



Corporate Presentation & 2003 Interims



2003 interim results

Introducing Glanbia

- International dairy, consumer foods and nutritional products company
 - Major international cheese manufacturer
 - Global supplier of dairy based nutritional ingredients and food ingredients
 - Key positions in selected consumer markets
- Annual turnover exceeds €2.3 billion (2002)
- Employs 5,500 people
- Operations in Ireland, USA, UK



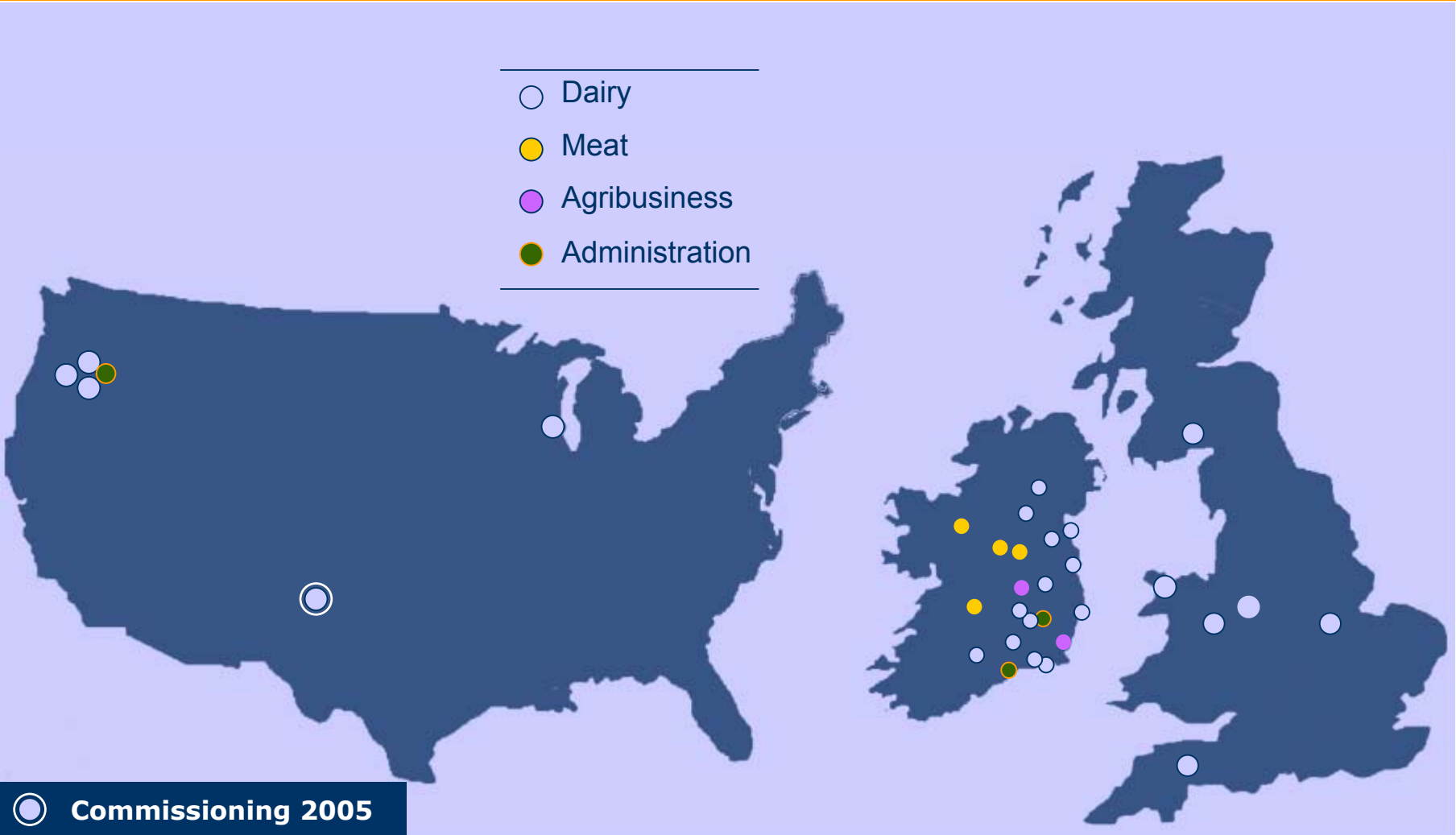
General information:

- HQ: Kilkenny, Ireland
- Listing: Dublin and London Stock Exchanges
- Sector: Food producers and processors
- Market Cap: €580m (22 August 2003)
- Major holders: Glanbia Co-op 54.79%

- Vision:

“To be the most relevant player in international cheese, nutrition and selected consumer foods markets”

Glanbia plc - Operations



2003 interim results

Served Markets

Principal Markets:	Product Offering:
<ul style="list-style-type: none"><li data-bbox="110 344 382 396">• Ireland:	Ingredient Dairy Products Fresh Dairy Products Dairy Beverages Retail & Ingredient Cheese Pork Products
<ul style="list-style-type: none"><li data-bbox="110 743 300 796">• USA	Ingredient Cheese Nutritional Ingredients Ingredient Dairy Products
<ul style="list-style-type: none"><li data-bbox="110 1001 262 1053">• UK	Retail & Ingredient Cheese Ingredient Dairy Products Nutritional Ingredients

Served Markets

Global Markets:

(Principally EU, Africa, Asia, Central & South America)

- » Formulated Milk Products
- » Dairy Food Ingredients
- » Ingredient Cheese
- » Advanced Technology Whey Nutritional Products
- » Pork Products

Key Market Positions:

- **No.1** Irish dairy processor – exporting worldwide
- **No.1** Supplier of branded foods to Irish grocery sector
- **No 1** European pizza cheese manufacturer
- **No.1** Cheese manufacturer in Northwest USA
- **No.1** Irish pigmeat processor
- **No.2** World producer of formulated milk products
- **No.2** USA producer of whey protein isolate
- **No.2** UK cheese producer / marketer
- **No.3** USA lactose producer

Strategy Review



Corporate Goals

- To become the most relevant player in international cheese, nutritional ingredients and consumer foods through
 - Customising products and ingredients for quality, variety, novelty, functionality, value
 - Developing further our technical expertise in development of enhanced ingredients – (protein isolate, milk calcium, Lactoferrin, colostrum etc.) for nutritional applications
 - Building on our current relationships with key global customers through the supply of innovative solutions, consistent quality and superior service
 - Significant investment in R & D and intellectual capital as well as tangible assets
- Build business of scale in Consumer Foods in Ireland and UK with nutritional emphasis
- Manage other businesses to maximise cash - Agri-business, Pigmeat

A Big Cheese....

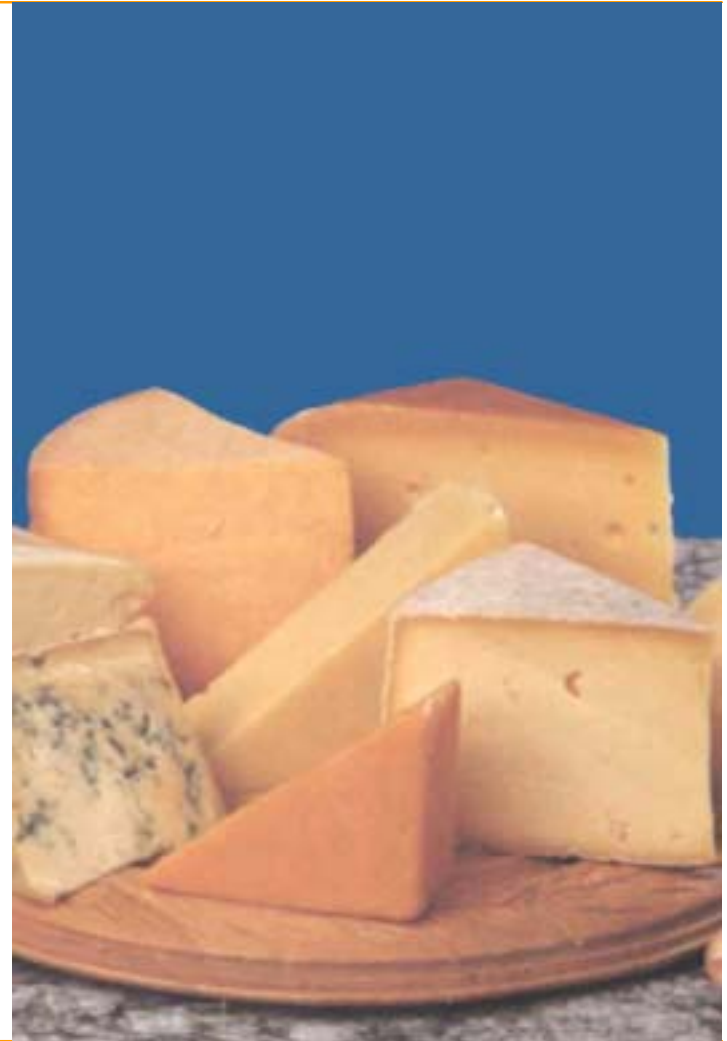
- Already one of world's leading cheese suppliers
- Long established expertise and reputation
- 2002 sales – 280,000 tonnes
- Cheese is a key enabler to nutritional strategy



