

Interim Results 2002

3 September 2002



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2002 Interim Results Presentation

- Introduction and H1 2002 Overview Hugh Friel
- Financial Review Brian Mehigan
- Business Reviews Hugh Friel
- Prospects and Future Development Hugh Friel
- Q&A

2002 Strategy

- To maintain earnings momentum
- Efficient integration of '01 acquisitions – growth and development through Kerry global operations
- To continue to develop ingredients technologies portfolio and global market base
- Launch Nutriant™ division – exploit unique technologies in high value growth sectors
- Launch Mastertaste global flavour division – focus on food and beverage sectors
- Continue to grow consumer brand shares, expand snack and convenience offerings in Irish and UK markets, and expand chilled food distribution services
- Continue to leverage Kerry resources and core competencies by embracing acquisition and development opportunities

Performance Review

- Adjusted earnings per share increased by 14.8%
- Organic growth remains robust despite difficult international market conditions in some sectors
- Acquisition integration programme on track across the Group
- Product development resumes in ingredient markets following unprecedented food industry consolidation
- Encouraging expansion in prepared foods, nutrition, energy and organic sectors
- Mastertaste global flavour division successfully launched
- Further gains in consumer brand shares
- Substantial NPD in foods – extension to new growth categories
- Acquisition programme continues - €125m spend in H1 2002

Financial Highlights (€) – *Interim Results*

2001		2002	Growth
€1,339.7m	Turnover	€1,799.8m	34.3%
€107.8m	Operating profit*	€128.0m	18.7%
8.1%	Operating profit %	7.1%	
€62.7m	Adjusted profit after tax*	€77.4m	23.4%
3.25 cent	Interim dividend per share	3.65 cent	12.3%
36.4 cent	Adjusted EPS*	41.8 cent	14.8%
31.8 cent	FRS3 EPS	20.2 cent	(36.5%)

Note: * before goodwill and exceptional items

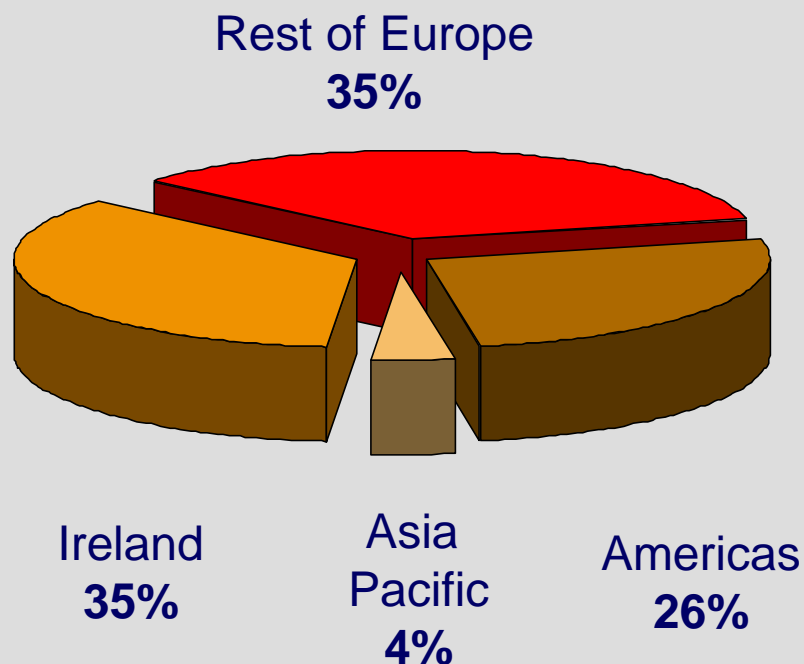


Financial Review

- Strong top line and trading performance
- Inclusion of Golden Vale and bolt-on acquisitions for the first time
- Acquisition integration activity
- Cash flow and financing costs
- Deferred taxation
- EPS track record continues

