NEWS RELEASE
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Interim Management Report for the half year ended 30 June 2010

Kerry, the global ingredients & flavours and consumer foods group, reports interim results for the half year ended 30 June 2010

Highlights

- Sales revenue increased by 6.7% to €2.4 billion
- 5.8% increase in continuing business volumes
- 12.9% increase in trading profit to €204m (7.4% LFL)
- 40 basis points increase in Group trading profit margin to 8.4%
- Ingredients & Flavours trading margin up 50 basis points to 9.2%
- Consumer Foods trading margin up 40 basis points to 7.1%
- Adjusted EPS* up 19.3% to 80.2 cent
- Interim dividend per share up 14.3% to 8.8 cent
- Free cash flow of €117m (H1 2009: €76m)
- Earnings guidance for full year increased

**before intangible amortisation and non-trading items*

Commenting on the results Kerry Group Chief Executive Stan McCarthy said; “Kerry delivered strong profitable growth in the first half of 2010, growing continuing business volumes by 5.8% on a Group-wide basis. Adjusted earnings per share in the period increased by 19.3% to 80.2 cent. Based on our strong performance to date in 2010 we now expect to achieve mid-teen growth in adjusted earnings per share for the full year”.

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INTERIM MANAGEMENT REPORT
for the half year ended 30 June 2010

Kerry Group achieved strong profitable growth in the first half of 2010. Results for the period were very encouraging with a solid overall business performance relative to the same period of 2009, allowing for the relatively weaker market conditions early in 2009. Business volumes grew steadily and positive margin momentum was maintained through ongoing business efficiency projects and the benefits of restructuring actions/business alignment undertaken in connection with the Group's 'go-to-market' programmes over the past two years.

Progress in ingredients & flavours markets was driven by successful product development initiatives, assisted by the business performance of the Group's leading global customers – reversing destocking trends of 2009. The Group continues to benefit from successful layering of our ingredients & flavours technologies – bringing industry leading integrated innovative solutions speedily and cost effectively to customers throughout global food and beverage end-use-markets. Good market development was achieved in all regions and in particular the Group's strong business development in the Asia-Pacific region is most encouraging. In the Group's consumer foods markets, successful brand strategies and investment continued to drive business development. Kerry's leading UK brands again performed very well. The Irish consumer foods sector remains challenging due to the prevailing market conditions. However Kerry Foods has stabilised its positioning in the Irish market through brand investment programmes targeted towards value-focused consumer requirements – without compromising on quality.

RESULTS
Group sales revenue increased by 2.7% on a like-for-like basis (LFL) to €2.4 billion. Allowing for changes to product mix, lower pricing and trading currency movement, continuing business volumes were 5.8% ahead on a Group-wide basis. Ingredients & flavours continuing business volumes increased by 6.5% and consumer foods delivered a 4% increase in continuing business volumes.

Trading profit increased by 12.9% to €204m, reflecting a 7.4% (LFL) increase and a 40 basis points improvement in the Group trading profit margin to 8.4%. Ingredients & flavours achieved a 50 basis points improvement in trading margin to 9.2% and margins in consumer foods advanced by 40 basis points to 7.1%.

Profit before tax increased to €162m from the 2009 first half level of €115m. Adjusted profit after tax before intangible asset amortisation and non-trading items increased by 19.5% to €141m. Adjusted earnings per share increased by 19.3% to 80.2 cent. Basic earnings per share increased by 41.3% from 53.5 cent to 75.6 cent. The interim dividend of 8.8 cent per share represents an increase of 14.3% over the 2009 interim dividend.

BUSINESS REVIEWS
INGREDIENTS & FLAVOURS

	H1 2010	Like-for-like (LFL) Growth
Revenue	€1,788m	3.9%
Trading profit	€164m	9.3%
Trading margin	9.2%	+50 bps

Total ingredients & flavours sales revenue grew by 3.9% (LFL) to €1,788m. Continuing business volumes increased by 6.5% (allowing for business restructuring volume loss of 0.6% and 1.9% lower pricing/mix). Business performance was strong throughout all regions and end-use-markets and is testament to the strength of Kerry's commercial/customer alliances – facilitated by our 'go-to-market' strategy and the level of innovation achieved through optimising synergies across the Group's technology platforms. Divisional trading profit grew by 9.3% (LFL) to €164m reflecting a 50 basis points improvement in trading profit margin to 9.2%.

Americas Region

Successful product development projects for major accounts continued to drive business performance in the Americas region. Revenue increased by 3% (LFL) to €701m while continuing business volumes grew by 6.2% after restructuring volume loss of 0.6%, 2.4% lower pricing/mix and 0.2% adverse trading currency impact.

Food and beverage consumer trends arising from the economic downturn in 2008/2009 were broadly unchanged, with home consumption remaining strong relative to out-of-home consumption. Leading brands continued to recover through new product development and an increased level of value/promotional activity, but store brand applications maintained market share in many categories. Fast casual restaurants and leading QSR chains (with expanded menu offerings) again grew at the expense of full-serve restaurants.

Savoury & Dairy end-use-markets continued to be challenging but Kerry's systems outperformed sectoral growth rates in particular through development of clean label, all-natural solutions. Successful flavour development in coating/seasoning systems achieved good results with major meat processors and foodservice providers. The acquisition of Beloit (WI) based IPM Foods, a provider of Tetra Recart^{TM} shelf stable soups and sauce systems, expands the Group's platform for growth in the soups/broths sector through Kerry's complete technology offering. Dairy systems performed well in the retail prepared meal/meal kit sectors due to home eating trends. Good growth was also achieved through frozen dairy systems in the yoghurt and smoothies markets.

Cereal & Sweet applications grew strongly throughout American markets contributing to significantly improved plant efficiencies. Kerry achieved a strong performance through leading brands and store brands in the ice-cream sector. Good growth was also achieved in the bakery market through the Group's complete technology and functional ingredients offering – including natural shelf-life extenders. Performances in the branded cereals sector remained strong where Kerry benefited from the addition of puffed grain cereal technology through the acquisition of California based Nutritional Food Products (NFP) at the end of 2009. The Group also acquired NutraCea's cereal ingredients business in the period.

