PRESS ANNOUNCEMENT
Tuesday 25 August 2009

Interim Management Report for the half year ended 30 June 2009

Kerry, the global ingredients & flavours and consumer foods group, reports interim results for the half year ended 30 June 2009.

Highlights

- Sales revenue of €2,269m
- Like-for-like revenue reduced by 3.2%
- Group trading margin up 60 basis points to 8%
- Ingredients & Flavours trading margin up 60 basis points to 8.7%
- Consumer Foods trading margin up 30 basis points to 6.7%
- Trading profit increased by 4% on a like-for-like basis to €180m
- Adjusted earnings per share* up 7% to 67.2 cent
- Free cash flow of €76m (H1 2008:€51m)
- Interim dividend per share up 11.6% to 7.7 cent

**before intangible asset amortisation and non-trading items*

Kerry Group Chief Executive Stan McCarthy commented; "Kerry technologies and brands performed well in the difficult economic environment throughout global markets in the first half of 2009. Good progress was made in aligning product development, innovation, marketing and promotional strategies to the changing marketplace. Our Group trading profit margin increased by 60 basis points, with ingredients & flavours contributing a 60 basis points improvement and consumer foods achieving a 30 basis points margin improvement in a highly competitive market. We expect to maintain the positive margin momentum in the second half of the year and to increase earnings for the full year to the upper end of the range of 160 to 165 cent per share forecast at the start of the year."

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INTERIM MANAGEMENT REPORT

for the half year ended 30 June 2009

In the difficult economic environment throughout global markets in the first half of 2009, Kerry's businesses – aided by the depth of the Group's food technology platforms, applications expertise and end-use-market focus – again proved resilient. Food and beverage consumption trends were impacted to varying degrees across all market categories as consumers became increasingly budget conscious in response to recessionary pressures. Trading in the first quarter was slow in all regions as consumers adjusted to the economic situation – with increased shopping in value channels, choosing value or promotional offerings while limiting out-of-home expenditure. Kerry technologies and brands performed well over the period aligning product development, innovation, marketing and promotional strategies to the changing marketplace. Demand for quick-serve-restaurant applications increased while sales through convenience and food-to-go channels were reduced. Sales revenue in the primary dairy sector was significantly reduced due to the downturn in international market demand. Against this background Kerry's ingredients & flavours and consumer foods businesses performed robustly. Assisted by on-going efficiency programmes and 'go-to-market' strategies, the Group trading profit margin reflects a 60 basis points improvement relative to the same period of 2008.

RESULTS

Sales revenue for the first six months of the year totalled €2,269m, a decrease of 3.2% on a like-for-like (LFL) basis versus the same period in 2008. Allowing for elimination of non-core activities associated with the Group's on-going 'go-to-market' business restructuring programme, improvements to product mix, lower pricing and the adverse impact of trading currency changes, overall continuing business volumes were 2.6% ahead in ingredients & flavours, back 1.5% in consumer foods and 1.3% ahead on a Group-wide basis.

Trading profit increased to €180m, reflecting a 4% (LFL) increase. The Group trading profit margin increased by 60 basis points to 8%, driven by the on-going focus on business efficiency and lean manufacturing programmes. Ingredients & flavours businesses delivered a 60 basis points increase in trading margin to 8.7% and margins in consumer foods advanced by 30 basis points to 6.7%.

Profit before tax and non-trading items increased by 5.2% to €136.8m. Profit after tax before intangible asset amortisation and non-trading items increased by 7.2% to €118m. Adjusted earnings per share increased by 7% to 67.2 cent. Basic earnings per share decreased from 60.1 cent to 53.5 cent. The interim dividend of 7.7 cent per share represents an increase of 11.6% over the 2008 interim dividend.

BUSINESS REVIEWS

INGREDIENTS & FLAVOURS

	2009	Like-for-like (LFL) Growth
Revenue	€1,656m	-1%
Trading profit	€144m	+4.5%

Total ingredients & flavours sales revenue was broadly flat on a reported basis at €1,656m. This represents a decline of 1% (LFL) and net volume growth of 1.7% (allowing for business restructuring volume loss of 1%) offset by 3% lower pricing due to favourable raw material costs. Primary dairy and wheat raw material costs were approximately 25% lower relative to H1 2008.

Despite the challenging economic situation throughout global markets and resultant shift in consumer demand, Kerry Ingredients & Flavours 'go-to-market' strategy achieved excellent results and customer satisfaction in delivery of integrated solutions for global and regional food and beverage companies and foodservice providers. Divisional trading profit grew by 4.5% (LFL) to €144m reflecting a 60 basis points improvement in trading profit margin to 8.7%.

Americas Region

The Americas region sustained a good business performance with revenue of €655m (-1.9% LFL). This reflects 2.8% lower pricing and 1% net volume growth after 2% business restructuring volume loss.

Aggregate consumer demand was weaker during the period. In North America 'store brand' applications grew at the expense of premium and mid-tier branded offerings and out-of-home consumption. However quick-serve-restaurant applications continued to enjoy good growth. Kerry's 'go-to-market' strategy continues to achieve excellent results in delivering customer-specific innovation requirements – leveraging the Group's entire ingredients & flavours technology portfolio. The recently commissioned US$50m Innovation and Technical Center in Beloit (WI) has already achieved high customer acclaim and will spearhead customer product commercialisation into the future. The Group's market development in Central America was considerably strengthened during the period through the acquisition of Prima S.A. – a Costa Rican based savoury ingredients & flavours business.

Savoury & Dairy systems and flavours technologies had a mixed performance across core end-use-markets. Demand for clean label again increased across all categories providing good opportunity for Kerry's systems & flavours. However meat processor added-value product development declined in North and South America in line with market contraction and build-up of inventories. Appetiser product development for retail and QSR grew compensating for a decline in the casual dining chain segment. Despite a slowdown in overall demand for prepared meals and soups, sauces and dressings, Kerry's culinary, wet/frozen sauce and savoury/dairy flavour technologies performed well in the period. The savoury snack market in North and South America saw significant NPD activity with development of 'better-for-you' lines and 'bold' fusion flavour offerings.

