



Interim Statement of Results 2007



the science of food

Kerry - 2007 Interim Results Presentation



- Review of Business Hugh Friel
- Financial Review Brian Mehigan
- Business Growth Prospects Hugh Friel
- Q&A



H1 2007: *Performance Highlights*



- Like-for-like revenue growth of 5.6%
- Trading margin increased by 20bps to 7.4%
- Successful management of sustained input cost inflation
- Trading profit growth of 6.2% to €172m
- Adjusted EPS* up 7.1% to 58.8 cent
- Interim dividend per share up 10.9% to 6.1 cent

Strong organic growth

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

Kerry Management of Food Industry Environment in 2007



- Sustained energy driven input cost increases
- Focus on production / supply chain efficiencies
- Cost recovery / pricing actions
- Successful innovation / technology development
- Product range optimisation
- Continued industry leadership in health, wellness and convenience offerings

Change is good for Kerry

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H1 Business Review - *Ingredients*



	H1 2007	Like-for-like
Revenue	€1,611m	5.9%
Trading profit	€130m	7.8%

- Like-for-like revenue growth +5.9%
- Continued advantage through innovation across broad science and technology platforms
- Margin improved by 10bps to 8.1%
- 'Go-to-market' strategy sustained progress
- Solid overall performance and business development

H1 Business Review - *Ingredients Americas*



Americas	H1 2007	Like-for-like
Revenue*	€644m	6.0%

- Good cost recovery
- Progress in simplifying business structure
- Savoury technologies: good growth
- Building on strong heritage in cheese and dairy flavour technologies
- Nutrition NPD pipeline encouraging
- Bio-Science strong growth in culinary, cell nutrition and excipients
- Sustained growth in beverage applications
- Manheimer Fragrances excellent first half

*Note: * revenue by location of customers*

H1 Business Review - *Ingredients Europe*



Europe	H1 2007	Like-for-like
Revenue*	€656m	3.6%

- Good performance but slower cost recovery
- Progress through business efficiency programmes in UK, Germany and Italy
- French savoury sector challenging
- Dairy margin recovery
- Fruit and sweet strong H1 performance
- Bio-Science functional ingredients outperforming market growth rates

*Note: * revenue by location of customers*

H1 Business Review - *Ingredients Asia Pacific*



Asia Pacific	H1 2007	Like-for-like
Revenue*	€199m	14.6%

- Strong business and regional market development
- Growing demand for speciality nutritional products
- Good performance through branded flavoured beverage products
- Malaysia emulsifiers good growth
- Sheffield Pharma regional expansion
- Success through Pinnacle Lifestyle bakery products

*Note: * revenue by location of customers*

H1 Business Review - *Consumer Foods*



	H1 2007	Like-for-like
Revenue	€882m	4.5%
Trading profit	€56m	8.5%

- Like-for-like revenue growth +4.5%
- Good margin recovery
- Key brands deliver above market growth
- Successful NPD in premium categories
- Chilled ready meals good growth year-on-year
- Growing market share in cheese
- Increased focus on 'good for you' foods
- Cost recovery programme on-going



