, there is some uncertainty around the amount and timing of payments.

16 Share capital and share premium

	Number of shares (thousands)	Ordinary shares €'000	Share premium €'000	Total €'000
At 2 January 2010 and 3 July 2010	**293,556**	**17,613**	**81,606**	**99,219**
At 1 January 2011	**293,836**	**17,630**	**82,111**	**99,741**
Shares issued	120	7	320	327
At 2 July 2011	**293,956**	**17,637**	**82,431**	**100,068**

During the period 120,000 of the 2002 Long Term Incentive Plan (2002 LTIP) shares were exercised with exercise proceeds of €327,000. The related weighted average exercise price was €2.725 per share.

The total authorised number of ordinary shares is 306 million shares (HY 2010: 306 million shares) with a par value of €0.06 per share (HY 2010: €0.06 per share). All issued shares are fully paid.

Notes to the condensed financial statements
for the half year ended 2 July 2011

17 Other reserves

Half Year 2010

	Capital and merger reserve	Currency reserve	Hedging reserve	Available for sale financial asset reserve	Own shares	Share based payments reserve	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 2 January 2010	**115,973**	**380**	**(14,601)**	**6,371**	**(1,899)**	**2,448**	**108,672**
Currency translation differences	-	38,651	-	-	-	-	**38,651**
Revaluation of interest rate swaps - loss in period	-	-	(4,823)	-	-	-	**(4,823)**
Foreign exchange contracts - loss in period	-	-	(9,034)	-	-	-	**(9,034)**
Transfers to income statement							
- Foreign exchange contracts - loss in period	-	-	5,875	-	-	-	**5,875**
- Forward commodity contracts - gain in period	-	-	(344)	-	-	-	**(344)**
- Interest rate swaps - loss in period	-	-	4,035	-	-	-	**4,035**
Revaluation of forward commodity contracts - gain in period	-	-	943	-	-	-	**943**
Revaluation of available for sale financial assets - loss in period	-	-	-	(2,389)	-	-	**(2,389)**
Deferred tax on fair value adjustments	-	-	752	597	-	-	**1,349**
Transfer on exercise, forfeit or lapse of share based payments that have vested	-	-	-	-	125	(604)	**(479)**
Cost of share based payments	-	-	-	-	-	2,214	**2,214**
Balance at 3 July 2010	**115,973**	**39,031**	**(17,197)**	**4,579**	**(1,774)**	**4,058**	**144,670**

17 Other reserves *(continued)*

Half Year 2011

	Capital and merger reserve	Currency reserve	Hedging reserve	Available for sale financial asset reserve	Own shares	Share based payment reserve	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January 2011	**115,973**	**20,549**	**(9,743)**	**2,335**	**(1,616)**	**4,729**	**132,227**
Currency translation differences	-	(31,066)	-	-	-	-	**(31,066)**
Revaluation of interest rate swaps - gain in period	-	-	487	-	-	-	**487**
Foreign exchange contracts - gain in period	-	-	735	-	-	-	**735**
Transfers to income statement							
- Foreign exchange contracts - gain in period	-	-	(38)	-	-	-	**(38)**
- Forward commodity contracts - loss in period	-	-	77	-	-	-	**77**
- Interest rate swaps - loss in period	-	-	2,554	-	-	-	**2,554**
Revaluation of forward commodity contracts - loss in period	-	-	(23)	-	-	-	**(23)**
Revaluation of available for sale financial assets - loss in period	-	-	-	(276)	-	-	**(276)**
Deferred tax on fair value adjustments	-	-	852	69	-	-	**921**
Transfer on exercise, forfeit or lapse of share based payments that have vested	-	-	-	-	-	(84)	**(84)**
Cost of share based payments	-	-	-	-	-	1,167	**1,167**
Balance at 2 July 2011	**115,973**	**(10,517)**	**(5,099)**	**2,128**	**(1,616)**	**5,812**	**106,681**

18 Retirement benefit obligations

The movement in the liability recognised in the statement of financial position is as follows:

	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
At the beginning of the period	**(48,560)**	**(85,765)**	**(85,765)**
Exchange differences	1,382	(2,996)	(972)
Movements relating to disposed operations	(23)	59	(38)
Total expense pre curtailment gains and negative past service costs	(1,985)	(2,943)	(7,068)
Actuarial gain/(loss) on defined benefit schemes	8,272	(34,383)	13,379
Curtailment gains and negative past service costs	-	-	10,238
Contributions paid by employer	11,259	9,948	21,666
At the end of the period	**(29,655)**	**(116,080)**	**(48,560)**

The amounts recognised in the statement of financial position are determined as follows:

	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Fair value of plan assets	**388,750**	363,882	389,351
Present value of funded obligation	**(418,405)**	(479,962)	(437,911)
Net deficit in schemes	**(29,655)**	**(116,080)**	**(48,560)**

The following actuarial assumptions have been made in determining the Group's retirement benefit obligations for the half year ended 2 July 2011 and full year ended 1 January 2011:

	Half year 2011		Year 2010	
	IRL	UK	IRL	UK
Discount rate	5.90%	5.55% - 5.65%	5.40%	5.45% - 5.50%
Inflation rate	2.00%	2.65% - 3.55%	2.00%	2.75% - 3.45%
Future salary increases	3.00%	4.30%	3.00%	4.20%
Future pension increases	0% - 5%	3.35%	0% - 5%	3.25%

The Irish inflation rate and future salary increase assumptions have been decreased for the next two and a half years by 1% to reflect the current economic conditions in Ireland. The rates set out above are the longer term assumptions.