Geographical Analysis of Turnover

Geographic Split



Half Year Growth

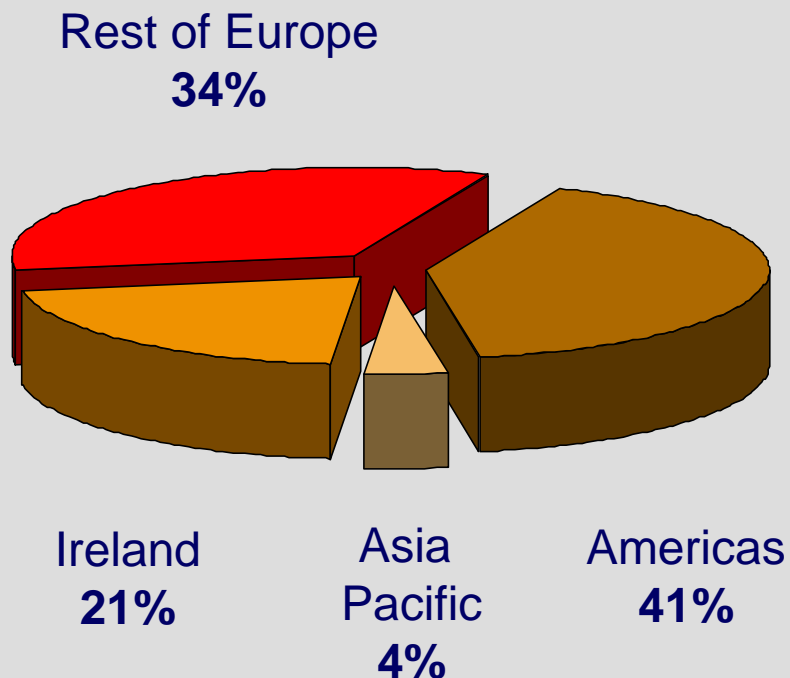
	%
Ireland	96.9
Rest of Europe	10.5
Americas	22.0
Asia Pacific	9.9
Group	34.3

Turnover Analysis – *Total Growth*

	Growth	Acquisition / Disposal	Currency	Like-for-like Growth
Ireland	97%	95%	0%	2%
Rest of Europe	10%	6%	(1%)	5%
Americas	22%	19%	(2%)	5%
Asia Pacific	10%	4%	0%	6%
Group	34%	30%	(1%)	5%