Financial Review



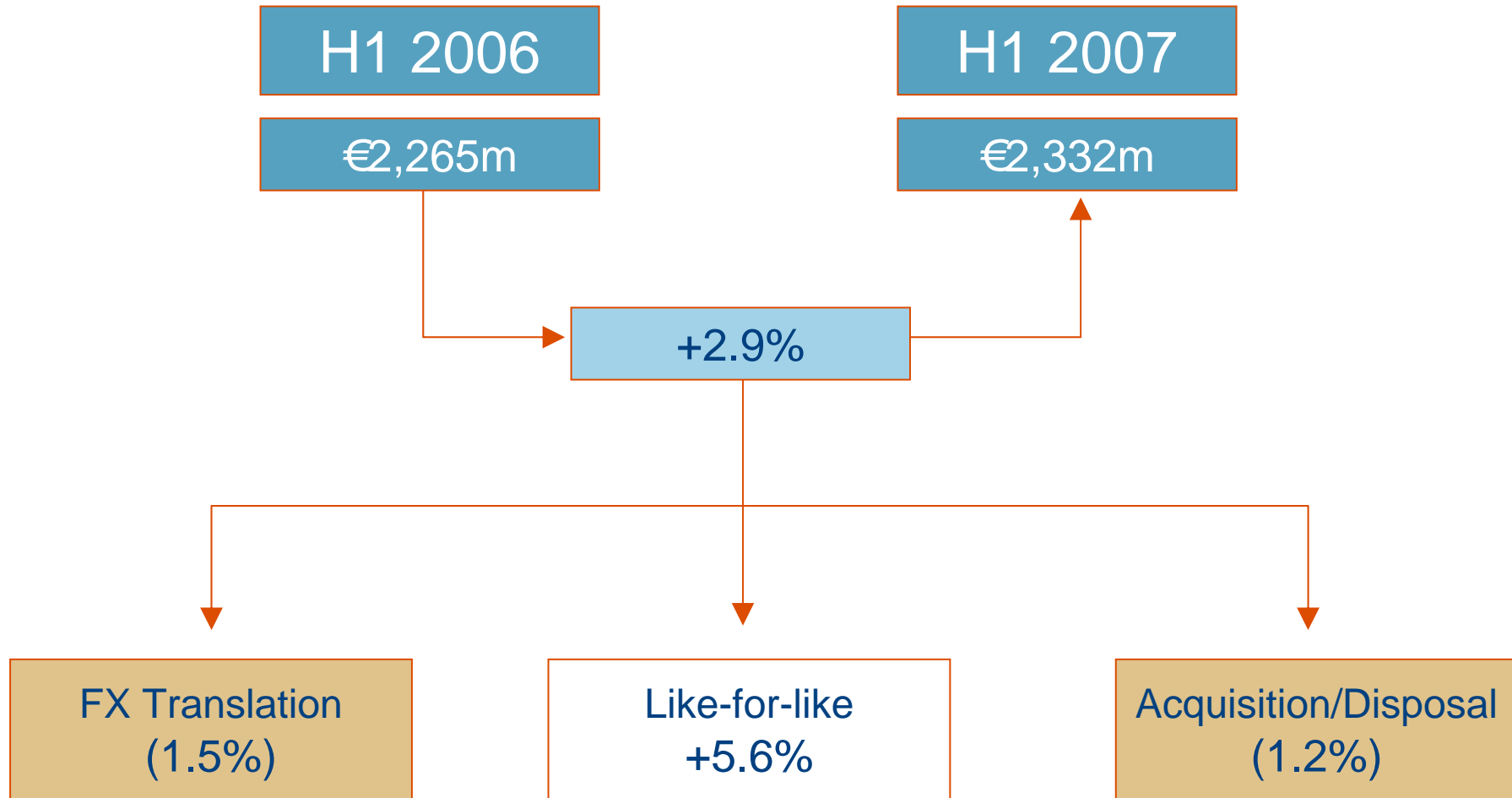
H1 2007 Financial Highlights



Revenue	→	€2,332m	+2.9%
Like-for-like revenue	→	+€126m	+5.6%
Trading profit	→	€172m	+6.2%
Trading margin	→	7.4%	+20bps
Adjusted EPS*	→	58.8 cent	+7.1%
Basic EPS	→	57.6 cent	+7.1%
Free cash flow	→	€75m	H1 2006: €20m

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

Revenue Analysis



Note: like-for-like represents revenue growth before subsidiary translation and acquisitions / disposals impact

H1 2007 Revenue: *Like-for-like % Growth*



	Like-for-like Growth	Acquisition / Disposal	Reporting Currency	Reported Growth
Ingredients	5.9%	1.3%	(3.1%)	4.1%
Consumer Foods	4.5%	(5.3%)	1.7%	0.9%
Group	5.6%	(1.2%)	(1.5%)	2.9%