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 2011		Year 2010	
	Irish mortality rates	UK mortality rates	Irish mortality rates	UK mortality rates
Male	21.5	23.9	21.5	23.9
Female	24.2	27.0	24.2	27.0

18 Retirement benefit obligations *(continued)*

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

	Half year 2011		Year 2010	
	Irish mortality rates	UK mortality rates	Irish mortality rates	UK mortality rates
Male	19.2	21.8	19.2	21.8
Female	21.9	24.9	21.9	24.9

Actuarial gains and losses arising from our share in joint ventures and associates are not included in the condensed interim financial statements as they are not deemed significant.

19 Related party transactions

The Parent is controlled by Glanbia Co-Operative Society Limited ("the Society") which holds 54.5% of the issued share capital of the Company and is the ultimate parent of the Group.

During the six months to 2 July 2011, sales to related parties amounted to €60.4 million (HY 2010: €34.9 million), purchases from related parties amounted to €8.8 million (HY 2010: €9.2 million) and net balances due from related parties were €17.6 million (HY 2010: €49.4 million owed from 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 1 January 2011, that have materially affected the Group's financial position or performance during the six months ended 2 July 2011.

20 Contingent liabilities

Group bank guarantees, amounting to €5.0 million (HY 2010: €9.4 million) are outstanding as at 2 July 2011, mainly in respect of the payment of EU subsidies. The Group does not expect any material loss to arise from these guarantees.

21 Cash generated from operations

	Half year 2011 €'000	Half year 2010 €'000	Year 2010 €'000
Profit before taxation	**82,056**	60,173	134,718
Development costs capitalised	**-**	-	(2,821)
Impairment charge	**-**	-	1,372
Other non-cash adjustments	**8,722**	11,754	(10,238)
Share of results of Joint Ventures and Associates	**(9,566)**	(5,041)	(10,103)
Depreciation	**17,056**	16,217	32,569
Amortisation	**8,888**	7,301	15,111
Cost of share based payments	**1,167**	2,214	2,937
Difference between pension charge and cash contributions	**(9,274)**	(7,005)	(14,598)
(Profit)/loss on disposal of property, plant and equipment	**(16)**	(65)	957
Interest income	**(1,333)**	(1,785)	(3,290)
Interest expense	**11,936**	12,993	25,420
Amortisation of government grants received	**(709)**	(686)	(1,419)
Cash generated from operations before changes in working capital	**108,927**	**96,070**	**170,615**
Changes in net working capital			
- (Increase) in inventory	**(25,889)**	(54,501)	(97,009)
- (Increase) in short term receivables	**(114,454)**	(94,374)	(28,065)
- Increase in short term liabilities	**13,731**	41,722	66,048
- (Decrease) in provisions	**(7,752)**	(5,801)	(4,375)
Cash (absorbed by)/generated from operations	**(25,437)**	**(16,884)**	**107,214**

22 Business combinations

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

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

	€'000
Purchase consideration	105,550
Less: Fair value of assets acquired	92,624
Goodwill	**12,926**

The acquisition of BSN significantly enhances the Group's Performance Nutrition portfolio and delivers further growth opportunities in this area. The goodwill is attributable to the profitability and development opportunities through combined R&D and the benefits associated with the extension of Glanbia's scale and specific capabilities to the acquired business.

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

	Fair value €'000
Property, plant and equipment	1,700
Intangible assets - brands/know-how	47,641
Intangible assets - customer relationships	36,721
Inventories	9,433
Trade and other receivables	7,419
Trade and other payables	(10,290)
Fair value of assets acquired	**92,624**

The revenue included in the condensed income statement from 19 January 2011 to 2 July 2011 contributed by BSN was €50.3 million. BSN also contributed profit before interest, tax and amortisation of €5.2m over the same period.

On 1 April 2011, the Group also acquired the business and assets of Kerry Group plc's Limerick based liquid milk business for €10.3 million. This consisted of €6.0 million intellectual property, €1.6 million working capital and property, plant & equipment and €2.7 million goodwill.

The revenue and profit of the Group determined in accordance with IFRS for the period ended 2 July 2011 would not have been materially different than that reported above if the acquisition date for all business combinations completed during the period had been as of the beginning of the year.

Acquisition related costs included in administration expenses in the condensed income statement for the period ended 2 July 2011 amounted to €0.4 million (full year 2010: €0.6m).

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

The fair values assigned to identifiable assets and liabilities have been determined provisionally given the timing of the completion of these acquisitions. Any amendments to these fair values made during the subsequent reporting window (within the measurement period imposed by IFRS 3 (revised 2008)) will be subject to subsequent disclosure.

23 Events after the reporting period

There have been no material events subsequent to the end of the interim period 2 July 2011 which require disclosure in this report.

24 Comparatives

Certain comparatives in the statement of financial position have been restated to reflect the current period classifications as shown below:

	Group as previously reported	Reclassified	Group Restated
	Half year 2010 €'000	Half year 2010 €'000	Half year 2010 €'000
Share capital and share premium	97,445	1,774	99,219
Other reserves	146,444	(1,774)	144,670

25 Information

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