2003 interim results

A Big Cheese...

- Top 4 USA manufacturer of American type cheddar
- New Mexico facility to be commissioned in 2005
 - make Glanbia No1 USA American cheddar manufacturer
- No 1 pizza cheese supplier in Europe (Leprino JV)
- No 2 cheese manufacturer in UK
- No 1 cheese manufacturer in Ireland



2003 interim results

+ a growing presence in nutritionals

Volume whey stream a key enabler of nutritional strategy

- Major consumer driven trend – growing awareness of link between diet and health
- Products consumed for specific nutritional benefits
 - fortified foods, dietary supplements, adult / infant nutrition, sports etc
- Milk ideal source of proteins, minerals etc
- Dairy products ideal carrier of nutrition solutions
- Dairy Component – estimated \$15 billion, double digit growth/high margin opportunity

+ a growing presence in nutritionals

Whey = valuable proteins, minerals, lactose, bioactive fractions

The key is economic harvesting, ie:

- Trucal milk minerals (bone health, stress, hyper tension)
- Lactoferrin bioactive fraction
(meat preservative, antimicrobial, immune enhancement)
- Alphalactalbumin (infant nutrition sleep pattern)
- Provon wpi
(energy and muscle building, immune enhancement)

Nutrition Strategy

- Build leadership in advanced technology whey ingredients – access more volume whey
- Enhance scientific, regulatory, R&D capability
- Move closer to customers via formulations / solutions
- Grow market position via organic growth and via acquisition
- Create & build consumer offerings via Irish market

Bioferrin[®]

PROVON
PROTEIN[™]

Consumer Products Strategy

- Focus on U.K. and Ireland 60m consumers
- Leverage existing strong market positions
- Focus on innovation and nutrition emphasis
- Flexible and responsive to market/channel dynamics
- Consumer led approach



2003 interim results

Strategy Developments 2003

- Next phase U.S.A. expansion in place with proposed JV in New Mexico. Further cheese opportunities being assessed
- Nutritional strategy being advanced through completion of trials, internal investment and....
- Acquisition opportunities related to nutritional solutions under active review
- Enhance returns from UK cheese operations
- Leverage market position pizza cheese technology
- Launch of new innovative / nutritional products by Consumer Foods Division
- Maximise changes from E.U. CAP reform and possible Irish dairy rationalisation



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2003 Interim Review



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2003 interim results

2002 Financial Overview

	2002	2001
	€	€
Turnover	2,316.7m	2,625.4m
Operating Profit	91.5m	93.2m
Profit before Exceptional Items and Tax	71.8m	66.6m
Profit Before Tax	(8.1)m	61.1m
Adjusted Earnings Per Share	17.5c	15.9c
Dividend	4.8c	4.5c
Capital Employed	320.4m	322.8m
Interest Cover	4.6 times	3.5 times