Geographical Analysis of Operating Profit

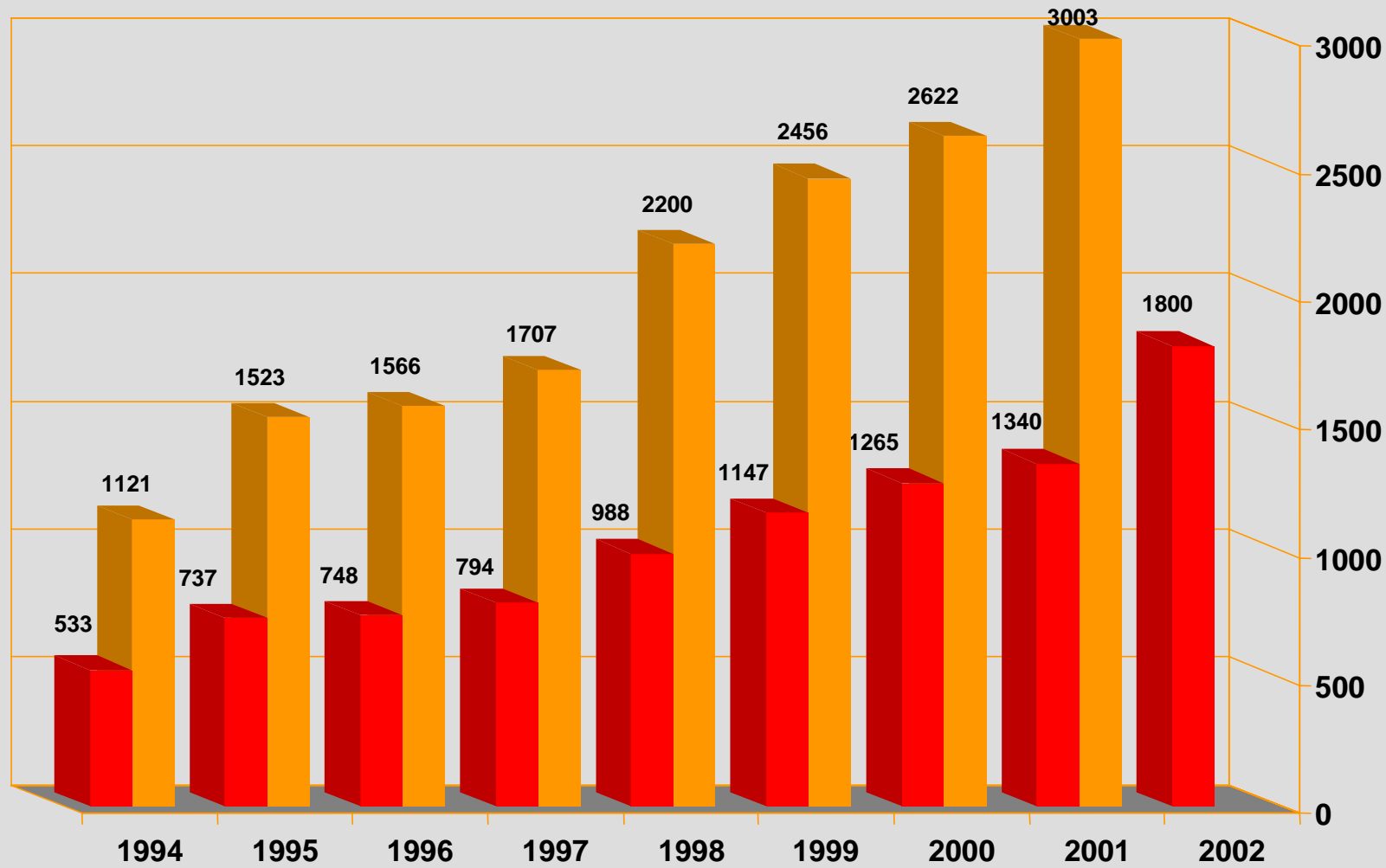
Geographic Split




Half Year Growth

	%
Ireland	42.5
Rest of Europe	8.7
Americas	18.1
Asia Pacific	13.4
Group	18.7

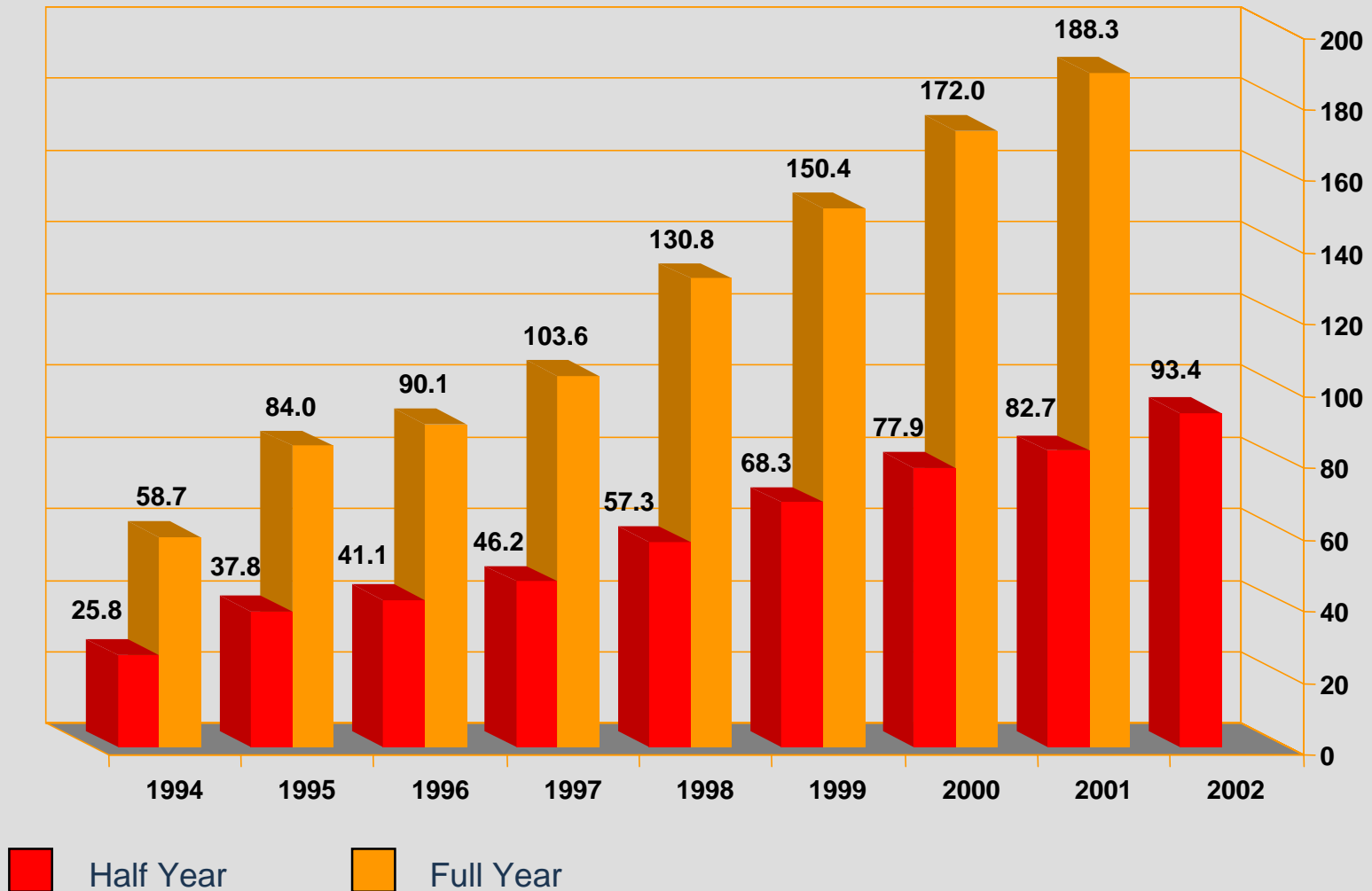
Turnover Growth



 Half Year

 Full Year

Cash (EBITDA*) Per Share (cent)



Note: * before exceptional items

Interim Cash Flow (€m)

	2002	2001
Cash from operations	76	30
Financing and tax	(53)	(50)
Investing activities		
- Capital expenditure	(48)	(46)
- Businesses acquired	(125)	(71)
- Businesses sold	34	-
- Exceptional restructuring	(14)	-
	(153)	(117)
	(130)	(137)
Exchange adjustment	51	(44)
(Increase) in borrowings	(79)	(181)
Opening net debt	(819)	(478)
Closing net debt	(898)	(659)

Interim Exceptional Items

	2002
	€m
Costs	
Redundancies and contract compensation	14.4
Plant closure and relocation expenses	4.0
Plant and other assets written off	5.9
Other	1.2
	<hr/> 25.5
Less	
Profit on disposal of businesses	(1.8)
Current tax on exceptional items	(2.1)
Deferred tax on exceptional items	(1.7)
	<hr/> 19.9
	<hr/>
Cash spent	13.6
	<hr/>

Financial Ratios

2001		2002
69%	Debt : Equity	73%
28%	Debt : Market capitalisation	32%
2.2x	Debt : EBITDA*	2.5x
6.8x	EBITDA* : net interest	6.9x

Note: * before exceptional items



FRS19 - *Deferred Tax*

- Reported tax charge increased by 4% - 5% per annum
- Previous periods, including full year 2001, adjusted to adopt new treatment
- Balance sheet provision for 'potential' tax payments reduces net assets by €36m as at 31 December 2001 to €794m
- Earnings per share adjusted accordingly