Revenue Growth by Business



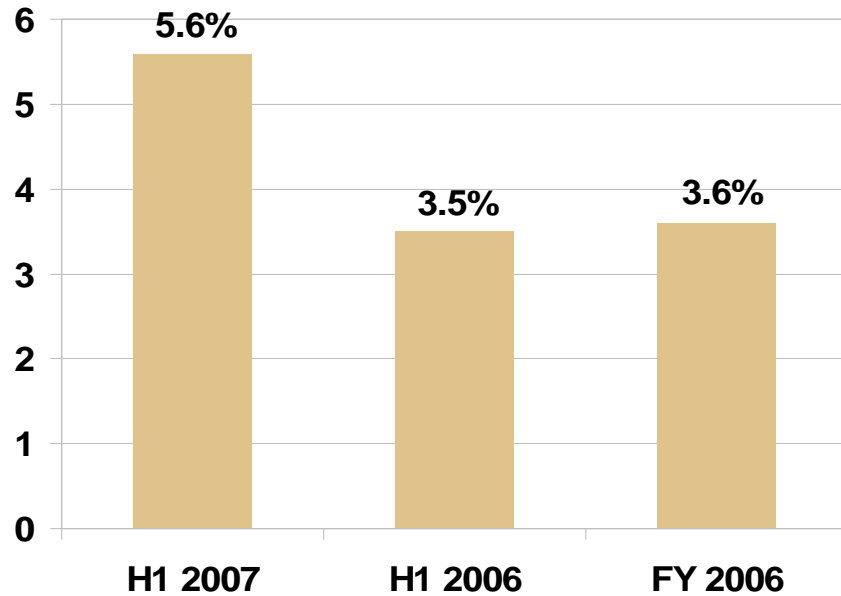
	H1 2007 Revenue		H1 2006 Revenue	
	Total Growth	Like-for-like Growth	Total Growth	Like-for-like Growth
- Europe*	4.0%	3.6%	2.8%	4.2%
- Americas*	1.4%	6.0%	10.9%	5.5%
- Asia Pacific*	14.3%	14.6%	9.1%	9.4%
Ingredients	4.1%	5.9%	6.5%	5.0%
Consumer Foods	0.9%	4.5%	6.6%	0.2%
Group	2.9%	5.6%	7.0%	3.5%

Note: * revenue by location of customers

Revenue Growth Components



Like-for-like % Growth



Like-for-like % Growth

	H1 2007	H1 2006	FY 2006
Volume	4%	3%	3%
Price	2%	1%	1%
Group	5.6%	3.5%	3.6%

Note: Like-for-like represents revenue growth before subsidiary translation and acquisitions / disposals impact

H1 2007 Trading Profit : *Like-for-like % Growth*



	Like-for-like Growth	Acquisition / Disposal	Reporting Currency	Reported Growth
Ingredients	7.8%	1.1%	(3.1%)	5.8%
Consumer Foods	8.5%	(3.4%)	1.5%	6.6%
Group	8.4%	(0.3%)	(1.9%)	6.2%

Margin by Business



	H1 2007			H1 2006		
	Revenue	Trading Profit	%	Revenue	Trading Profit	%
	€m	€m		€m	€m	
Ingredients	1,611	130	8.1%	1,547	123	8.0%
Consumer Foods	882	56	6.3%	875	52	6.0%
Eliminations / Unallocated	(161)	(14)	-	(157)	(13)	-
Group	2,332	172	7.4%	2,265	162	7.2%

Interim Free Cash Flow



	2007	2006
	€m	€m
EBITDA*	225	216
Movement in working capital	(64)	(100)
Capital expenditure (net)	(39)	(48)
Finance costs	(35)	(35)
Taxation	(12)	(13)
Free cash flow	75	20
Dividends and share buy backs	(230)	(25)
Acquisitions	(13)	(88)

Note: * before non-trading items

Financial Ratios



	H1 2007	H1 2006
Debt : market capitalisation	38%	44%
EBITDA : net interest*	6.0x	7.0x
Debt : EBITDA*	2.8x	2.8x
CFROI	11.8%	10.4%

*Note: * calculated in accordance with banking covenants*

Other Financial Matters



- Finance costs Up €3m due to impact of rate increases and share buy back offset by cash flow impact. Average rate increase 1.2% v H1 2006
- Taxation Tax charge on continuing operations up to 20.8% (H1 2006: 20.2%)
- Share buy back 10.8m shares acquired during the period at a cost of €232m





Outlook and Future Prospects



Ingredients Market Development



- Development of Kerry's broad science, technology and applications capability to generate solid organic growth
- Value creation through strong innovation platforms
- Kerry best positioned for natural, health, nutrition, food safety and convenience trends
- Asian markets - well positioned for good growth
- Industry consolidation: leading ingredients companies best positioned for growth




- Key brands leading category growth
- Underperforming non-core activities eliminated
- Increased investment in NPD and brands
- Business efficiency programmes and pricing actions to manage cost inflation
- Continue to build on strong customer relationships and national distribution networks



Outlook: Future Prospects



- Expect good outturn for full year
 - Build on H1 organic growth achievement
 - Continue to manage input cost increases
 - Maintain focus on business efficiencies
 - Strong financial base to capitalise on value enhancing business growth opportunities
 - EPS momentum to be maintained in H2 despite currency and input cost headwinds
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Board and Management Changes