Beverage systems & flavours grew significantly in American markets – in particular through major branded beverage and foodservice applications incorporating Kerry's flavour and taste modulation systems. Ongoing investment programmes at the Savannah (GA) and St Claire (Canada) plants will extend the Group's capacity to produce aseptic shelf-stable beverage systems. The acquisition of 'Tea Wave' – a foodservice natural fruit smoothie brand, broadens Kerry's portfolio of beverage brands and also strengthens the Group's customer base internationally.

In the *Pharmaceutical* sector Kerry continued to grow its global market positioning through excipient applications – benefiting from its strategic partnership agreements.

EMEA Region

Business alignment towards Kerry Ingredients & Flavours 'go-to-market' end-use-market strategic development and systems approach to technology development contributed significantly to a strong business performance in EMEA markets in the first half of 2010. Revenue increased by 2.3% (LFL) to €589m reflecting 4.4% continuing business volume growth after restructuring volume loss of 1.2% and 0.9% lower pricing/mix. A new Kerry Ingredients & Flavours, EMEA Region Headquarters was established in Dublin (Ireland). To drive technology development and service customer requirements throughout EMEA markets, 3 Centres of Excellence focused on specific end-use-market applications are being established in Bristol (UK), Amsterdam (the Netherlands) and in Brussels (Belgium).

Savoury & Dairy systems & flavours made good progress in EMEA markets benefiting from trends towards enhanced functionality and an increased focus on health offerings including reduced sodium, reduced fat and all-natural lines. Development in the meat sector was supported by the Dera acquisition completed in 2009 with good growth in emerging markets including Russia, Africa and the Middle East. Culinary systems & flavours benefited from the investment in increased processing capacity in 2009. Excellent progress was made through dairy systems & flavours, including development of unique cheese innovations in new formats for the QSR sector through combining Kerry's cheese and coatings technologies. Demand for authentic dairy flavours drove development in the cheese and spreads markets. Development of hydrolysed proteins achieved good growth in infant nutrition markets and new developments in protein fractions targeting specific health benefits such as improved digestibility and allergenicity led to nutritionally advanced applications.

Cereal & Sweet technologies grew successfully in the premium ice-cream market (which staged a good recovery), in the desserts market and through further market gains in the breakfast cereals market. Growth was also strong in the chilled yoghurts category. Kerry's newly launched range of fruit and confectionery nuggets achieved solid growth across bakery, confectionery, ice-cream and dessert applications.

Beverage systems & flavours benefited strongly from trends towards natural flavours with new EU flavourings legislation coming into effect in January 2011. Kerry's sweetness modulation portfolio of flavours continue to achieve strong results in offsetting sugar reduction and improving taste in low calorie/light beverages.

Functional ingredients recovered strongly versus the first half of 2009 as de-stocking trends reversed. Emulsifier revenues have grown considerably as wider market opportunities are realised through Kerry's 'go-to-market' programme. Clean label requirements also assisted growth in enzyme applications. The Group's innovative brewing ingredients/process aids continued to achieve satisfactory growth through delivery of cost effective natural solutions – despite a slowdown in the market.

Primary Dairy market conditions improved significantly due to improved demand conditions throughout international markets and a tighter supply position relative to the same period of 2009.

Asia-Pacific Region

The Group again achieved excellent results in the Asia-Pacific region with revenue increased by 11.8% (LFL) to €248m. Continuing business volumes increased by 15.7% allowing for 3.9% lower pricing/mix. All regional technology platforms performed well and growth through foodservice food and beverage applications was very strong.

Savoury & Dairy systems continued to grow strongly through culinary, meat, bakery and nutritional applications. Lipids performed well in North East Asian nutritional markets, benefiting from the additional manufacturing capacity investment in Malaysia. QSR volumes continued to grow strongly throughout Asia-Pacific markets in line with the rapidly expanding regional QSR sector – providing good opportunity for Kerry's culinary systems and coatings. The Group continues to invest in its nutritional applications and recorded good growth in the period, in particular in the Chinese infant nutrition sector.

Beverage systems recorded good growth and Kerry's Da Vinci branded flavoured beverage products are now well established in the region.

Functional ingredients performed well with a strong performance in emulsifiers – capitalising on the broader product range and increased processing capacity at the Esterol facility in Malaysia.

Kerry Pinnacle Lifestyle Bakery products again grew market share in Australia benefiting from Pinnacle's reputation as a complete solutions provider to supermarket chains. Distribution channels into Asian markets are showing encouraging results.

CONSUMER FOODS

	H1 2010	Like-for-like (LFL) Growth
Revenue	€885m	0.5%
Trading profit	€63m	4.4%
Trading margin	7.1%	+40bps

Strong sales growth by Kerry's leading UK brands and increased brand investment in Ireland contributed to a good overall performance in Kerry's consumer foods markets during the period. Total consumer foods sales revenue at €885m reflects 0.5% (LFL) growth and a 4% increase in continuing volumes after restructuring volume loss of 1.4%, 1.6% lower pricing/mix and a 0.5% adverse trading currency impact. Divisional trading profit grew by 4.4% (LFL) to €63m reflecting a 40 basis points improvement in trading profit margin to 7.1%.

Consumers remain focused on value and total basket/household spend. As a result market promotional activity continues to drive less favourable product mix/pricing and changes to shopper behaviour. Nevertheless Kerry's brand innovations and investment have driven good growth in the UK market and provided stability for the Group's Irish brands through expansion of value offerings and pack variants.

In Kerry Foods' ***UK Brands*** chilled foods market, Richmond again achieved double digit growth in the sausage category. The extension of the Wall's brand into the savoury pastry products sector has proved very successful to-date – which augurs well for future category growth. Mattessons Fridge Raiders continued to drive growth in the meat snacking sector. Competition in the children's cheese snack sector remains intense but Cheestrings benefited from the launch of 'Cheestrings Shots' and will shortly introduce a novel 'Cheestrings Spaghetti' range. Kerry's Low Low brand has also secured solid listings in the low-fat cheese category.

In Kerry's selected ***UK Private Label*** categories performance again improved. Solid growth was achieved in chilled ready meals and ready-to-cook products – outperforming category growth rates. The division's 'Innocent' branded Vegetable Pots range also continued to grow satisfactorily.

The frozen ready meals sector again proved challenging but Kerry Foods stabilised business margins in the category due to the success of the 'Lean Programme' at the Carrickmacross site.
Cheese slices and UHT products performed well in the foodservice sector but private label cheese and spreads offerings were impacted by strong competition from leading brands.