2003 interim results

Headlines

- Satisfactory overall performance in generally difficult market environment
- Results in line with market expectations
- Ongoing focus on business efficiencies
- Progress in advancing strategic developments

Group Profit and Loss Account

	2003 €m	2002 €m	
Sales	<u>1,050.8</u>	<u>1,246.7</u>	<u>-15.7%</u>
Operating Profit	45.4	44.7	
Associated Companies	0.3	0.7	
Total	<u>45.7</u>	<u>45.4</u>	+0.6%
Interest	<u>(8.2)</u>	<u>(9.8)</u>	
Profit before tax and exceptionals	37.5	35.6	+5.4%
Taxation	<u>(5.0)</u>	<u>(4.0)</u>	
Profit after tax and before exceptionals	<u>32.5</u>	<u>31.6</u>	

2003 interim results

Exceptional Costs

	2003 €m	2002 €m
Loss on termination of operations	(7.0)	(64.3)
Loss on sale of operations	(21.9)	(24.7)
Profit on sale of investments	2.1	13.4
	<u>(26.8)</u>	<u>(75.6)</u>
Profit/(Loss) before tax and after exceptionals	<u>10.7</u>	<u>(40.0)</u>

2003 interim results

Group Balance Sheet

	2003 €m	2002 €m	Change €m
Fixed Assets	411.5	461.1	(49.6)
Working Capital	209.8	208.7	1.1
non-current liabilities	(48.6)	(50.8)	2.2
	<u>527.7</u>	<u>619.0</u>	<u>(46.3)</u>
Net Borrowings	(250.8)	(307.8)	57
Capital Employed	<u><u>321.9</u></u>	<u><u>311.2</u></u>	<u><u>10.7</u></u>

2003 interim results

Group Cash Flow

	2003 €m	2002 €m
Operating Cash Flow (PBT + Depreciation / Grants)	59.8	61.2
Divestments (net of purchases)	-	16.6
Fire insurance re-instatement proceeds	7.6	
	67.4	77.8
Working capital (increase) / decrease	(118.9)	(124.2)
Capital expenditure / deferred payments	(17.4)	(17.5)
Merger cash costs	(0.2)	(0.4)
Dividends / tax	(17.9)	(17.3)
Currency translation impact	12.7	16.4
	(141.9)	(143.0)
Net cash movement	(74.5)	(65.2)
Net debt at beginning of year	(176.3)	(242.6)
Net debt at end of year	(250.8)	(307.8)

2003 interim results

Dividend / EPS

	2003 €c	2002 €c	
Dividend per share (cent)	<u>2.06</u>	<u>1.96</u>	+5%
Adjusted EPS (cent)	<u>9.14</u>	<u>8.50</u>	+7.5%

Segmental Analysis

Consumer Foods

Turnover		
2003 €m	2002 €m	Change %
472.7	641.4	-26.3%

Operating Profit		
2003 €m	2002 €m	Change %
22.7	17.3	31.2%

Satisfactory performance by Irish Liquid Milk and Chilled Foods

Profit improvement assisted by exit from UK foodservice, consumer meats in mid-2002

Sale of Fresh Meats UK in July '03

Expansion continues in pizza cheese joint venture – margin pressures N.I.

UK cheddar cheese market difficult

Irish Pork – plant reconfiguration

Segmental Analysis

Food Ingredients

Turnover		
2003 €m	2002 €m	Change %
428.1	465.4	-8.0%

Operating Profit		
2003 €m	2002 €m	Change %
13.6	19.3	-29.5%

Strong operational performance across division

USA profitability slightly impacted by weaker cheese prices in period and currency translation

Some international market recovery offset by currency movements

Good progress in nutritional sales and development

Segmental Analysis

Agribusiness

Turnover		
2003 €m	2002 €m	Change %
150.0	140.0	+7.1%

Operating Profit		
2003 €m	2002 €m	Change %
9.4	8.8	6.8%

Satisfactory performance in a generally difficult farming environment

Good Spring volumes in farm inputs

Continued focus on operating efficiencies

Summary

- Satisfactory progress – given weakness in international dairy markets. Good progress within consumer foods division
- Continued progress debt reduction and improving financial parameters
- Narrowing focus allows for advancement of growth options
- EU Farming / Food sector facing significant challenge and change re MTR / WTO
- Group expects satisfactory full-year trading performance, based on current market conditions