Cereal & Sweet technology segments saw a significant shift from premium lines to value menu offerings. Kerry continued to benefit from its No.1 technology positioning in the cold cereal and bar categories. Overall sales volumes in the ice-cream and frozen desserts categories were down relative to the same period of 2008 but growth in store branded offerings compensated for a decline in premium branded lines. In the bakery sector, growth in demand for 'healthy' variants continued to drive development of natural and gluten-free product offerings. Demand for Kerry's shelf-life extender technologies also increased. In the confectionery sector, while dollar sales grew, unit sales and volume were lower due to a decline in demand for premium lines due to recessionary pressures.

Beverage systems & flavours outperformed market growth rates by leveraging Kerry's unique competitive advantage as an integrated beverage solutions provider to key players in the market. The decline in coffee applications was offset by growth in nutritional, liquid tea and Kerry's branded offerings. The upgraded aseptic beverages facility in Savannah (GA) acquired in 2008 achieved strong growth through nutritional applications. In South American markets the Brazilian based Vittaflavour LTDA business has added significant flavour capability to Kerry's regional beverage business.

In the *Pharmaceutical* sector, the pace of industry consolidation contributed to a challenging market environment but Kerry's Sheffield branded lines continued to extend market share through strategic partnership agreements. The Group's continuing protein technology investment led to further gains in cell nutrition applications.

EMEA Region

Against the background of reduced consumer spending due to the recessionary pressures, market conditions in the EMEA region were challenging in the period but Kerry's ingredients & flavours businesses performed well with reported revenue of €557m (-1.3% LFL). This reflects 2.6% lower pricing and 0.8% net volume growth after business restructuring volume loss. In particular reported revenue was adversely impacted by the downturn in primary dairy markets and trading currency impact on fruit preparations.

Savoury & Dairy systems & flavours performed well in soups/sauce applications and in the savoury snack sector. In savoury flavours authenticity is key for consumers trying to recreate a restaurant dining experience at home, with stocks and bouillons gaining as a result of the growth in scratch cooking. Demand for healthier eating has also driven new all-natural product launches in the soups, sauces, dressings and condiments sector. Savoury systems were adversely impacted by the difficult trading conditions in the meat and fish sectors but made good progress in the quick-serve-restaurant segment. The Dera Holding NV savoury flavourings business acquired during the period is performing in line with expectations. Wet dairy ingredient systems suffered considerable negative price pressure due to the significant reduction in dairy pricing.

Cereal & Sweet technology segments were impacted by reduced demand for premium cereal, ice-cream and indulgence lines. Ready-to-eat cereals grew across standard product lines and store brand offerings. The confectionery industry saw a significant volume reduction in a highly competitive marketplace. The ice-cream season was slow to pick-up momentum but by the end of the period was in line with prior year weekly sales. With increased focus on 'weight management' and health/wellness issues in sweet applications, Kerry's sweet modulation and natural flavour technologies continue to make good progress. The restructuring of the Group's French based fruit preparations business will be completed in H2 2009.

Kerry's ***Beverage*** systems & flavours performed well on an overall regional basis but performance across individual market categories varied. The carbonates category saw rejuvenated interest whilst significant down trading took place in smoothies. Flavoured & functional waters, sports & energy drinks achieved good growth providing good opportunity for Kerry's natural flavours. Growth in the alcohol sector was negatively impacted by the downturn in regional economies in particular in Eastern Europe.

Functional ingredients had a difficult start to the year due to industry de-stocking in response to the changing marketplace. Kerry benefited from a re-organisation of its emulsifiers business serving EMEA markets. The slowdown in Central and Eastern European brewing markets impacted enzyme applications but enzymes grew satisfactorily across bakery markets.

Primary dairy ingredients markets weakened significantly during the period in line with deteriorating demand conditions throughout international markets and a build up in inventories in all exporting countries.

Asia-Pacific Region

Kerry's Asia-Pacific ingredients & flavours businesses delivered solid market growth, despite a slow start to the year. Revenue increased to €202m (+8% LFL). This reflects 10% volume growth in the region and 2% lower pricing.

Savoury & Dairy systems & flavours recorded continued strong growth in Asia, with the PT Armita business acquired in 2008 delivering a good performance particularly in the Indonesian snack market. Meat systems performed well in New Zealand and Thailand but volumes were flat in Australia. Lipid systems were impacted by falling commodity prices but continued to grow satisfactorily in China in the blended beverage and nutritional sectors. Kerry also continued to achieve good growth through infant nutrition applications in China.

Beverage applications achieved strong growth in Australia, Japan and Korea. Da Vinci branded flavoured beverage products continued to achieve excellent market growth throughout Asia-Pacific markets.

In ***Functional*** ingredients Kerry achieved good growth in emulsifiers but saw a reduction in volume and pricing of carrageenan. Emulsifier production capacity and product range was significantly expanded following the investment programme at the Esterol facility in 2008.

In the lifestyle bakery sector Kerry Pinnacle continued to outperform market growth rates, with a continued strong performance in Australia and good market development in Thailand.

CONSUMER FOODS

	2009	Like-for-like (LFL) Growth
Revenue	€857m	-7.7%
Trading profit	€57m	Unchanged

The challenging economic environment in Ireland and the UK impacted all consumer food categories during the first half of 2009. Consumption trends changed significantly as shoppers traded down to more value offerings and responded to the increased level of promotional activity. Sales in the UK market held up well. Total fresh & chilled food categories in the ROI declined while ambient grocery sales increased. The depreciation of the sterling/euro exchange rate led to considerable contraction of sales from Ireland to the UK market and restructuring of affected processing operations. Kerry Foods reported sales of €857m (-7.7% LFL) for the period. This reflects a volume decline of 1.5% in continuing business, a 1.6% volume reduction due to the aforementioned business restructuring, 2.7% lower pricing and an adverse 1.9% trading currency impact. Divisional trading profit at €57m was unchanged relative to the first half of 2008 on a like-for-like basis. This represents a 30 basis points improvement in trading profit margin to 6.7% due to supply chain and business efficiency programmes - including the lean manufacturing programme.

