

a world of dairy foods
and nutritional ingredients



transforming
growing &



- Excellent first half, with strong growth achieved
- Revenue up 13% and operating profit up 33%
- Operating margin up 80 bps to 4.7%
- Earnings per share up 26%
- Key performance drivers were USA Food Ingredients and Global Nutritionals
- Buoyant world dairy markets in the first half



€	H107	H106	Change
Revenue	1,040.3m	922.8m	Up 13%
Operating profit	48.5m	36.4m	Up 33%
Operating margin	4.7%	3.9%	Up 80 bps
Net financing costs	(8.6m)	(6.5m)	Up 32%
Share of joint ventures and associates	(1.3m)	0.3m	Down €1.6m
Profit before tax	38.6m	30.2m	Up 28%
Basic and adjusted earnings per share	11.47c	9.12c	Up 26%
Dividend per share	2.50c	2.38c	Up 5%
Net debt	269.1m	301.2m	Down 11%
Interest cover	5.6x	5.6x	Stable
Debt/EBITDA	4.1x	5.9x	Improved



Description	€000	H107	H106	Change
This division includes: Consumer Foods incorporating nutritional beverages, fresh dairy products; and Pigmeat, which produces a range of pork and bacon products.	Revenue	249,042	252,282	Down 1.3%
	Operating profit	8,335	8,470	Down 1.6%
	Operating margin	3.3%	3.4%	Down 10 bps

Consumer Foods

- Competitive retail environment
- New product launches including smoothies, shakes and bars
- Satisfactory performance in first half and results similar to H106
- Higher milk cost impacting overall results
- Expect a somewhat reduced performance for the full year, compared with 2006

Pigmeat

- Weak international markets offset cannery rationalisation benefits; H1 performance neutral
- Normal seasonal second half uplift in performance expected
- Expect results to be in line with 2006



Description	€000	H107	H106	Change
This division includes: Agribusiness, which is the key linkage with the Group's Irish farmer supply base. The Property business unit has responsibility for maximising the value of the Group's property portfolio.	Revenue	170,011	165,615	Up 2.7%
	Operating profit	11,811	15,857	Down 26%
	Operating margin (excluding Property)	4.9%	5.8%	Down 90 bps

Agribusiness

- Volumes in line with expectations, competitive markets impact margins
- Good progress made with CountryLife retail format
- Positive outlook for dairy and cereal sectors underpins stable 2007 performance

Property

- Steady pace of transactions in the first half
- Broadly similar full year performance compared with 2006





Description	€000	H107	H106	Change
This division has Food Ingredients operations in Ireland and the USA that produce cheese, butter, casein and protein ingredients. It also incorporates the Group's global Nutritional business, including Seltzer Companies Inc.	Revenue	621,284	504,896	Up 23%
	Operating profit	28,398	12,079	Up 135%
	Operating margin	4.6%	2.4%	Up 220 bps

Food Ingredients Ireland

- Flat performance overall; volume and price improvements offset by milk cost increases
- Expect an improvement in the second half
- Full year forecast to be ahead of difficult 2006

Food Ingredients USA

- Good demand, strong volumes and positive market environment
- Operationally excellent delivering world class production standards
- Strong full year performance expected

Global Nutritional

- Good organic and acquisition growth; revenues, profits up
- Continuing to invest in developing the business and targeting acquisition growth
- Strong results forecast for the full year





Description	€000	H107	H106	Change
Glanbia has three principle international joint ventures based in the UK, USA and Nigeria.	Revenue ⁽¹⁾	176,130	96,306	Up 83%
	Operating profit ⁽²⁾	(1,310)	283	Down €1.6 m
<small>⁽¹⁾ Not included in Group Revenue ⁽²⁾ Included in the Income Statement as share of results of joint ventures and associates</small>				

- International joint ventures had a challenging first half
- Impacted by time lag in recovering the sharp rise in raw material costs
- Operationally each business is excellent and top line revenue growth is to plan

