NEWS RELEASE
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Interim Management Statement: Kerry Annual General Meeting

10 May 2011 – Kerry Group, the global ingredients & flavours and consumer foods group, issues the following Interim Management Statement for the first quarter ended 31 March 2011. This statement is issued in conjunction with the Group's Annual General Meeting which is being held today.

BUSINESS PERFORMANCE

Building on the Group's business development momentum in 2010, Kerry continued to achieve good volume growth and a solid financial performance in the first quarter of 2011, despite the significant increase in raw material and input costs. Reported revenues increased by 14.8% and (adjusted for currency and the impact of acquisitions) like-for-like (LFL) revenue increased by 10.5%. Business volumes grew by 4.1% and pricing / mix increased by 6.3% reflecting the Group's cost recovery programme undertaken in collaboration with customers to offset input cost inflation. Some raw materials continue to reflect inflationary trends and while there is a lag in cost recovery in some end-use-markets, cost recovery and business efficiency programmes are successfully mitigating the impact of such issues.

Despite such challenges business operating margins have been maintained at the prior year level. When account is taken of central costs relating to the Group's ongoing 1 Kerry business transformation and global IT project the Group margin is back 20 basis points.

BUSINESS REVIEWS

INGREDIENTS & FLAVOURS

Business volumes in ingredients & flavours grew by 4.7% benefiting from Kerry's integrated technology approach and end-use-market focus.

The *Americas Region* achieved 5.3% volume growth in the quarter due to the continued success of innovation projects and partnership programmes with major customers. Cost recovery programmes contributed an 8.1% increase in pricing / mix in the period. Despite reduced demand for premium and indulgence lines in some categories, Kerry continued to benefit from primary market trends towards clean label offerings, product shelf-life extension and demand for enhanced nutritional applications. Dairy culinary systems achieved good growth in core grocery markets. Sweet systems saw good growth through 'bite size' snack-able products, and customised applications. Beverage systems grew strongly through Kerry's integrated beverage ingredients & flavours development programmes and expansion of the Group's capacity to produce aseptic shelf-stable beverage systems through investment programmes at the Savannah [GA] and St. Claire [Canada] plants. Market development in

Latin American markets continued to achieve good results through progressive deployment of the Group's technology platforms, in particular beverage, sweet and cereal technologies in the region.

Kerry's market positioning in the pharmaceutical sector continued to advance through ongoing investment in its global customer service and commercial infrastructure and through technical development in cell nutrition and excipients applications.

Business volumes in the *EMEA Region* grew by 2.2% notwithstanding the weather related impact on consumption levels and production in January. Cost recovery in response to the significant input cost inflation has progressed well. A lag in recovery, in particular in some dairy market categories, will be addressed in line with the phasing of contract renewals. Pricing / mix increased by 7.9% in the quarter. Savoury & Dairy systems grew through culinary applications in prepared foods categories but were impacted by weaker demand in the red meat sector particularly in Eastern European markets. Cereal & Sweet technologies performed well in EMEA markets with good growth recorded in the yoghurt, ice cream and bakery applications. Development through beverage systems & flavours was impacted by phasing of customer application projects at the start of the year but has recovered satisfactorily.

Kerry continued to record good progress in *Asia-Pacific* markets despite the impact of the natural disaster events in Japan, Australia and New Zealand. Business volumes grew by 10.1% and pricing / mix increased by 6.5%. Cost recovery programmes are progressing well in the region. Lipid systems grew strongly in tea / coffee applications and in the nutritional beverage sector. Overall beverage applications recorded excellent growth in particular in the QSR segment, despite a strong comparable first quarter in 2010. Meat systems also grew satisfactorily – driven by the QSR segment in particular through poultry applications in Australia and New Zealand. Sweet systems and functional ingredients saw good growth in the bakery sector. Performance in the lifestyle bakery products segment was boosted by the successful integration of the Van den Bergh's and Croissant King brands acquired prior to year-end 2010.

CONSUMER FOODS

The Group's consumer foods' business performed satisfactorily with good brand development in the UK market and a stable brand performance in the Irish market which continues to be driven by heavy market promotional activity. Overall divisional business volumes grew by 2.6% and pricing / mix increased by 3.2% in response to the significant inflation in raw material pricing. Richmond continues to perform well in the UK sausage sector whilst Wall's achieved good growth in the pastry sector and Mattessons continues to drive growth in meat snacking.

In customer branded market segments, Kerry Foods continued to achieve solid growth in the chilled ready meals sector. In the frozen meals category Headland Foods (acquired in January subject to Regulatory clearance) is performing in line with expectations.

FINANCIAL REVIEW

The Group's closing net debt position was €1,160m – a slight increase on the year-end position. This reflects an increase in working capital due to the impact of increased commodity prices on the carrying value of inventories and the higher level of receivables. Capital expenditure in 2011 is expected to be higher than in previous years as the Group continues its investment in its growth and efficiency programmes.

As outlined in the preliminary announcement in February, the Group has completed acquisitions to the value of €25.8m. The sale of Limerick Dairies was also completed during the period.

In April 2011 the Group completed a new 5 year €1bn revolving credit facility with an international syndicate of banks. The facility provides a line of committed debt until April 2016 thereby significantly extending the maturity profile of Group debt. It will be used to retire existing bank syndicate debt and for general corporate purposes.

DIRECTORATE CHANGES

Mr Michael J. Sullivan retires from the Board following the conclusion of today's Annual General Meeting.

Mr James Kenny joins the Board as non-executive Director with effect from 1 June 2011. Mr Kenny is currently Executive Vice President of the U.S. based Kenny Construction Company and is President of Kenny Management Services. He served as U.S. Ambassador to Ireland from 2003 until 2006.

FUTURE PROSPECTS

While the currency translation impact on the Q1 result was broadly neutral, at current rates the Group expects currency rates to have a negative impact on EBIT over the remainder of the year. Despite such exchange rates variances and the lag in cost recovery in some sectors, the Group expects to achieve its full year growth target of 210 to 218 cent in adjusted earnings per share, as previously guided.

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