While chilled category growth in the UK market slowed in line with the deteriorating economic situation, nevertheless Kerry's UK brands performed very well. The chilled sausage category proved very resilient, growing in volume and value terms. Richmond and Walls' outperformed market growth rates with double digit value growth. In the frozen sausage segment Richmond also surpassed industry growth rates. The launch of a Walls' range in the savoury pastry market has enjoyed encouraging consumer acceptance and the Spalding (UK) based G.Adams Pastry business acquired at the start of the year performed well. Mattessons Fridge Raiders continued to drive growth in the meat snacks sector - achieving double digit volume and value growth.

The overall chilled ready meals category grew modestly year-on-year but Kerry Foods offering grew by 6% driven by increased demand for premium 'restaurant quality' Indian meals and the success of 'Innocent' branded Vegetable Pots from the Burton plant. While the UK frozen ready meals category showed some growth, Kerry's exports from Ireland declined significantly due to the depreciation of sterling and a strategic decision to minimise promotional activity. The operating cost base at the

Carrickmacross site was reduced in line with business contraction to maintain business margins. In the UK chilled convenience sector, Kerry Foods Direct to Store profitability was reduced due to channel consolidation and the decline of the independent retail sector. In the UK private label spreads sector, while Kerry Foods' volumes were reduced, profitability was maintained. Cheestrings maintained its growth momentum in the children's cheese snack sector and Ficello continued to make progress in France and Holland. The Low Low brand was successfully introduced to the growing UK low-fat cheese segment. Kerry also continued to achieve solid growth in the QSR cheese sector.

The chilled food sector in Ireland saw a significant increase in promotional activity relative to 2008 - with market gains by private label brands and discounters at the expense of major brands and the independent retail sector. Export oriented value-added Irish food processors have also foregone substantial sales volumes to the UK market due to the depreciation of sterling.

Kerry completed the acquisition of Breeo Foods from Reox Holdings plc at the end of March 2009 for a consideration of €140m. Good progress has been made in integration of the Breeo business across Kerry Foods' operational areas and the acquired business has performed up to expectations.

In the meat products sector Kerry's Denny and Galtee brands lost market share to private label and discounter offerings. In the Irish cheese market Kerry's Charleville and Low Low brands again increased market share in the branded segment of the market. In the spreads sector Kerry's brands saw some value growth in a flat overall market.

The convenience channel in Ireland lost some 20% market share due to the economic downturn which adversely impacted sales of Freshways sandwiches and food-to-go products. Mineral water sales were also reduced. However Dawn branded chilled juices grew satisfactorily.

Kerry Foods has responded to the competitive industry landscape by repositioning its brands and aligning product offerings to the changing consumer environment. The division's manufacturing base has also been significantly restructured with the closure of the Portadown and Glenealy plants and the streamlining of the Carrickmacross and Shillelagh production facilities.

FINANCIAL REVIEW

The Group delivered free cash flow of €76m (H1 2008: €51m) having spent €50m on fixed assets, €28m on seasonally adjusted working capital, €17m on net pension plan payments, €42m on finance costs and €17m on tax.

Expenditure on Group acquisitions amounted to €245m. Net debt at the end of the period amounted to €1,392m (H1 2008:€1,234m). Net debt to EBITDA increased slightly to 2.6 times (H1 2008:2.5 times). Finance costs were €37m compared to €39m in the same period of 2008, with EBITDA to net interest covered 7 times (H1 2008:6.3 times).

The deposit of €20m paid in 2008 in relation to the Breeo Foods transaction has been credited against non-trading items in the period. Net costs incurred in connection with the Group's Ingredients & Flavours 'go-to-market' programme amounted to €19m. Business realignment associated with this programme is nearing completion in the Americas Region and is well underway in the EMEA and Asia-Pacific regions. Costs associated with integration of Breeo Foods and Kerry Foods plant restructuring amounted to €21m. Total non-trading items (net of tax) in the period result in a positive net cash impact of €14.9m after crediting back the Breeo Foods deposit.

There were no changes in related party transactions from the 2008 Annual Report that could have a material effect on the financial position or performance of the Group for the first half of the year.

PRINCIPAL RISKS & UNCERTAINTIES

Details of the principal risks and uncertainties facing the Group can be found in the 2008 Annual Report. These risks, but in particular fluctuating raw material costs and volatile currencies, remain the most likely to affect the Group in the second half of the year. The Group actively manages these and all other risks through its control and risk management processes.

DIVIDEND

The Board has declared an interim dividend of 7.7 cent per share, an increase of 11.6% on the 2008 interim dividend of 6.9 cent per share. The interim dividend will be paid on 20 November 2009 to shareholders registered on the record date 23 October 2009.

FUTURE PROSPECTS

Building on the Group's resilient performance in what was a challenging food industry environment in the period and benefiting from business investments in recent years and on-going efficiency programmes, we expect to maintain the positive margin momentum in the second half of the year. Our ingredients & flavours 'go-to-market' programme has achieved an excellent customer response and will deliver sustainable growth in the years ahead. In the Group's consumer foods categories, repositioning and continued investment in Kerry Foods' leading brands will ensure business growth on a divisional basis going forward.

We expect earnings for the full year to increase to the upper end of the range of 160 to 165 cent per share forecast at the start of the year.

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (S.I. No. 277 of 2007) ("the Regulations"), the 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 Consolidated Interim Financial Statements for the half year ended 30 June 2009 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under regulations 4, 5, 6, 7 and 8 of the Regulations and Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

- the Interim Management 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 Consolidated Interim Financial Statements for the half year ended 30 June 2009, and a description of the principal risks and uncertainties for the remaining six months;

- the Interim Management Report includes a fair review of the related party transactions that have occurred during the first six months of the current financial year and 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 performance of the Group in the first six months of the current financial year.