The Irish consumer foods market remained challenging due to the deflationary market conditions and economic situation. The performance of Kerry's ***Brands Ireland*** business has stabilised due to significant brand marketing investment and successful alignment of product offerings for the value conscious consumer. The division's dairy brands performed well overall with a strong performance by the Dairygold brand acquired in 2009. Charleville maintained its brand positioning in the ROI cheese sector and Ficello continued to grow encouragingly in France and Holland. The Irish added value meat products sector proved more difficult but the repositioning of the Denny, Shaws and Galtee product ranges has achieved good results. The overall static Irish liquid (fluid) milk market remains highly competitive. In June, the Group completed the sale of Dawn Milk's Galway based business. In January, a Management Buy-out of the Kerry Spring mineral water business was completed.

FINANCIAL REVIEW

Non-Trading Items

The after tax impact of the disposal of non-core businesses and assets in the period (the Kerry Spring mineral water business, Dawn Dairies Galway and some non-current assets in Europe) was a net loss of €0.2m.

Free Cash Flow

The Group achieved a free cash flow of €117m (H1 2009: €76m) which is stated after net capital expenditure of €41m (H1 2009: €50m).

Free Cash Flow	H1 2010 €m	H1 2009 €m
EBITDA*	**255**	230
Increase in working capital	**(26)**	(28)
Pension contributions paid less pension expense	**(14)**	(17)
Net investment in non-current assets	**(41)**	(50)
Finance costs paid (net)	**(24)**	(42)
Income taxes paid	**(33)**	(17)
Free cash flow	**117**	76

* Earnings before finance costs, income taxes, depreciation (net), intangible asset amortisation and non-trading items (net of related tax).

The variance in the finance costs paid is due to changes in the timing of cashflows, including the impact of the first interest payment on the 2010 bond issuance which occurs in H2 2010.

Income tax paid has increased year-on-year due to the increase in preliminary tax paid in the first half of the year which will reduce payments in the second half of the year. There were also a number of payments in the period which relate to the finalisation of open years which were previously accrued.

Net Debt

At 30 June 2010 net debt was €1,199m (H1 2009: €1,392m) (Year end 2009: €1,159m). The free cash flow of €117m during the year was utilised as follows:

- Expenditure on acquisitions net of disposals, including deferred consideration on prior year acquisitions, of €11m (H1 2009: €257m).
- Restructuring and other costs paid from the prior year expense of €25m (H1 2009: €2m); and
- Equity dividends paid of €30m (H1 2009: €27m).

The net impact of the cash flows above plus the exchange translation adjustment on profits of €2m (H1 2009: €nil m) and the proceeds received from the issue of shares €1m (H1 2009: €2m) resulted in a decrease in borrowings of €54m (H1 2009: an increase of €207m). This decrease combined with the exchange translation adjustment on borrowings of (€99m) (H1 2009: (€21m)) and a fair value movement on interest rate swaps of €6m (H1 2009: €nil m) resulted in a decrease of €193m over the H1 2009 net debt and an increase of €39m over the year end 2009 net debt of €1,159m. The exchange translation adjustment of (€99m) results primarily from borrowings denominated in sterling translated at the period end rate of 82p compared to 89p at the end of 2009 and borrowings denominated in US dollar translated at the period end rate of $1.23 versus $1.44 at the end of 2009.

The majority of Group borrowings are subject to financial covenants calculated in accordance with lenders' facility agreements. Principal among these are:

- The ratio of net debt to EBITDA of a maximum 3.5 times; and
- EBITDA to net interest charge of a minimum 4.75 times.

	2010 TIMES	2009 TIMES
Net debt: EBITDA*	**2.2**	2.6
EBITDA: Net interest*	**8.2**	7.0

** Earnings before finance costs, income taxes, depreciation (net), intangible asset amortisation and non-trading items (net of related tax).*

During the period, the Group completed the issuance of US$600m of senior notes across four tranches with maturities ranging from 7 to 15 years. These senior notes were raised in the US private placement market and were primarily used for the repayment of near term debt at the balance sheet date. The maturity profile of net debt is as follows:

	30 June 2010 €m	30 June 2009 €m
Within 1 year	**(94)**	9
Between 1 and 2 years	**116**	27
Between 2 and 5 years	**761**	1,122
Greater than 5 years	**416**	234
Net Debt	**1,199**	1,392
Weighted Average Maturity	**5.2 years**	3.0 years

Finance Costs

Finance costs for the period decreased by €3.1m to €33.7m (H1 2009: €36.8m) as strong cash flows more than offset the impact of acquisitions and capital investment. The Group's average interest rate was also down year-on-year.

Taxation

The tax charge for the period, before non-trading items, increased by 13% to €29.5m (H1 2009: €26.1m) which represents an effective tax rate of 18.2% (H1 2009: 19.0%). The decrease in the effective tax rate is primarily due to variations in the geographical split of profits earned, increased tax credits for research and development expenditure and changes in local statutory tax rates.

Retirement Benefits

At the balance sheet date, the net deficit for all defined benefit schemes (after deferred tax) was €212m (H1 2009: €166m) (Year end 2009: €141m). The increase in the present value of schemes' liabilities was primarily due to a decrease in discount rates across all the schemes and negative foreign exchange movements. The increase in the fair value of plan assets mainly arose due to employer contributions; investment returns; and positive foreign exchange movements.

RELATED PARTY TRANSACTIONS

There were no changes in related party transactions from the 2009 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

PRINCIPAL RISKS & UNCERTAINTIES

Details of the principal risks and uncertainties facing the Group can be found in the 2009 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 8.8 cent per share, an increase of 14.3% on the 2009 interim dividend of 7.7 cent per share. The interim dividend will be paid on 12 November 2010 to shareholders registered on the record date 15 October 2010.

POST BALANCE SHEET EVENTS

Since the end of the period under review, the Group confirmed the terms of its offer to acquire the entire issued share capital of Irish based Newmarket Co-operative Creameries Limited for a price of €421 per share. The offer values the entire issued ordinary share capital plus debt of Newmarket Creameries at approximately €33m and is subject to:

- receipt of Forms of Acceptance in respect of not less than 66% of the issued share capital of Newmarket at the closing date of the Offer period (10 September 2010) unless otherwise extended,
- approval by Newmarket shareholders of proposed Rule amendments of Newmarket to facilitate the transaction,
- approval by the Competition Authority of Ireland.