Glanbia Cheese (UK)

- Dramatic increase in milk prices in line with world dairy markets created significant margin pressure
- Selling price increases are being secured, but performance expected to be below 2006

Southwest Cheese (USA)

- Good volume growth was more than offset by increase in milk cost
- Key quality and production benchmarks achieved
- Expect to breakeven for the full year

Nutricima (Nigeria)

- Good operational performance and revenue growth, offset by raw material cost increases
- Expect full year to be marginally lower than last year



- US Food Ingredients and Global Nutritionals particularly strong
- Other businesses performing broadly in line with expectations
- Short term timing issues to overcome in International Joint Ventures
- Sustained positive trends in world dairy markets
- Good spread of businesses and earnings benefiting Group
- Strong focus on costs, competitiveness and productivity
- Very satisfactory outlook for the remainder of 07
- EPS growth revised upwards to high teens for the full year



» Strategic imperatives	» Key initiatives	» Progress
<ul style="list-style-type: none"> • Deliver growth and performance in the period 2007 to 2009 	<p>Consumer Foods: expand beverages, food service and convenience offerings ✓</p> <p>Pigmeat: maintain stable performance →</p> <p>Agribusiness: continue to reshape the business to fit changes in farming ✓</p> <p>Food Ingredients Ireland: sustain cost competitiveness/manage MTR impacts ✓</p> <p>Food Ingredients USA: deliver strong growth including integration with SWC ✓</p> <p>Nutritionals: Deliver organic growth/NPD. Leverage Seltzer acquisition ✓</p> <p>Joint Ventures: drive growth and earnings momentum →</p>	
<ul style="list-style-type: none"> • Extend growth and performance beyond 2009 	<p>Further acquisitions, with focus on nutritionals</p> <p>Expansion of Food Ingredients USA</p> <p>Focus on cost reduction, competitiveness and productivity throughout the Group</p>	<p>→</p> <p>✓</p> <p>✓</p>
<ul style="list-style-type: none"> • Improve financial capacity 	<p>Maintain progress towards financial flexibility and improving ratios</p>	<p>✓</p>



Supplementary Information

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glanbia

€ million	H107	H106	Change
Property, plant and equipment	331.1	337.6	(6.5)
Investments	82.1	98.6	(16.5)
Intangible assets	135.3	58.3	77.0
Non-current receivables	12.2	58.2	(46.0)
Working capital	90.6	95.6	(5.0)
Non-current liabilities	(55.3)	(55.1)	(0.2)
Retirement benefit obligations (net of tax)	(75.2)	(109.1)	33.9
	<u>520.8</u>	<u>484.1</u>	<u>36.7</u>
Net financing	(269.1)	(301.2)	32.1
Shareholder's equity	<u>251.7</u>	<u>182.9</u>	<u>68.8</u>



€million	H107	H106
Operating profit	48.5	36.4
Depreciation and amortisation	16.9	14.4
Gain on disposal of assets and investments	(4.1)	(7.1)
Interest and taxation	(8.8)	(8.1)
Other	0.2	(1.4)
Cash from operations pre movements in working capital	52.7	34.2
Changes in working capital	(63.2)	(93.5)
Net cash from Operations	(10.5)	(59.3)
Disposals of assets and investments	0.2	5.7
Capital expenditure	(17.4)	(28.1)
Acquisitions and investments	(9.5)	(3.5)
Equity dividends	(9.9)	(9.5)
Other	(0.9)	0.2
Net cash outflow	(48.0)	(94.5)
Currency translation	3.4	9.0
Increase in net debt	(44.6)	(85.5)





IRELAND

No.1 dairy processor
No.1 cheese processor
No.1 liquid milk brand

USA

No.1 American-style cheddar
No.2 whey protein
No.3 lactose

EUROPE

No.1 pizza cheese supplier
No.1 casein producer

GLOBAL

Leading supplier of customised
nutrient premixes
Leading supplier of advanced technology
whey proteins & fractions

transforming growing



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