PRESS ANNOUNCEMENT
19 November 2009

Kerry Group: Interim Management Statement

19 November 2009 - Kerry, the global ingredients & flavours and consumer foods group, issues the following Interim Management Statement for the ten months to 31 October 2009.

BUSINESS PERFORMANCE

The progress and momentum reported in the Interim Management Report for the half year was maintained in the four months ended 31 October 2009. Continuing business volumes on a Group-wide basis again showed a modest improvement and the trading profit margin reflects a 70 basis points improvement relative to the same ten month period of 2008 – driven by on-going efficiency programmes throughout the Group and Kerry Ingredients & Flavours' 'go-to-market' programme.

For the ten month period, continuing business volumes were 3% ahead in ingredients & flavours, back 0.8% in consumer foods and 1.5% ahead on a Group-wide basis. Overall reported revenues were 6% below the same period of 2008 due to the adverse impact of currency changes, lower pricing and elimination of non-core activities associated with business restructuring activities arising from the 'go-to-market' programme.

INGREDIENTS & FLAVOURS

Kerry's integrated approach to meeting customer requirements through its ingredients & flavours 'go-to-market' programme continues to achieve solid results and strong engagement from leading global food and beverage providers. Underlying volumes reflect 3% growth year-to-date. Pricing continued to be lower across all regions due to favourable raw material costs – in particular dairy, wheat and edible oils.

The *Americas* region continued to achieve excellent results through its customer and end-use-market focus, benefiting from its combined ingredients & flavours technology platforms and a strong innovation pipeline under commercial development at the new Kerry Center in Beloit (WI). Underlying volumes grew by 3%. Savoury & Dairy applications were well ahead despite the market related issues impacting the US meat sector. Cereal & Sweet had a mixed performance due to the slowdown in demand for premium offerings. In the Beverage sector Kerry made good progress particularly through taste modulation and natural flavour developments. Fermented ingredients recorded good growth and despite sectoral issues in the pharmaceutical sector Kerry made solid progress benefiting from its industry partnership agreements.

The *EMEA (Europe, Middle East and Africa)* region remained challenging due to the impact of economic conditions on food and beverage consumption trends, but year-to-date Kerry delivered underlying volume growth of 2.3%. Dairy systems suffered from the significant downturn in primary dairy markets. Volumes were flat in culinary applications due to the difficulties in the full-serve-restaurant sector but overall savoury applications held up well due to the buoyancy of the QSR segment. Cereal & Sweet applications were impacted by reduced demand for premium lines and the level of promotional activity in the market. Functional ingredients performed well throughout EMEA markets. While commodity dairy markets showed considerable improvement in recent weeks, demand conditions throughout the EU dairy production season were significantly below year earlier levels. Good progress was achieved in restructuring the Group's French based fruit preparations business in 2009 and the Dera Holding NV savoury flavourings business acquired during the period performed well.

In *Asia-Pacific* markets Kerry achieved underlying volume growth of 9.1%. As regional economic conditions improved during the period, demand improved across most food and beverage industry sectors. In the lipids technology segment good volume growth was achieved. Culinary applications made solid progress particularly in Indonesia. Demand for meat systems remained strong in Thailand and New Zealand but was weaker in Australia. Nutritional applications again grew in China and Da Vinci branded flavoured beverage products performed well throughout the region. Functional ingredients made good progress and the Esterol emulsifier business recorded satisfactory growth. Kerry Pinnacle again benefitted from growing demand for lifestyle bakery products for home consumption.

CONSUMER FOODS

As reported at the half year, the challenging economic environment – particularly in Ireland – coupled with the depreciation of the sterling/euro exchange rate, adversely impacted reported revenues in Kerry's consumer foods businesses. However the division continues to make good progress, despite the prevailing market conditions, with underlying business volumes back 0.8% relative to the same period of 2008 and solid margin improvement due to the division's efficiency programmes. In particular the performance of the division's UK business remains very encouraging – compensating for the reported revenue decline in Ireland arising from trading-down and lower pricing, coupled with the contraction of sales from Ireland to the UK market due to currency issues.

In the UK market Richmond again achieved good growth in the sausage sector, Wall's made solid progress in the pastry sector and Mattessons Fridge Raiders continued to grow in the meat snacks segment. In frozen ready meals Kerry's exports from Ireland were adversely impacted by the depreciation of sterling but Kerry's UK based chilled ready meals business performed well.

Overall cheese and spreads performed satisfactorily in the Irish and UK markets.

In Ireland good progress was made in integration of the Breeo Foods business acquired at the end of March 2009. Despite the prevailing consumer market issues, the acquired business has performed up to expectations. Market conditions in the Irish added-value meat products sector and the convenience sector remain competitive – as reported in the Interim Management Report.

FINANCIAL REVIEW

Cashflows remain strong and net debt at the end of the period at €1.2 billion was €160m below that reported at the half year – after allowing for continued investment in growth and strategic initiatives including the business realignment within Kerry Ingredients & Flavours. This realignment programme has achieved excellent operational results and is now well advanced in all regions. The expected full year expenditure on the Group's restructuring programme will amount to approximately €80m (net of tax).

The Group continues to benefit in the current period from lower interest charges and will also benefit from a lower effective taxation rate.

FUTURE PROSPECTS

The Group is confident of increasing earnings for the full year to the upper end of the range of 160 cent to 165 cent per share forecast at the start of the year (2008: 153.9 cent).

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