Newmarket Creameries, located in North Cork, is a leading manufacturer of cheese from a state-of-the-art cheese production facility. With an annual manufacturing capacity in excess of 35,000 tonnes Newmarket is a major supplier of cheese to Kerry Group's branded cheese business.

The Group also expanded its culinary systems technology offering through the acquisition of Lancashire (UK) based SpringThyme Oils Ltd – a clean label, natural infused spice oil and seasonings company.

FUTURE PROSPECTS

Based on our strong business performance to date in 2010 and prospects for the remainder of the year, (allowing for the relatively strong second half performance in 2009) the Group is confident of exceeding the earnings growth range of 182 to 185 cent per share as guided at the start of the year. Notwithstanding raw material/input cost headwinds, we now expect to achieve mid-teen growth in adjusted earnings per share for the full year.

We continue to invest in capital programmes to facilitate capacity requirements in line with the planned growth of our ingredients & flavours and consumer foods' businesses. The Group is also well positioned to capitalise on complementary acquisition opportunities.

The success of our business development initiatives, building on the strength of our commercial/ customer alliances and industry leading technologies, coupled with ongoing efficiency and business enablement programmes, means that the Group is well advanced towards achieving our financial targets. We remain firmly committed to our dual strategy for growth (continuing to expand Kerry's global leadership in ingredients & flavours and in growing our UK/Irish consumer foods businesses) which will deliver consistent profitable growth and value for all stakeholders.

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 2010 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under regulations 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, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the half year ended 30 June 2010;

- the Interim Management Report includes a fair review of the development and performance of the business and the position of the Group;

- 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 2010, 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**

30 August 2010

Condensed Consolidated Income Statement
for the half year ended 30 June 2010

	Notes	**Half year ended 30 June 2010 Unaudited €'000**	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Continuing operations				
Revenue	1	**2,421,428**	2,268,702	4,520,746
Trading profit	1	**203,797**	180,498	422,374
Intangible asset amortisation		**(7,994)**	(6,850)	(16,811)
Non-trading items	2	**163**	(21,391)	(83,887)
Operating profit		**195,966**	152,257	321,676
Finance costs		**(33,702)**	(36,820)	(69,810)
Profit before taxation		**162,264**	115,437	251,866
Income taxes		**(29,842)**	(21,757)	(50,644)
Profit after taxation and attributable to equity shareholders		**132,422**	93,680	201,222
Earnings per A ordinary share		**Cent**	Cent	Cent
- basic	3	**75.6**	53.5	115.0
- diluted	3	**75.4**	53.5	114.9

Condensed Consolidated Statement of Recognised Income and Expense

for the half year ended 30 June 2010

	Notes	**Half year ended 30 June 2010 Unaudited €'000**	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Profit for the period after taxation		**132,422**	93,680	201,222
Other comprehensive income:				
Fair value movements on available-for-sale investments	9	**4,190**	(6,162)	(6,984)
Fair value movements on cash flow hedges		**(664)**	(3,178)	3,515
Exchange difference on translation of foreign operations	10	**90,017**	55,575	39,609
Actuarial losses on defined benefit post-retirement schemes		**(86,524)**	(80,285)	(71,047)
Deferred tax on items taken directly to reserves	5	**16,155**	23,258	19,686
Net income/(expense) recognised directly in other comprehensive income		**23,174**	(10,792)	(15,221)
Reclassifications to profit or loss from equity				
Cash flow hedges		**3,894**	(8,165)	(8,611)
Available-for-sale investments	9	**3,213**	-	-
Total recognised income and expense for the period attributable to equity shareholders		**162,703**	74,723	177,390

Condensed Consolidated Balance Sheet
as at 30 June 2010

	Notes	**30 June 2010 Unaudited €'000**	30 June 2009 Unaudited €'000	31 Dec. 2009 Audited €'000
Non-current assets				
Property, plant and equipment		**1,076,601**	1,022,398	993,744
Intangible assets		**1,987,025**	1,832,227	1,871,631
Non-current financial assets	8	**87,901**	-	-
Financial asset investments		**15,692**	12,323	11,502
Deferred tax assets		**13,182**	23,628	7,366
		3,180,401	2,890,576	2,884,243
Current assets				
Inventories		**522,376**	496,244	444,171
Trade and other receivables		**696,151**	670,148	547,119
Cash and cash equivalents	8	**162,993**	178,787	270,011
Current financial assets		**45**	720	3
Assets classified as held for sale		**5,212**	-	3,881
		1,386,777	1,345,899	1,265,185
Total assets		**4,567,178**	4,236,475	4,149,428
Current liabilities				
Trade and other payables		**1,110,033**	930,286	912,444
Borrowings and overdrafts	8	**49,135**	185,893	164,630
Current financial liabilities		**24,778**	5,740	1,951
Tax liabilities		**20,051**	37,381	23,427
Provisions for liabilities and charges		**21,507**	11,380	44,660
Deferred income		**2,390**	2,630	1,952
		1,227,894	1,173,310	1,149,064
Non-current liabilities				
Borrowings	8	**1,380,678**	1,355,265	1,216,865
Non-current financial liabilities		**-**	27,812	46,083
Retirement benefits obligation	6	**283,856**	224,787	194,360
Other non-current liabilities		**56,592**	48,141	61,202
Deferred tax liabilities		**156,390**	160,741	154,780
Provisions for liabilities and charges		**26,484**	38,957	28,434
Deferred income		**17,946**	14,405	14,585
		1,921,946	1,870,108	1,716,309
Total liabilities		**3,149,840**	3,043,418	2,865,373
Net assets		**1,417,338**	1,193,057	1,284,055
Capital and reserves				
Share capital		**21,903**	21,871	21,895
Share premium account		**395,741**	393,825	395,177
Other reserves		**(86,376)**	(177,210)	(187,345)
Retained earnings		**1,086,070**	954,571	1,054,328
Shareholders' equity		**1,417,338**	1,193,057	1,284,055

Condensed Consolidated Reconciliation of Movements in Shareholders' Equity
for the half year ended 30 June 2010