EPS Reconciliation

	2002 € cent	2001 € cent	Growth %
Adjusted EPS before FRS19*	43.9	38.7	13.4%
Deferred tax – FRS19 adjustment	2.1	2.3	
Adjusted EPS*	41.8	36.4	14.8%
Goodwill amortisation	10.9	5.1	
Exceptional items (net of tax)	10.7	(0.5)	
FRS3 EPS	20.2	31.8	

Note: * before goodwill and exceptional items



Business Reviews

Analysis of Results by Region (€m)

Group	2002			2001		
	Turnover	Operating Profit	%	Turnover	Operating Profit	%
Ireland	€627.1	€26.9	4.3%	€318.6	€18.8	5.9%
Rest of Europe	€628.3	€43.9	7.0%	€568.5	€40.4	7.1%
Americas	€473.5	€52.8	11.1%	€388.1	€44.7	11.5%
Asia Pacific	€70.9	€4.4	6.2%	€64.5	€3.9	6.0%
Total	€1799.8	€128.0	7.1%	€1339.7	€107.8	8.1%

Business Review - *Ireland*

- Effective doubling of turnover and scale of business
- Major integration / restructuring of businesses connected with Golden Vale acquisition
- Sale of Bailieboro and Artigarvan dairy processing operations
- Dairy markets: input pricing lagging reduced output prices
- Solid brand performances in Foods
- Charleville cheese, Cheestrings performing well
- Rye Valley Foods benefitting from Kerry customer relationships
- Foods NPD strong – roll-out of new products in H2
- Foodservice – good growth in QSR's, sandwich bars and retail foodservice

Business Review - *Ingredients Europe*

- Encouraging organic growth in core business
- Prepared foods – continued expansion throughout Europe
- Difficult market conditions: fish and poultry industries – impact on coatings
- Snack sector – good industry growth
- Focus on culinary opportunities – Voyager (UK) and Aromont (France) performing well
- Foodservice and QSR's continue to expand
- Eastern European markets continue to show solid growth
- Fruit ingredients business ahead year-on-year

Business Review – *Foods UK*

- Mattessons, Walls, Richmond – further brand value growth
- Addition of Porkinsons and Bowyers brands
- Shrinkage of ambient / frozen shelf space – expansion of chilled cabinet
- Ready meals double digit growth continues
- Microwaveable snacks – encouraging growth
- Acquisition of Northern Foods van sales business
- Foodservice businesses performing well

Business Review - *Americas*

- Good performance through core technologies and acquisitions
- Post industry consolidation – some businesses re-engaged in NPD
- 20%+ growth in nutritional, energy, value-added ready-to-eat cereals
- 10%+ growth in natural foods / organic sectors
- Launch of Nutriant™ division
- Commercialisation of FlavorCore™ - encouraging results
- Cereal raw material costs – impact on coatings
- Calhoun project – full commissioning in H2
- Specialty, sweet and seasonings – in line with expectations
- Solid performance in Canada and Mexico
- Acquisitions of IDSA, Ringger Foods, Roskam, Stearns & Lehman
- Integration of '01 acquisitions in Brazil well advanced

Business Review - *Asia Pacific*

- Good recovery in Australia – seasonings and bakery ingredients
- QSR's in Australia and New Zealand performing well
- QSR's in Malaysia and Singapore good performance but struggling in other Asian markets
- WTO changes – encouraging prospects in China from low base
- Progress through snack industry in China and Philippines
- Hong Kong representative office established
- Market development in Vietnam and Thailand