On behalf of the board

Stan McCarthy	Brian Mehigan
Chief Executive	**Chief Financial Officer**

24 August 2009

Condensed Consolidated Income Statement
for the half year ended 30 June 2009

	Notes	**Before Non-Trading Items Half year ended 30 June 2009 Unaudited €'000**	**Non-Trading Items Half year ended 30 June 2009 Unaudited €'000**	**Total Half year ended 30 June 2009 Unaudited €'000**	Half year ended 30 June 2008 Unaudited €'000	Year ended 31 Dec. 2008 Audited €'000
Revenue	1	**2,268,702**	**-**	**2,268,702**	2,363,132	4,790,770
Trading profit	1	**180,498**	**-**	**180,498**	175,491	409,234
Intangible asset amortisation		**(6,850)**	**-**	**(6,850)**	(6,878)	(14,891)
Non-trading items	3	**-**	**(21,391)**	**(21,391)**	2,831	(76,311)
Operating profit		**173,648**	**(21,391)**	**152,257**	171,444	318,032
Finance costs		**(36,820)**	**-**	**(36,820)**	(38,612)	(77,677)
Profit before taxation		**136,828**	**(21,391)**	**115,437**	132,832	240,355
Income taxes		**(26,047)**	**4,290**	**(21,757)**	(27,825)	(63,380)
Profit after taxation and attributable to equity shareholders		**110,781**	**(17,101)**	**93,680**	105,007	176,975
Earnings per A ordinary share (cent)						
- basic	2			**53.5**	60.1	101.3
- diluted	2			**53.5**	60.0	101.1

Condensed Consolidated Statement of Recognised Income and Expense

for the half year ended 30 June 2009

	Notes	**Half year ended 30 June 2009 Unaudited €'000**	Half year ended 30 June 2008 Unaudited €'000	Year ended 31 Dec. 2008 Audited €'000
Profit for the period after taxation		**93,680**	105,007	176,975
Fair value movements on available-for-sale investments		**(6,162)**	-	(419)
Fair value movements on cash flow hedges		**(3,178)**	28,730	20,966
Exchange differences on translation of foreign operations		**55,575**	(46,425)	(140,038)
Actuarial losses on defined benefit post-retirement schemes		**(80,285)**	(71,943)	(118,113)
Deferred tax on items taken directly to reserves	5	**23,258**	13,329	22,616
Net expense recognised directly in equity		**(10,792)**	(76,309)	(214,988)
Transfers				
Cash flow hedges to profit or loss from equity		**(8,165)**	(9,333)	(10,622)
Total recognised income and expense for the period attributable to equity shareholders		**74,723**	19,365	(48,635)

Condensed Consolidated Balance Sheet
as at 30 June 2009

	30 June 2009 Unaudited €'000	30 June 2008 Unaudited €'000	31 Dec. 2008 Audited €'000
Non-current assets			
Property, plant and equipment	**1,022,398**	960,861	985,970
Intangible assets	**1,832,227**	1,629,329	1,569,502
Financial asset investments	**12,323**	18,905	18,486
Deferred tax assets	**23,628**	3,978	22,962
	2,890,576	2,613,073	2,596,920
Current assets			
Inventories	**496,244**	576,117	512,788
Trade and other receivables	**670,148**	660,297	557,022
Cash and cash equivalents	**178,787**	132,953	195,818
Other financial assets	**720**	4,044	14,688
Assets classified as held for sale	**-**	1,601	-
	1,345,899	1,375,012	1,280,316
Total assets	**4,236,475**	3,988,085	3,877,236
Current liabilities			
Trade and other payables	**930,286**	931,322	909,834
Borrowings and overdrafts	**185,893**	73,445	36,211
Current financial liabilities	**5,740**	514	742
Tax liabilities	**37,381**	55,861	39,290
Provisions for liabilities and charges	**11,380**	-	9,865
Deferred income	**2,630**	2,427	2,163
	1,173,310	1,063,569	998,105
Non-current liabilities			
Borrowings	**1,355,265**	1,281,426	1,293,258
Non-current financial liabilities	**27,812**	15,476	31,509
Retirement benefits obligation	**224,787**	158,699	155,046
Other non-current liabilities	**48,141**	93,758	54,877
Deferred tax liabilities	**160,741**	132,478	147,793
Provisions for liabilities and charges	**38,957**	-	37,043
Deferred income	**14,405**	16,672	15,910
	1,870,108	1,698,509	1,735,436
Total liabilities	**3,043,418**	2,762,078	2,733,541
Net assets	**1,193,057**	1,226,007	1,143,695
Capital and reserves			
Share capital	**21,871**	21,839	21,845
Share premium account	**393,825**	391,590	392,184
Other reserves	**(177,210)**	(109,660)	(215,565)
Retained earnings - cancelled shares	**(280,292)**	(280,292)	(280,292)
- retained earnings	**1,234,863**	1,202,530	1,225,523
Shareholders' equity	**1,193,057**	1,226,007	1,143,695

Condensed Consolidated Reconciliation of Movements in Shareholders' Equity

for the half year ended 30 June 2009

	Notes	Share Capital €'000	Share Premium €'000	Other Reserves €'000	Retained Earnings €'000	Total €'000
At 1 January 2008		21,836	391,316	(83,961)	900,096	1,229,287
Profit for the period after taxation		-	-	-	105,007	105,007
Actuarial losses on defined benefit post-retirement schemes		-	-	-	(71,943)	(71,943)
Deferred tax on items taken directly to reserves	5	-	-	-	13,329	13,329
Movements in other reserves recognised in income and expense for the period		-	-	(27,028)	-	(27,028)
Total recognised income and expense for the period		-	-	(27,028)	46,393	19,365
Dividends paid	4	-	-	-	(24,251)	(24,251)
Long term incentive plan expense		-	-	1,329	-	1,329
Shares issued during the period		3	274	-	-	277
At 30 June 2008 - unaudited		21,839	391,590	(109,660)	922,238	1,226,007
Profit for the period after taxation		-	-	-	71,968	71,968
Actuarial losses on defined benefit post-retirement schemes		-	-	-	(46,170)	(46,170)
Deferred tax on items taken directly to reserves	5	-	-	-	9,287	9,287
Movements in other reserves recognised in income and expense for the period		-	-	(103,085)	-	(103,085)
Total recognised income and expense for the period		-	-	(103,085)	35,085	(68,000)
Dividends paid	4	-	-	-	(12,092)	(12,092)
Long term incentive plan credit		-	-	(2,820)	-	(2,820)
Shares issued during the period		6	594	-	-	600
At 31 December 2008 - audited		21,845	392,184	(215,565)	945,231	1,143,695
Profit for the period after taxation		**-**	**-**	**-**	**93,680**	**93,680**
Actuarial losses on defined benefit post-retirement schemes		**-**	**-**	**-**	**(80,285)**	**(80,285)**
Deferred tax on items taken directly to reserves	5	**-**	**-**	**-**	**23,258**	**23,258**
Movements in other reserves recognised in income and expense for the period		**-**	**-**	**38,070**	**-**	**38,070**
Total recognised income and expense for the period		**-**	**-**	**38,070**	**36,653**	**74,723**
Dividends paid	4	**-**	**-**	**-**	**(27,313)**	**(27,313)**
Long term incentive plan expense		**-**	**-**	**285**	**-**	**285**
Shares issued during the period	2	**26**	**1,641**	**-**	**-**	**1,667**
At 30 June 2009 - unaudited		**21,871**	**393,825**	**(177,210)**	**954,571**	**1,193,057**