Business Unit Review



Consumer Foods Division

- Leading provider of branded and own label consumer dairy products
- Retail and consumer focus
- Cheese / fresh dairy products / milk
- Division also has fresh pork operations in Ireland
- Strong innovation and market development emphasis
- 2002 turnover - approx. €1,175 million
- Ireland / UK operations



2003 interim results

Glanbia Cheese

- No 1 pizza cheese supplier in EU
- Joint venture with Leprino Foods (USA)
- Operations in Llangeffni, Magheralin (NI)
- Continuous market and business growth
- Significant investment underway



Glanbia Foods UK

- No. 2 supplier of cheddar and territorial cheeses to British retail sector - branded and own label
- 4 creameries
Lockerbie, North Tawton, Melton Mowbray and Malpas
- Retail packing facility at Oswestry (largest in UK)
- Cheese volumes - >70,000 tonnes per annum



2003 interim results

Glanbia Foods Ireland

Fresh Dairy Products

- >50% share - yogurts & fromage frais
- >90% share - fresh soups
- Leading brands - Yoplait, Avonmore, Petits Filous
- Marketing driven / continuous innovation
- Major new entrant into drinking probiotics sector
- 3 manufacturing facilities - Inch (FDP), Kilkenny (soups), Carrick on Suir (spreads)



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Glanbia Foods Ireland

Cheese

- C.50% national cheese market
- Leading brands - Kilmeaden, Avonmore
- Primarily sourced from Kilmeaden, Ballyragget plants
- Leaders in convenience / packaging options
- Marketing driven / innovation focus



Glanbia Dairies (Ireland)

- 50% national market share (275m litres)
- Brand focused, innovative business - Avonmore, Premier
- Processing sites - Drogheda, Ballytore, Waterford
- Value added portfolio:
GoLite, Supermilk, Slimline, Milk Plus (probiotic), single-serve Supermilk



Glanbia Meats (Ireland)

- Fresh pork operations
- Facilities in Edenderry, Roscrea, Roosky & Clara
- Throughput approx. 1.3 million pigs per annum
- 55% exported to retail and further processing customers in EU, USA, Japan, Korea, Russia
- Biggest supplier of fresh pork products to Irish retailers



Food Ingredients Division

- Key supplier to international nutrition and food manufacturing sectors with a wide range of dairy based food ingredients
- Global market position in advanced technology dairy ingredients - customised solutions
- Large scale facilities in Ireland & USA
- 2002 turnover - €910m



Glanbia Nutritionals

- New business unit focusing on building Glanbia position in growing nutritional sector
- Operations in Europe, USA
- Serving global markets
- Significant investment in R&D capability
- Current focus primarily whey based advanced technology ingredients
- Growing emphasis on close to market solutions



2003 interim results

Glanbia Foods (USA)

- Largest cheese producer in Northwest USA
- Manufacturer of advanced dairy food ingredients
- 3 processing sites in Idaho
 - Twin Falls, Gooding, Richfield
- Milk utilisation 1 billion+ litres
- Output: 140,000 tonnes cheese
56,000 tonnes ingredients
- New joint venture planned to build major new cheese / whey facility in Southern USA



Glanbia Ingredients Ireland

- Processes over 1,250 million litres pa >30% of the Irish milk pool
- 3 processing sites - Ballyragget, Virginia & Kilmeaden
- Ballyragget now largest multi-purpose dairy facility in Europe
- Range includes milk & whey proteins, formulated products, butters, cheese, customised ingredients
- Key supplier of cream base to Baileys



2003 interim results

Agribusiness Division

- Primary link between Glanbia and its farmers in Ireland
- 6,000 milk suppliers & 20,000 customers
- 2002 turnover - €231 million
- Supplies wide range of farm inputs via extensive branch and distribution network
- Manages Group milk assembly operations
- Ireland's leading animal feed manufacturers
- Also interests in vet wholesaling, malting, port services





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Thank You