	Notes	Share Capital €'000	Share Premium €'000	Other Reserves €'000	Retained Earnings €'000	Total €'000
At 1 January 2009		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 other comprehensive income 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		26	1,641	-	-	1,667
At 30 June 2009 - unaudited		21,871	393,825	(177,210)	954,571	1,193,057
Profit for the period after taxation		-	-	-	107,542	107,542
Actuarial gains on defined benefit post-retirement schemes		-	-	-	9,238	9,238
Deferred tax on items taken directly to reserves	5	-	-	-	(3,572)	(3,572)
Movements in other reserves recognised in income and expense for the period		-	-	(10,541)	-	(10,541)
Total other comprehensive income for the period		-	-	(10,541)	113,208	102,667
Dividends paid	4	-	-	-	(13,451)	(13,451)
Long term incentive plan expense		-	-	406	-	406
Shares issued during the period		24	1,352	-	-	1,376
At 31 December 2009 - audited		21,895	395,177	(187,345)	1,054,328	1,284,055
Profit for the period after taxation		**-**	**-**	**-**	**132,422**	**132,422**
Actuarial losses on defined benefit post-retirement schemes		**-**	**-**	**-**	**(86,524)**	**(86,524)**
Deferred tax on items taken directly to reserves	5	**-**	**-**	**-**	**16,155**	**16,155**
Movements in other reserves recognised in income and expense for the period		**-**	**-**	**100,650**	**-**	**100,650**
Total other comprehensive income for the period		**-**	**-**	**100,650**	**62,053**	**162,703**
Dividends paid	4	**-**	**-**	**-**	**(30,311)**	**(30,311)**
Long term incentive plan expense		**-**	**-**	**319**	**-**	**319**
Shares issued during the period	3	**8**	**564**	**-**	**-**	**572**
At 30 June 2010 - unaudited		**21,903**	**395,741**	**(86,376)**	**1,086,070**	**1,417,338**

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 2009	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 difference 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)
Fair value movements on available-for-sale investments	-	-	-	(822)	-	-	(822)
Fair value movements on cash flow hedges	-	-	-	-	-	6,693	6,693
Exchange difference on translation of foreign operations	-	-	-	-	(15,966)	-	(15,966)
Cash flow hedges to profit or loss from equity	-	-	-	-	-	(446)	(446)
Movements in other reserves recognised in income and expense for the period	-	-	-	(822)	(15,966)	6,247	(10,541)
Long term incentive plan expense	-	-	406	-	-	-	406
At 31 December 2009 - audited	1,705	340	2,115	(7,403)	(158,007)	(26,095)	(187,345)
Fair value movements on available-for-sale investments	**-**	**-**	**-**	**4,190**	**-**	**-**	**4,190**
Fair value movements on cash flow hedges	**-**	**-**	**-**	**-**	**-**	**(664)**	**(664)**
Exchange difference on translation of foreign operations	**-**	**-**	**-**	**-**	**90,017**	**-**	**90,017**
Cash flow hedges to profit or loss from equity	**-**	**-**	**-**	**-**	**-**	**3,894**	**3,894**
Available-for-sale investments to profit or loss from equity	**-**	**-**	**-**	**3,213**	**-**	**-**	**3,213**
Movements in other reserves recognised in income and expense for the period	**-**	**-**	**-**	**7,403**	**90,017**	**3,230**	**100,650**
Long term incentive plan expense	**-**	**-**	**319**	**-**	**-**	**-**	**319**
At 30 June 2010 - unaudited	**1,705**	**340**	**2,434**	**-**	**(67,990)**	**(22,865)**	**(86,376)**

Condensed Consolidated Cash Flow Statement
for the half year ended 30 June 2010

	Notes	**Half year ended 30 June 2010 Unaudited €'000**	Half year ended 30 June 2009* Unaudited €'000	Year ended 31 Dec. 2009* Audited €'000
Operating activities				
Trading profit		**203,797**	180,498	422,374
Adjustments for:				
Depreciation (net)		**51,702**	50,423	97,247
Change in working capital		**(26,184)**	(27,790)	132,438
Pension contributions paid less pension expense		**(14,328)**	(17,015)	(42,294)
Exchange translation adjustment	10	**2,705**	418	4,203
Cash generated from operations		**217,692**	186,534	613,968
Income taxes paid		**(33,096)**	(17,388)	(57,114)
Interest received		**501**	521	1,438
Finance costs paid		**(24,582)**	(42,904)	(79,398)
Expenditure on restructuring and other costs		**(25,005)**	(1,542)	(37,389)
Net cash from operating activities		**135,510**	125,221	441,505
Investing activities				
Purchase of non-current assets		**(47,635)**	(62,751)	(126,136)
Proceeds from the sale of non-current assets		**2,047**	12,196	17,402
Capital grants received		**4,314**	93	801
Purchase of subsidiary undertakings (net of cash acquired)	7	**(8,054)**	(243,259)	(274,800)
Payments due to disposal of businesses (net of related tax)		**(183)**	-	-
Payment of deferred consideration on acquisition of subsidiaries		**(6,367)**	(13,542)	(13,979)
Consideration adjustment on previous acquisitions		**3,510**	(6)	(2,345)
Net cash used in investing activities		**(52,368)**	(307,269)	(399,057)
Financing activities				
Dividends paid	4	**(30,311)**	(27,313)	(40,764)
Issue of share capital	3	**572**	1,667	3,043
Net movement on bank borrowings		**(170,041)**	179,615	73,064
(Decrease)/increase in bank overdrafts	8	**(6,500)**	1,776	(7,726)
Net cash movement due to financing activities		**(206,280)**	155,745	27,617
Net (decrease)/increase in cash and cash equivalents		**(123,138)**	(26,303)	70,065
Cash and cash equivalents at beginning of period		270,011	195,818	195,818
Exchange translation adjustment on cash and cash equivalents	10	**16,120**	9,272	4,128
Cash and cash equivalents at end of period	8	**162,993**	178,787	270,011

Reconciliation of Net Cash Flow to Movement in Net Debt

Net (decrease)/increase in cash and cash equivalents		**(123,138)**	(26,303)	70,065
Cash outflow/(inflow) from debt financing		**176,541**	(181,391)	(65,338)
Changes in net debt resulting from cash flows		**53,403**	(207,694)	4,727
Fair value movement on interest rate swaps recognised in shareholders' equity		**6,507**	425	3,879
Exchange translation adjustment on net debt	10	**(99,002)**	(21,026)	(4,579)
Movement in net debt in the period		**(39,092)**	(228,295)	4,027
Net debt at beginning of period		(1,159,476)	(1,163,503)	(1,163,503)
Net debt at end of period	8	**(1,198,568)**	(1,391,798)	(1,159,476)

*The 2009 comparatives have been represented to align with the amended IAS 7 requirements (note 12).