Other Reserves comprise the following:

	Capital Redemption Reserve €'000	Capital Conversion Reserve Fund €'000	Long Term Incentive Plan Reserve €'000	Available-for-sale Investment Reserve €'000	Translation Reserve €'000	Hedging Reserve €'000	Total €'000
At 1 January 2008	1,705	340	2,915	-	(57,578)	(31,343)	(83,961)
Fair value movements on cash flow hedges	-	-	-	-	-	28,730	28,730
Exchange differences on translation of foreign operations	-	-	-	-	(46,425)	-	(46,425)
Cash flow hedges to profit or loss from equity	-	-	-	-	-	(9,333)	(9,333)
Movements in other reserves recognised in income and expense for the period	-	-	-	-	(46,425)	19,397	(27,028)
Long term incentive plan expense	-	-	1,329	-	-	-	1,329
At 30 June 2008 - unaudited	1,705	340	4,244	-	(104,003)	(11,946)	(109,660)
Fair value movements on available-for-sale investments	-	-	-	(419)	-	-	(419)
Fair value movements on cash flow hedges	-	-	-	-	-	(7,764)	(7,764)
Exchange differences on translation of foreign operations	-	-	-	-	(93,613)	-	(93,613)
Cash flow hedges to profit or loss from equity	-	-	-	-	-	(1,289)	(1,289)
Movements in other reserves recognised in income and expense for the period	-	-	-	(419)	(93,613)	(9,053)	(103,085)
Long term incentive plan credit	-	-	(2,820)	-	-	-	(2,820)
At 31 December 2008 - audited	1,705	340	1,424	(419)	(197,616)	(20,999)	(215,565)
Fair value movements on available-for-sale investments	**-**	**-**	**-**	**(6,162)**	**-**	**-**	**(6,162)**
Fair value movements on cash flow hedges	**-**	**-**	**-**	**-**	**-**	**(3,178)**	**(3,178)**
Exchange differences on translation of foreign operations	**-**	**-**	**-**	**-**	**55,575**	**-**	**55,575**
Cash flow hedges to profit or loss from equity	**-**	**-**	**-**	**-**	**-**	**(8,165)**	**(8,165)**
Movements in other reserves recognised in income and expense for the period	**-**	**-**	**-**	**(6,162)**	**55,575**	**(11,343)**	**38,070**
Long term incentive plan expense	**-**	**-**	**285**	**-**	**-**	**-**	**285**
At 30 June 2009 - unaudited	**1,705**	**340**	**1,709**	**(6,581)**	**(142,041)**	**(32,342)**	**(177,210)**

Condensed Consolidated Cash Flow Statement

for the half year ended 30 June 2009

	Notes	**Half year ended 30 June 2009 Unaudited €'000**	Half year ended 30 June 2008 Unaudited €'000	Year ended 31 Dec. 2008 Audited €'000
Operating activities				
Trading profit		**180,498**	175,491	409,234
Adjustments for:				
Depreciation (net)		**50,423**	48,583	94,024
Change in working capital		**(27,790)**	(43,872)	18,762
Payment into pension plans (net)		**(17,015)**	(16,447)	(34,483)
Exchange translation adjustment		**418**	(959)	(5,106)
Cash generated from operations		**186,534**	162,796	482,431
Income taxes paid		**(17,388)**	(14,201)	(41,986)
Interest received		**521**	2,139	3,670
Finance costs paid		**(42,904)**	(38,877)	(77,032)
Net cash from operating activities		**126,763**	111,857	367,083
Investing activities				
Purchase of non-current assets		**(62,751)**	(63,102)	(159,591)
Proceeds from the sale of non-current assets		**12,196**	1,530	13,516
Capital grants received		**93**	244	845
Purchase of subsidiary undertakings	7	**(243,259)**	(58,714)	(62,120)
Proceeds from disposal of businesses (net of related tax)		**-**	3,882	44,857
Payment of deferred consideration on acquisition of subsidiaries		**(13,542)**	(1,268)	(1,672)
Expenditure on restructuring and other costs		**(1,542)**	-	(87,249)
Consideration adjustment on previous acquisitions		**(6)**	(14)	(185)
Net cash used in investing activities		**(308,811)**	(117,442)	(251,599)
Financing activities				
Dividends paid	4	**(27,313)**	(24,251)	(36,343)
Issue of share capital	2	**1,667**	277	877
Net movement on bank borrowings		**179,615**	28,797	(59,558)
Increase/(decrease) in bank overdrafts		**1,776**	(48,409)	3,225
Net cash used in financing activities		**155,745**	(43,586)	(91,799)
Net (decrease)/increase in cash and cash equivalents		**(26,303)**	(49,171)	23,685
Cash and cash equivalents at beginning of period		195,818	185,669	185,669
Exchange translation adjustment on cash and cash equivalents		**9,272**	(3,545)	(13,536)
Cash and cash equivalents at end of period	8	**178,787**	132,953	195,818

Reconciliation of Net Cash Flow to Movement in Net Debt

Net (decrease)/increase in cash and cash equivalents		**(26,303)**	(49,171)	23,685
Cash (inflow)/outflow from debt financing		**(181,391)**	19,612	56,333
Changes in net debt resulting from cash flows		**(207,694)**	(29,559)	80,018
Fair value movement on interest rate swaps		**425**	23,224	5,162
Exchange translation adjustment on net debt		**(21,026)**	51,147	30,296
Movement in net debt in the period		**(228,295)**	44,812	115,476
Net debt at the beginning of period		(1,163,503)	(1,278,979)	(1,278,979)
Net debt at the end of period	8	**(1,391,798)**	(1,234,167)	(1,163,503)

Notes to the Condensed Consolidated Interim Financial Statements
for the half year ended 30 June 2009

1. Analysis of results

The Group has two business segments: Ingredients & Flavours and Consumer Foods. The Ingredients & Flavours business segment manufactures and distributes savoury & dairy, cereal & sweet, beverage and functional ingredient technologies into the global food and beverage markets while the Consumer Foods segment supplies added value brands and customer branded foods to the Irish and UK markets.