Business Review - *Flavours*

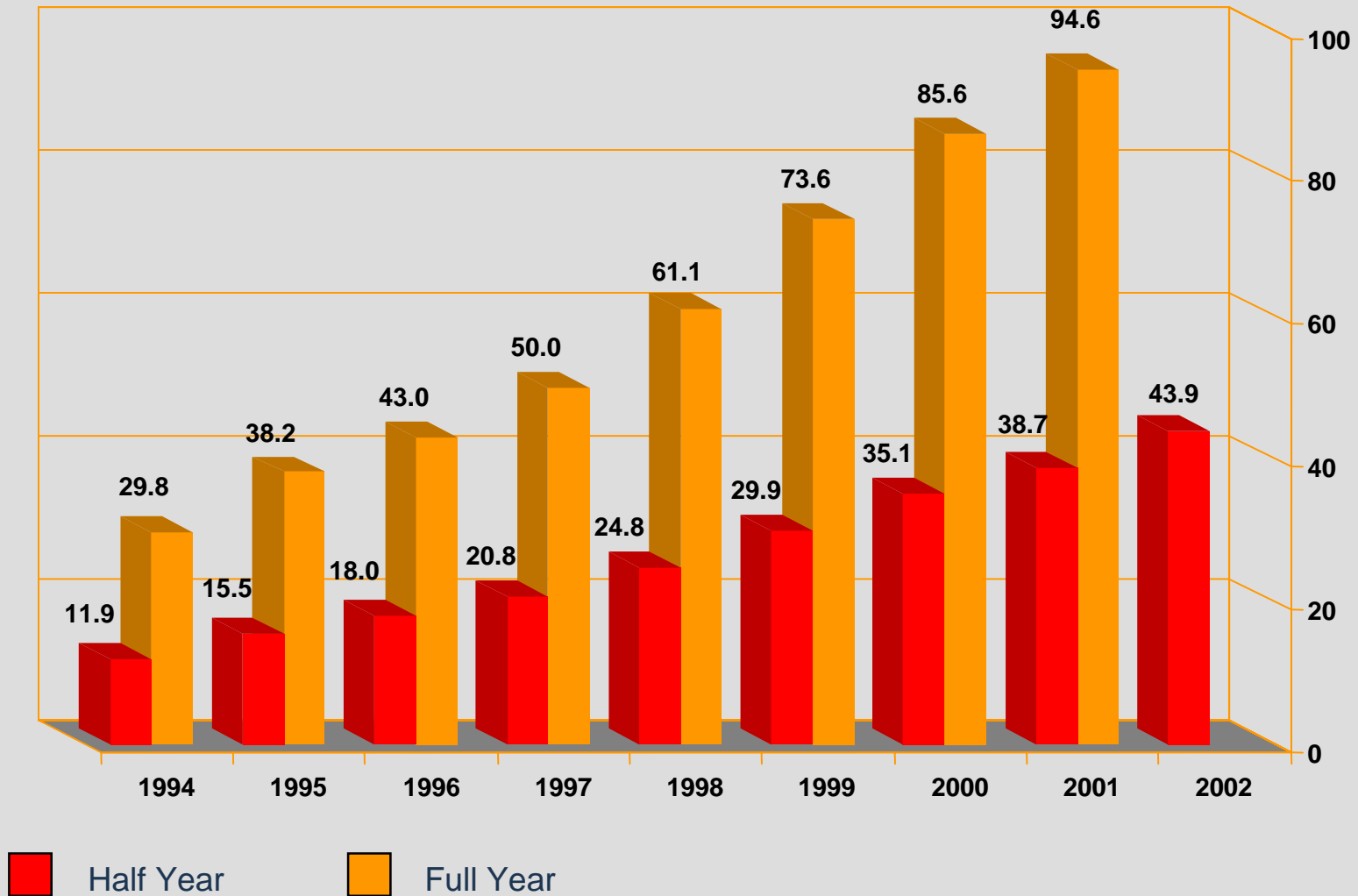
- Launch of Mastertaste global flavour division
- Strategy to become a premier flavour supplier to global food and beverage industries
- Platform for growth
 - Mastertaste (UK)
 - SGF (Italy)
 - Former Burns Philp flavours (Australia)
 - Geneva Group (USA)
 - Hickory Specialties (USA)
- Leading technologies
 - Reaction, topnote, biotechnology, encapsulation, extraction, distillation, micro-granulation, pyrolysis, smoke fractionation
- Global flavour industry: 3 to 4% growth per annum
- Mastertaste – significant acquisition opportunities