Notes to the Condensed Consolidated Interim Financial Statements
for the half year ended 30 June 2010

1. Analysis of results

The Group has two operating segments: Ingredients & Flavours and Consumer Foods. The Ingredients & Flavours operating segment manufactures and distributes application specific ingredients and flavours spanning a number of technology platforms while the Consumer Foods segment supplies added value brands and customer branded foods to the Irish and UK markets.

	Half year ended 30 June 2010 Unaudited €'000	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Revenue			
- Ingredients & Flavours	**1,788,147**	1,656,358	3,261,006
- Consumer Foods	**885,625**	857,015	1,712,915
- Group eliminations and unallocated	**(252,344)**	(244,671)	(453,175)
	2,421,428	2,268,702	4,520,746
Trading profit			
- Ingredients & Flavours	**164,268**	143,953	340,119
- Consumer Foods	**63,001**	57,410	122,085
- Group eliminations and unallocated	**(23,472)**	(20,865)	(39,830)
	203,797	180,498	422,374
Intangible asset amortisation	**(7,994)**	(6,850)	(16,811)
Non-trading items	**163**	(21,391)	(83,887)
Operating profit	**195,966**	152,257	321,676
Finance costs	**(33,702)**	(36,820)	(69,810)
Profit before taxation	**162,264**	115,437	251,866
Income taxes	**(29,842)**	(21,757)	(50,644)
Profit after taxation	**132,422**	93,680	201,222

Information about geographical areas

	Half year ended 30 June 2010 Unaudited €'000	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Revenue by location of customers			
EMEA	**1,471,631**	1,410,776	2,830,447
Americas	**701,441**	655,444	1,286,650
Asia Pacific	**248,356**	202,482	403,649
	2,421,428	2,268,702	4,520,746

Notes to the Condensed Consolidated Interim Financial Statements (continued)
for the half year ended 30 June 2010

2. Non-trading items

	Half year ended 30 June 2010 Unaudited €'000	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Profit/(loss) on disposal of non-current assets	**581**	(270)	(1,814)
Loss on disposal of businesses	**(418)**	-	(12,935)
Kerry Ingredients & Flavours reorganisation	**-**	(21,557)	(56,636)
Breeo Foods integration and Consumer Foods plant restructuring	**-**	(22,717)	(35,655)
Incomplete acquisition	**-**	23,153	23,153
	163	(21,391)	(83,887)
Tax	**(340)**	4,290	10,555
	(177)	(17,101)	(73,332)

Profit on disposal of non-current assets
The profit on disposal of non-current assets relates primarily to the sale of properties, plant and equipment in Europe.

Loss on disposal of businesses
The loss on disposal of businesses relates primarily to the sale of the non-core Kerry Spring business in Co. Kerry, Ireland and the sale of the Dawn Dairies business in Co. Galway, Ireland.

2009 Non-trading items
The Kerry Ingredients & Flavours reorganisation was aimed at capturing operational synergies associated with the Group's 'go-to-market' strategy. The Breeo Foods integration and Consumer Foods plant restructuring costs included implementing the optimal structure after integrating the acquired business, in addition to significant restructuring of other Irish consumer foods operations.

The loss on disposal of businesses primarily related to the disposal of a non-core business in France. The loss on disposal of non-current assets relates to the disposal of properties, plant and equipment mainly in the USA.

The reversal of the incomplete acquisition provision was in relation to the Breeo Foods acquisition following the High Court decision.

The net tax credit on the 2009 non-trading items arose due to tax deductions available on the restructuring, acquisition integration programme and the disposal of non-current assets.

3. Earnings per A ordinary share

	Notes	**Half year ended 30 June 2010 Unaudited EPS cent**	**€'000**	Half year ended 30 June 2009 Unaudited EPS cent	€'000	Year ended 31 Dec. 2009 Audited EPS cent	€'000
Basic earnings per share							
Profit after taxation and attributable to equity shareholders		**75.6**	**132,422**	53.5	93,680	115.0	201,222
Computer software amortisation		**1.1**	**1,945**	1.0	1,782	2.6	4,513
Brand related intangible asset amortisation		**3.4**	**6,049**	2.9	5,068	7.0	12,298
Non-trading items (net of related tax)	2	**0.1**	**177**	9.8	17,101	41.9	73,332
Adjusted earnings*		**80.2**	**140,593**	67.2	117,631	166.5	291,365
Diluted earnings per share							
Profit after taxation and attributable to equity shareholders		**75.4**	**132,422**	53.5	93,680	114.9	201,222
Adjusted earnings*		**80.1**	**140,593**	67.2	117,631	166.3	291,365

* 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 2010 000's Unaudited	Number of Shares 30 June 2009 000's Unaudited	Number of Shares 31 Dec. 2009 000's Audited
Basic weighted average number of shares	**175,198**	174,930	174,989
Impact of share options outstanding	**308**	125	202
Diluted weighted average number of shares	**175,506**	175,055	175,191

Shares issued during the period

During the period ended 30 June 2010, a total of **46,500** A ordinary shares were issued each with a nominal value of 12.50 cent, of which 10,000 were issued at €8.00 per share and a further 36,500 were issued at €13.42 per share to executives in the Group under the Executive Share Option Scheme. In addition, **19,334** A ordinary shares, each with a nominal value of 12.50 cent, were issued at nominal value per share under the Long Term Incentive Plan.

The total number of shares in issue at 30 June 2010 was **175,229,885** (30 June 2009: 174,966,685; 31 December 2009: 175,164,051).

4. Dividends

	Half year ended 30 June 2010 Unaudited €'000	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Amounts recognised as distributions to equity shareholders in the period			
Final 2009 dividend of **17.30 cent** per A ordinary share paid 14 May 2010 (Final 2008 dividend of 15.60 cent per A ordinary share paid 22 May 2009)	**30,311**	27,313	27,313
Interim 2009 dividend of 7.70 cent per A ordinary share paid 20 November 2009	**-**	-	13,451
	30,311	27,313	40,764

Since the end of the period, the Board has declared an interim dividend of 8.80 cent per A ordinary share. The payment date for the interim dividend will be 12 November 2010 to shareholders registered on the record date 15 October 2010. These condensed consolidated interim financial statements do not reflect this dividend payable.