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. The Business Segments reported have not changed as a result of the adoption of this standard. There has however been some minor changes to the basis of measurement of segment performance, (principally intersegment trading) which has necessitated some immaterial changes to prior year numbers.

Business segment reporting

	Half year ended 30 June 2009 Unaudited			
	Ingredients & Flavours €'000	**Consumer Foods €'000**	**Group Eliminations & Unallocated €'000**	**Total €'000**
Revenue	**1,656,358**	**857,015**	**(244,671)**	**2,268,702**
Trading profit	**143,953**	**57,410**	**(20,865)**	**180,498**
Intangible asset amortisation				**(6,850)**
Non-trading items				**(21,391)**
Operating profit				**152,257**
Finance costs				**(36,820)**
Profit before taxation				**115,437**
Income taxes				**(21,757)**
Profit after taxation and attributable to equity shareholders				**93,680**
Segment assets	**2,610,808**	**1,039,682**	**585,985**	**4,236,475**

	Half year ended 30 June 2008 - represented Unaudited			
	Ingredients & Flavours €'000	Consumer Foods €'000	Group Eliminations & Unallocated €'000	Total €'000
Revenue	1,666,256	956,086	(259,210)	2,363,132
Trading profit	135,407	61,251	(21,167)	175,491
Intangible asset amortisation				(6,878)
Non-trading items				2,831
Operating profit				171,444
Finance costs				(38,612)
Profit before taxation				132,832
Income taxes				(27,825)
Profit after taxation and attributable to equity shareholders				105,007
Segment assets	2,551,937	941,186	494,962	3,988,085

Revenue by location of customers

	Half year ended 30 June 2009 Unaudited €'000	**Half year ended 30 June 2008 - represented Unaudited €'000**
EMEA*	**1,410,776**	1,527,810
Americas	**655,444**	643,433
Asia Pacific	**202,482**	191,889
	2,268,702	2,363,132

Revenue by location of customers for 2008 has been represented to reflect the transition from Europe to EMEA as a sales region. EMEA* includes Europe, the Middle East & Africa.

2. Earnings per A ordinary share

		Half year ended 30 June 2009 Unaudited		Half year ended 30 June 2008 Unaudited		Year ended 31 Dec. 2008 Audited	
	Notes	**EPS cent**	**€'000**	EPS cent	€'000	EPS cent	€'000
Basic earnings per share							
Profit after taxation and attributable to equity shareholders		**53.5**	**93,680**	60.1	105,007	101.3	176,975
Intangible asset amortisation		**3.9**	**6,850**	3.9	6,878	8.5	14,891
Non-trading items (net of related tax)	3	**9.8**	**17,101**	(1.2)	(2,106)	44.1	76,996
Adjusted earnings*		**67.2**	**117,631**	62.8	109,779	153.9	268,862
Diluted earnings per share							
Profit after taxation and attributable to equity shareholders		**53.5**	**93,680**	60.0	105,007	101.1	176,975
Adjusted earnings*		**67.2**	**117,631**	62.7	109,779	153.6	268,862

* In addition to the basic and diluted earnings per share, an adjusted earnings per share is also provided as it is considered more reflective of the Group's underlying trading performance. Adjusted earnings is profit after taxation before intangible asset amortisation and non-trading items (net of related tax).

	Number of Shares 30 June 2009 000's Unaudited	Number of Shares 30 June 2008 000's Unaudited	Number of Shares 31 Dec. 2008 000's Audited
Basic weighted average number of shares	**174,930**	174,704	174,714
Impact of executive share options outstanding	**125**	322	301
Diluted weighted average number of shares	**175,055**	175,026	175,015
Actual number of shares in issue	**174,967**	174,712	174,762

Shares issued during the period

During the period ended 30 June 2009, **200,000** A ordinary shares, each with a nominal value of 12.50 cent, were issued at €8.00 per share to executives in the Group under the executive share option scheme. Also, **5,000** A ordinary shares, each with a nominal value of 12.50 cent, were issued at €13.42 per share to executives in the Group under the executive share option scheme.

The total number of shares in issue at 30 June 2009 was **174,966,685** (30 June 2008: 174,712,235; 31 December 2008: 174,761,685).

3. Non-trading items

	Gross (Cost) /Income €'000	Tax €'000	Net (Cost) /Income €'000
Kerry Ingredients & Flavours plant closures and rationalisation	**(21,557)**	**2,061**	**(19,496)**
Breeo Foods integration and Consumer Foods plant restructuring programme	**(22,717)**	**2,114**	**(20,603)**
Loss on disposal of non-current assets	**(270)**	**115**	**(155)**
Reversal of incomplete acquisition costs	**23,153**	**-**	**23,153**
30 June 2009 Total non-trading items - unaudited	**(21,391)**	**4,290**	**(17,101)**
30 June 2008 Total non-trading items - unaudited	2,831	(725)	2,106
31 December 2008 Total non-trading items - audited	(76,311)	(685)	(76,996)

Material restructuring costs
In 2009, material restructuring costs relate to:

(i) The investment programme aimed at capturing costs and operational synergies associated with the Kerry Ingredients & Flavours site closures and rationalisation of manufacturing facilities (5 sites).
(ii) The Breeo Foods integration and Consumer Foods plant restructuring programme which resulted in plant closures and significant streamlining of operations (5 sites).