Acquisitions To Date in 2002

- IDSA Mexico Convenience blends
- Ringger Foods USA Extruded ingredients
- Roskam USA Cereal agglomerates
- Stearns & Lehman USA Foodservice
- Deli Products Ireland Chilled convenience 'food-to-go'
- Northern Foods Van Sales UK Consumer foods

- Total cost €125m

Adjusted EPS* Growth - *Pre FRS19*



Note: * before goodwill and exceptional items

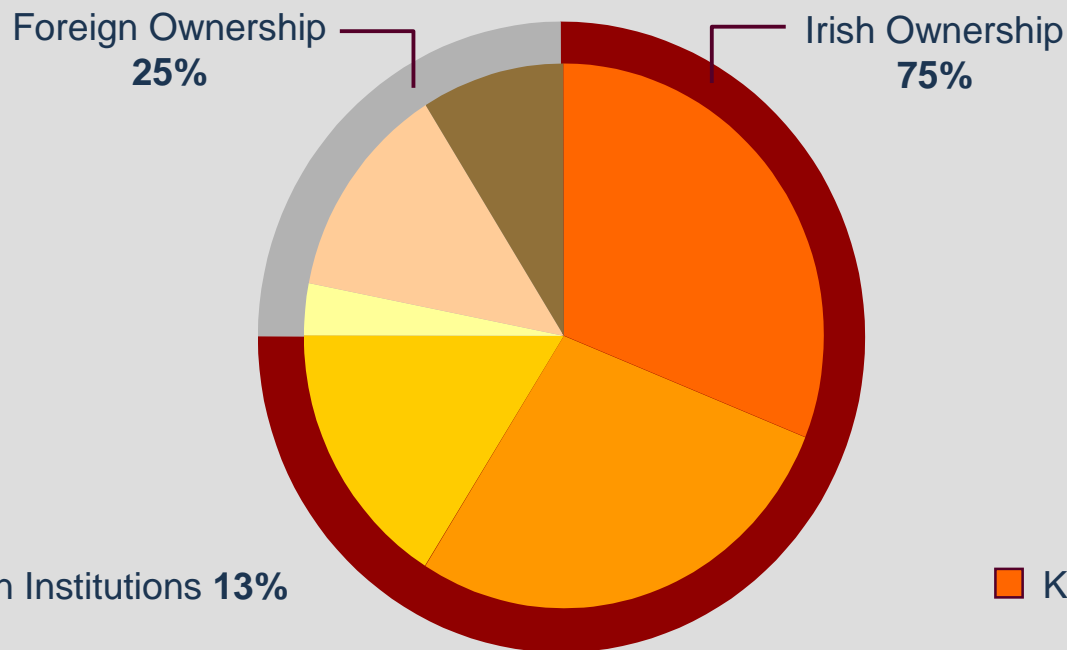
EPS Broker Estimates 2002

	2002 EPS €Cent*	% Growth	2001 EPS €Cent** (Restated)	2002 EPS €Cent** Implied
Consensus	106.5	12.6	87.9	98.9
Davy	107.6	13.7	87.9	99.9
SSSB	104.5	10.5	87.9	97.1
ABN Amro	105.5	11.5	87.9	98.0
Goodbody	107.2	13.3	87.9	99.6
Merrion	106.6	12.7	87.9	99.1
NCB	107.4	13.5	87.9	99.8

Note: * before adoption of FRS19 for deferred taxation
 ** after adoption of FRS19 for deferred taxation



Shareholder Analysis



North American Institutions **13%**

UK Institutions **9%**

Continental Europe / Rest of World
Institutions **3%**

Kerry Co-op **31%**

Irish Individuals **28%**

Irish Institutions **16%**

Shares in issue: 186 million

Current Trading and Outlook

- Current trading in line with Group budgets
- Comfortable with '02 consensus
- Integration of acquired businesses – well advanced
- Input / output pricing realignment in some sectors
- Strategic development
 - Ingredients: core technologies, nutrition, culinary
 - Flavours: sweet, savoury
 - Foods: convenience, snack offerings, prepared foods
 - Foodservice: capitalise on all Kerry portfolio
- Explore complementary opportunities



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