5. Deferred tax on items taken directly to reserves

	Half year ended 30 June 2010 Unaudited €'000	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Deferred tax impact due to:			
Fair value movements on cash flow hedges	**(404)**	1,418	810
Exchange difference on translation of foreign operations	**(403)**	-	(2,901)
Actuarial losses on defined benefit post-retirement schemes	**16,962**	21,840	21,777
	16,155	23,258	19,686

6. Retirement benefits obligation

The Group's net defined benefit post-retirement schemes' deficit which has been recognised in the Condensed Consolidated Balance Sheet was as follows:

	Half year ended 30 June 2010 Unaudited €'000	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Net recognised deficit in plans before deferred tax	**(283,856)**	(224,787)	(194,360)
Net related deferred tax asset	**72,019**	59,042	52,977
Net recognised deficit in plans after deferred tax	**(211,837)**	(165,745)	(141,383)

The defined benefit post-retirement schemes' liabilities at 30 June 2010 have been rolled forward from the 31 December 2009 position and updated to reflect material movements in underlying assumptions over the half year. The Group's defined benefit post-retirement schemes' assets at 30 June 2010 are measured at market value.

Underlying the increase in the net deficit before deferred tax over the half year to 30 June 2010 was an increase of **€150,100,000** in the present value of schemes' liabilities which was partially offset by an increase in the fair value of plan assets of **€60,694,000**. The increase in the present value of schemes' liabilities was primarily due to a decrease in discount rates across all the schemes and negative foreign exchange movements. The increase in the fair value of plan assets mainly arose due to employer contributions, investment returns and positive foreign exchange movements.

7. Business combinations

During the period, the Group completed three bolt-on acquisitions in the USA, all of which were 100% acquired. Total consideration for the acquisitions was **€15,517,000**, being cash of **€8,054,000** and deferred payments of **€7,463,000**. The net assets acquired before combination were **€2,518,000**. After fair value adjustments the Group recognised brand related intangibles of **€9,667,000** and goodwill of **€3,437,000**. The acquisitions have been rapidly integrated into the existing business.

The Group has adopted IFRS 3 'Business Combinations' (see note 12) with effect from 1 January 2010 and hence acquisition expenses have been charged to the Condensed Consolidated Income Statement.

8. Financial instruments

The following table outlines the components of net debt by category at the balance sheet date:

	Loans and Other Financial Liabilities at Amortised Cost €'000	Assets/ (Liabilities) at Fair Value through Profit and Loss €'000	Derivatives Used for Hedging €'000	Total Net Debt by Category €'000
Assets:				
Interest rate swaps	**-**	**-**	**87,901**	**87,901**
Cash and cash equivalents	**162,993**	**-**	**-**	**162,993**
Total assets	**162,993**	**-**	**87,901**	**250,894**
Liabilities:				
Interest rate swaps	**-**	**-**	**(19,649)**	**(19,649)**
Bank overdrafts	**(8,456)**	**-**	**-**	**(8,456)**
Bank loans	**(475,956)**	**-**	**-**	**(475,956)**
Senior notes	**(928,050)**	**(17,351)**	**-**	**(945,401)**
Borrowings and overdrafts	**(1,412,462)**	**(17,351)**	**-**	**(1,429,813)**
Total liabilities	**(1,412,462)**	**(17,351)**	**(19,649)**	**(1,449,462)**
At 30 June 2010 - unaudited	**(1,249,469)**	**(17,351)**	**68,252**	**(1,198,568)**
Assets:				
Cash and cash equivalents	178,787	-	-	178,787
Total assets	178,787	-	-	178,787
Liabilities:				
Interest rate swaps	-	-	(29,427)	(29,427)
Bank overdrafts	(11,458)	-	-	(11,458)
Bank loans	(1,014,834)	-	-	(1,014,834)
Senior notes	(514,866)	-	-	(514,866)
Borrowings and overdrafts	(1,541,158)	-	-	(1,541,158)
Total liabilities	(1,541,158)	-	(29,427)	(1,570,585)
At 30 June 2009 - unaudited	(1,362,371)	-	(29,427)	(1,391,798)
Assets:				
Cash and cash equivalents	270,011	-	-	270,011
Total assets	270,011	-	-	270,011
Liabilities:				
Interest rate swaps	-	(1,909)	(46,083)	(47,992)
Bank overdrafts	(1,956)	-	-	(1,956)
Bank loans	(899,630)	-	-	(899,630)
Senior notes	(500,019)	20,110	-	(479,909)
Borrowings and overdrafts	(1,401,605)	20,110	-	(1,381,495)
Total liabilities	(1,401,605)	18,201	(46,083)	(1,429,487)
At 31 December 2009 - audited	(1,131,594)	18,201	(46,083)	(1,159,476)

During the period, the Group completed the issuance of US$600,000,000 of senior notes across four tranches with maturities ranging from 7 to 15 years. These senior notes were raised in the US private placement market and were primarily used for the prepayment of near term debt.

At the time of issuance, US$500,000,000 of the senior notes were swapped, using cross currency swaps, to euro. There was no impact on the Condensed Consolidated Income Statement as the hedge accounting for cross currency swaps resulted in a gain of €70,370,000, which was offset by a charge of €70,370,000 resulting from the translation of the underlying hedged foreign currency borrowings at the balance sheet rates.

8. Financial instruments (continued)

The following table sets out the currency profile of the Group's net debt, highlighting the impact of cross currency swaps (CCS) on net debt:

	Pre CCS Half year ended 30 June 2010 Unaudited €'000	**Notional CCS Half year ended 30 June 2010 Unaudited €'000**	**Post CCS Half year ended 30 June 2010 Unaudited €'000**	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Euro	**(175,036)**	**(336,134)**	**(511,170)**	(657,651)	(503,358)
US Dollar	**(903,090)**	**336,134**	**(566,956)**	(476,959)	(471,297)
Sterling	**(108,441)**	**-**	**(108,441)**	(180,305)	(119,401)
Other	**(12,001)**	**-**	**(12,001)**	(76,883)	(65,420)
	(1,198,568)	**-**	**(1,198,568)**	(1,391,798)	(1,159,476)

The following table details the maturity profile of the Group's net debt:

	On demand & up to 1 year €'000	**Up to 2 years €'000**	**2 - 5 years €'000**	**> 5 years €'000**	**Total €'000**
Cash and cash equivalents	**162,993**	**-**	**-**	**-**	**162,993**
Interest rate swaps	**(19,649)**	**-**	**-**	**87,901**	**68,252**
Bank overdrafts	**(8,456)**	**-**	**-**	**-**	**(8,456)**
Bank loans	**(40,679)**	**(115,948)**	**(318,813)**	**(516)**	**(475,956)**
Senior notes	**-**	**-**	**(441,964)**	**(503,437)**	**(945,401)**
At 30 June 2010 - unaudited	**94,209**	**(115,948)**	**(760,777)**	**(416,052)**	**(1,198,568)**
Cash and cash equivalents	178,787	-	-	-	178,787
Interest rate swaps	(1,929)	(27,498)	-	-	(29,427)
Bank overdrafts	(11,458)	-	-	-	(11,458)
Bank loans	(58,563)	-	(956,271)	-	(1,014,834)
Senior notes	(115,872)	-	(165,468)	(233,526)	(514,866)
At 30 June 2009 - unaudited	(9,035)	(27,498)	(1,121,739)	(233,526)	(1,391,798)
Cash and cash equivalents	270,011	-	-	-	270,011
Interest rate swaps	(1,909)	(23,691)	-	(22,392)	(47,992)
Bank overdrafts	(1,956)	-	-	-	(1,956)
Bank loans	(48,775)	(579,859)	(270,527)	(469)	(899,630)
Senior notes	(113,899)	-	(159,722)	(206,288)	(479,909)
At 31 December 2009 - audited	103,472	(603,550)	(430,249)	(229,149)	(1,159,476)

Notes to the Condensed Consolidated Interim Financial Statements (continued)
for the half year ended 30 June 2010

9. Available-for-sale investments

The available-for-sale investments represent investments in securities. These investments have no fixed maturity or coupon rate. Quoted market prices are used to determine the fair value of listed shares where there is an active market. A "sum-of-the-parts" valuation model is used to determine the fair value of shares where there is not an active market.

During the period, the Group recognised a fair value increase of **€4,190,000** (decrease 30 June 2009: (€6,162,000); 31 December 2009: (€6,984,000)) on its available-for-sale investments. In addition, the Group recognised an impairment in the Condensed Consolidated Income Statement from the available-for-sale investment reserve in shareholders' equity of **€3,213,000** (30 June 2009: €nil; 31 December 2009: €nil) which represents the difference between the original cost and the current fair value.

10. Effect of exchange translation adjustments on the Condensed Consolidated Balance Sheet

	Half year ended 30 June 2010 Unaudited €'000	Half year ended 30 June 2009 Unaudited €'000	Year ended 31 Dec. 2009 Audited €'000
Increase in assets			
Property, plant and equipment	**89,783**	31,591	18,051
Intangible assets	**112,149**	57,606	32,352
Inventories	**38,825**	14,368	9,381
Trade and other receivables	**47,506**	23,795	16,847
Cash and cash equivalents	**16,120**	9,272	4,128
Assets classified as held for sale	**733**	-	-
Increase in liabilities			
Trade and other payables	**(67,013)**	(35,031)	(23,967)
Tax liabilities	**(3,080)**	(1,357)	(1,551)
Financial liabilities	**(115,122)**	(30,298)	(8,707)
Retirement benefits obligation	**(17,184)**	(6,131)	(1,753)
Other non-current liabilities	**(4,898)**	(2,594)	(6,740)
Deferred tax liabilities	**(6,295)**	(3,058)	(710)
Provisions for liabilities and charges	**(3,769)**	(2,779)	(1,853)
Deferred income	**(443)**	(227)	(72)
Retained earnings	**2,705**	418	4,203
	90,017	55,575	39,609

The above exchange translation adjustments arise primarily on the retranslation of the Group's opening net investment in its foreign currency subsidiaries.

11. Events after the balance sheet date

Since the period end, the Group has:

- confirmed the terms of its offer to acquire the entire issued share capital of Irish based Newmarket Co-operative Creameries Limited for a price of €421 per share. The offer values the entire issued ordinary share capital plus debt of Newmarket Creameries at approximately €33,000,000.
- completed a small acquisition in the UK - SpringThyme Oils Limited.
- proposed an interim dividend of 8.80 cent per A ordinary share (see note 4).

There have been no other significant events, outside the ordinary course of business, affecting the Group since 30 June 2010.

12. Accounting policies

These condensed consolidated interim financial statements for the half year ended 30 June 2010 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 2009 Annual Report. Some comparative information has been restated to align with the current half year presentation.

Available-for-sale financial assets has been expanded as follows:
Quoted market prices are used to determine the fair value of listed shares where there is an active market. A "sum-of-the-parts" valuation model is used to determine the fair value of shares where there is not an active market.

The following standard is effective from 1 January 2010 and will only have a material effect on the Group's financial position if a material acquisition is undertaken in the future:

- IFRS 3 (revised)	Business Combinations The standard continues to apply the acquisition method to business combinations, with some significant changes. These changes include a requirement that all payments to purchase a business be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to minority interest. All transaction costs will be expensed.

The following standard is also effective from 1 January 2010 and has an impact on the format of the cash flow statement:

- IAS 7 (amendment)	Statement of Cash Flows Amended to state explicitly that only expenditures that result in the recognition of an asset can be classified as a cash flow from investing activities.

The following standards and interpretations are effective from 1 January 2010 but do not have a material effect on the results or financial position of the Group:

- IFRS 1 (amendment)	First-time adoption of International Financial Reporting Standards
- IFRS 2 (amendment)	Share Based Payments
- IFRS 5 (amendment)	Non-current Assets Held for Sale and Discontinued Operations
- IFRS 8 (amendment)	Operating Segments
- IAS 1 (amendment)	Presentation of Financial Statements
- IAS 17 (amendment)	Leases
- IAS 36 (amendment)	Impairment of Assets
- IAS 38 (amendment)	Intangible Assets
- IAS 39 (amendment)	Financial Instruments: Recognition and Measurement

13. General information

These condensed consolidated interim financial statements for the half year ended 30 June 2010 have been prepared on the going concern basis as detailed in the 2009 Annual Report. The Board of Directors approved these condensed consolidated interim financial statements on 30 August 2010. These are not full financial statements and were not reviewed by the auditors. Full consolidated financial statements to 31 December 2009, 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.