Redundancies and contract compensation of **€19,291,000** and impairment of assets of **€19,601,000** for 2009 are included in the above.

Loss on disposal of non-current assets
The loss on disposal of non-current assets relates to the sale of properties, plant and equipment mainly in Ireland and the USA.

Incomplete acquisition
In 2008, the deposit and pre-acquisition costs relating to the Breeo Foods acquisition were charged to non-trading items as the High Court decision in relation to the Group's appeal to annul the Determination of the Competition Authority of Ireland to prohibit the Group's proposed acquisition of Breeo Foods was outstanding at that stage. In the current period, a judgement in Kerry Group's favour allowed the acquisition to proceed, therefore these costs have been reversed.

On 8 April 2009, the Competition Authority of Ireland served Notice of Appeal against the judgement of the High Court in relation to this matter. Kerry is determined to defend its position and will resist this appeal in the Supreme Court.

30 June 2008 Non-trading items
In the period to 30 June 2008, the profits related to the disposal of a non-core animal feed business in Ireland and the disposal of property, plant and equipment.

31 December 2008 Non-trading items
The 2008 costs related to the rationalisation of Kerry Ingredients & Flavours manufacturing facilities, Consumer Foods plant restructuring programme and incomplete acquisition costs in relation to Breeo Foods. 2008 profits related to the disposal of the Fragrance business in the USA, a non-core animal feed business in Ireland and property, plant and equipment. Finally the tax charge also included a non-cash deferred tax charge as a result of the withdrawal of UK Industrial Buildings Allowances.

Cash impact
The non-trading items resulted in a positive net cash impact (after related tax) of **€14,944,000** (30 June 2008: positive net cash impact of €4,687,000; 31 December 2008: negative net cash impact of €3,070,000). The 2009 cash impact includes the reversal of incomplete acquisition costs of €23,153,000.

4. Dividends

	Half year ended 30 June 2009 Unaudited €'000	Half year ended 30 June 2008 Unaudited €'000	Year ended 31 Dec. 2008 Audited €'000
Amounts recognised as distributions to equity shareholders in the period			
Final 2008 dividend of **15.60 cent** per A ordinary share paid 22 May 2009 (Final 2007 dividend: 13.90 cent per A ordinary share paid 23 May 2008)	**27,313**	24,251	24,251
Interim 2009 dividend of 7.70 cent per A ordinary share payable 20 November 2009 (Interim 2008 dividend: 6.90 cent per A ordinary share paid 21 November 2008)	**-**	-	12,092
	27,313	24,251	36,343

Since the end of the period, the Board has declared an interim dividend of 7.70 cent per A ordinary share. The payment date for the interim dividend will be 20 November 2009 to shareholders registered on the record date 23 October 2009. These condensed consolidated interim financial statements do not reflect this dividend payable.

5. Disclosure of tax effects relating to items taken directly to reserves

	Half year ended 30 June 2009 Unaudited €'000	Half year ended 30 June 2008 Unaudited €'000	Year ended 31 Dec. 2008 Audited €'000
Deferred tax impact due to:			
Fair value movements on cash flow hedges	**1,418**	-	(1,211)
Actuarial losses on defined benefit post-retirement schemes	**21,840**	13,329	23,827
Deferred tax on items taken directly to reserves	**23,258**	13,329	22,616

6. Retirement benefits obligations

The Group's net recognised defined benefit pension schemes' deficit (net of related deferred tax) at 30 June 2009 was **€165,745,000** (30 June 2008: €116,016,000; 31 December 2008: €115,594,000).

The Group's defined benefit pension schemes' assets are measured at market value at 30 June 2009. The defined benefit pension schemes' liabilities at 30 June 2009 have been updated to reflect material movements in underlying assumptions from the 31 December 2008 position.

The increase in the net deficit during the half year to 30 June 2009 was principally due to actuarial losses (net of related deferred tax) of **€58,445,000**. Partially offsetting the actuarial losses are the Group's continuing contributions towards any past service funding deficits in its schemes.

The actuarial losses, which are included in the Condensed Consolidated Statement of Recognised Income and Expense for the half year ended 30 June 2009, primarily relate to changes in assumptions underlying the present value of the schemes' liabilities. The changes in assumptions mainly arise in the UK as a result of an increase in long term inflation expectations and a decrease in the discount rate. Also included in the actuarial losses is the shortfall of actual versus expected return on pension schemes' assets.

7. Business combinations

During the period, the Group completed six acquisitions, all of which were 100% acquired. Total consideration for acquisitions amounted to **€244,891,000** analysed as follows:

	Acquiree's Carrying Amount Before Combination 30 June 2009 Unaudited €'000	Fair Value Adjustment: Revaluations 30 June 2009 Unaudited €'000	Fair Value Adjustment: Alignment of Accounting Policies 30 June 2009 Unaudited €'000	Fair Value 30 June 2009 Unaudited €'000
Net assets acquired:				
Non-current assets				
Property, plant and equipment	34,207	-	-	**34,207**
Brand related intangibles	5,003	105,843	-	**110,846**
Current assets				
Inventories	20,304	-	(59)	**20,245**
Trade and other receivables	42,941	-	(15)	**42,926**
Current liabilities				
Trade and other payables	(38,061)	-	(165)	**(38,226)**
Non-current liabilities				
Deferred tax liabilities	-	(25,125)	-	**(25,125)**
Other non-current liabilities	(331)	-	-	**(331)**
	64,063	80,718	(239)	**144,542**
Goodwill	180,828	(80,718)	239	**100,349**
Total consideration	244,891	-	-	**244,891**
Purchase consideration:				
Cash	239,369	-	-	**239,369**
Deferred payments	1,632	-	-	**1,632**
Acquisition expenses	3,890	-	-	**3,890**
	244,891	-	-	**244,891**

The acquisition method of accounting has been used to consolidate the businesses acquired in the Group's financial statements. Since the valuation of the fair value of assets and liabilities recently acquired is still in progress, the above values are determined provisionally. Historically adjustments to prior year fair values have not been material. The cash discharged figure above includes **€329,000** of net cash taken over at the date of acquisition.

The goodwill is attributable to the expected profitability, revenue growth, future market development and assembled workforce of the acquired businesses and the synergies expected to arise within the Group after the acquisition.

The principal acquisitions completed during the period ended 30 June 2009 are summarised as follows:

The acquisition of Breeo Foods from Reox Holdings plc was completed in March 2009 following the High Courts' decision to annul the Determination of the Competition Authority of Ireland to prohibit the Group's proposed acquisition of Breeo Foods. The acquired business includes a portfolio of leading added-value dairy and meat product brands which are household names in Ireland, including Dairygold, Galtee, Shaws and Roscrea.

In March 2009, the Group acquired Dera Holding NV. Dera is a savoury ingredients business serving meat, convenience foods and snack markets in Europe. The business, headquartered in Bornem, Belgium, has manufacturing facilities in Belgium, the UK and the Czech Republic and also has sales offices in Russia, Ukraine, Turkey and France with a growing presence in Middle Eastern markets.

In February 2009, the Group acquired the business and assets of George Adams Pastry business. Based in Spalding, UK, the acquired business manufactures pastry products for large retailers.

In January 2009, the Group acquired Prima S.A. Located in San Jose, Costa Rica, Prima is a leading supplier of meat and culinary ingredients in Central America.

During the period, the Group also completed other smaller acquisitions in Australia and the USA.

The acquisitions in 2009 contributed approximately **€75,000,000** to revenue between the date of acquisition and the balance sheet date. If these acquisitions had been completed on 1 January 2009, total Group revenue for the half year would approximate to €2,319,000,000. Due to the rapid integration of the acquired businesses into the Group's current structure, involving all aspects of business activities such as manufacturing, commercial, finance and IT, separate disclosures of the acquisitions' profit or loss is impracticable.

8. Financial instruments

The different categories of net financial liabilities are as follows:

	Half year ended 30 June 2009 Unaudited	Half year ended 30 June 2008 Unaudited	Year ended 31 Dec. 2008 Audited
Analysis of total net debt by category			
Cash and cash equivalents	**(178,787)**	(132,953)	(195,818)
Bank overdrafts & loans	**1,026,292**	885,871	815,710
Senior notes	**514,866**	469,000	513,759
Interest rate swaps in hedging relationships	**29,427**	12,249	29,852
Total net debt	**1,391,798**	1,234,167	1,163,503

During the period under review the Group undertook a renegotiation of its near-term bank facilities (those arising within the next two years). The Group has extended the maturity dates on such facilities and also increased the level of committed facilities available to finance the Group's business development programme.

The following table details the Group's maturity profile for non-derivative financial liabilities, showing the earliest date at which the Group can be required to repay:

	On demand & up to 1 year €'000	**Up to 2 years €'000**	**2 - 5 years €'000**	**> 5 years €'000**	**Total €'000**
Deferred payments on acquisition of subsidiaries	**15,754**	**3,974**	**514**	**520**	**20,762**
Bank overdrafts & loans	**70,021**	**-**	**956,271**	**-**	**1,026,292**
Senior notes	**115,872**	**-**	**165,468**	**233,526**	**514,866**
At 30 June 2009 - unaudited	**201,647**	**3,974**	**1,122,253**	**234,046**	**1,561,920**
At 30 June 2008 - unaudited	81,641	133,454	658,168	498,007	1,371,270
At 31 December 2008 - audited	55,203	331,095	740,754	233,698	1,360,750

9. Events after the balance sheet date

Other than the approval of the interim dividend (see note 4), there have been no significant events, outside the ordinary course of business, affecting the Group since 30 June 2009.

10. Accounting policies

These condensed consolidated interim financial statements for the half year ended 30 June 2009 have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" and using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union. Except as described below, the accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those detailed in the 2008 Annual Report. Some comparative information has been restated to align with current half year presentation.

The following standards are effective from 1 January 2009 and only affect the presentation of the financial statements of the Group:

- IFRS 8	Operating Segments This new standard requires the reporting of information for operating segments to reflect the Group's management structure and the way financial information is regularly reviewed by the Group's Chief Operating Decision Maker, which the Group has defined as the Executive Directors. Trading profit represents the key measure utilised in assessing the performance of business segments within the Group. Comparative information has been represented as appropriate.
- IAS 1 (amendment)	Presentation of Financial Statements This amendment includes non-mandatory changes of the titles of the primary financial statements, however the Group has decided to retain the existing titles. The Group has also opted to present a separate income statement and statement of comprehensive income.

The following standards and interpretations are effective from 1 January 2009 but do not have a material effect on the results or financial position of the Group:

- IFRS 2 (amendment)	Share Based Payments
- IAS 16 (amendment)	Property, Plant and Equipment
- IAS 19 (amendment)	Employee Benefits
- IAS 20 (amendment)	Accounting for Government Grants and Disclosure of Government Assistance
- IAS 23 (amendment)	Borrowing Costs
- IAS 27 (amendment)	Consolidated and Separate Financial Statements
- IAS 28 (amendment)	Investments in Associates
- IAS 29 (amendment)	Financial Reporting in Hyperinflation Economies
- IAS 31 (amendment)	Interests in Joint Ventures
- IAS 32 (amendment)	Financial Instruments: Presentation
- IAS 33 (amendment)	Earnings per Share
- IAS 36 (amendment)	Impairment of Assets
- IAS 38 (amendment)	Intangible Assets
- IAS 40 (amendment)	Investment Property
- IAS 41 (amendment)	Agriculture
- IFRIC 15	Agreements for the Construction of Real Estate

11. General information

The Board of Directors approved these condensed consolidated interim financial statements for the half year ended 30 June 2009 on 24 August 2009. These are not full financial statements and were not reviewed by the auditors. Full consolidated financial statements to 31 December 2008, which were audited and received an unqualified audit report, have been filed with the Registrar of Companies.

In relation to seasonality, trading profit is lower in the first half of the year due to the nature of the food business and stronger December trading. While revenue is relatively evenly spread, margin has traditionally been higher in the second half of the year.

As permitted by the Transparency (Directive 2004/109/EC) Regulations 2007 this Interim Report is available on www.kerrygroup.com. However, if a physical copy is required, please contact the Corporate Affairs department.