- Hugh Friel



- to retire as Director and Chief Executive
31 December 2007

- Stan McCarthy



- appointed Chief Executive Designate
- to succeed Hugh Friel as Chief Executive
on 1 January 2008



Additional Information



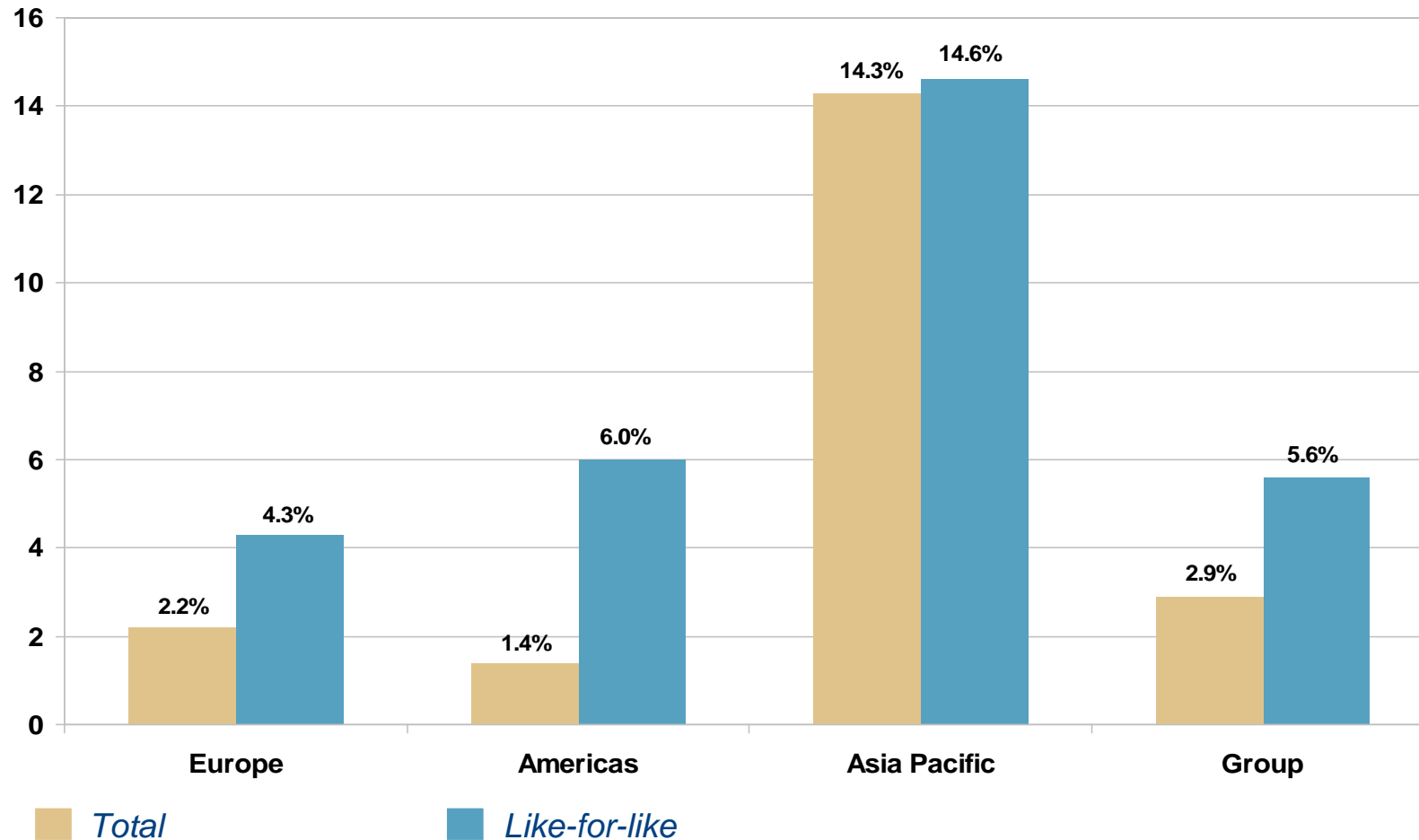
Revenue Growth: Like-for-like



	H1 2007 Like-for-like	H1 2006 Like-for-like	H1 2005 Like-for-like
- Europe*	3.6%	4.2%	3.1%
- Americas*	6.0%	5.5%	2.6%
- Asia Pacific*	14.6%	9.4%	10.5%
Ingredients	5.9%	5.0%	3.8%
Consumer Foods	4.5%	0.2%	3.1%
Group	5.6%	3.5%	3.4%

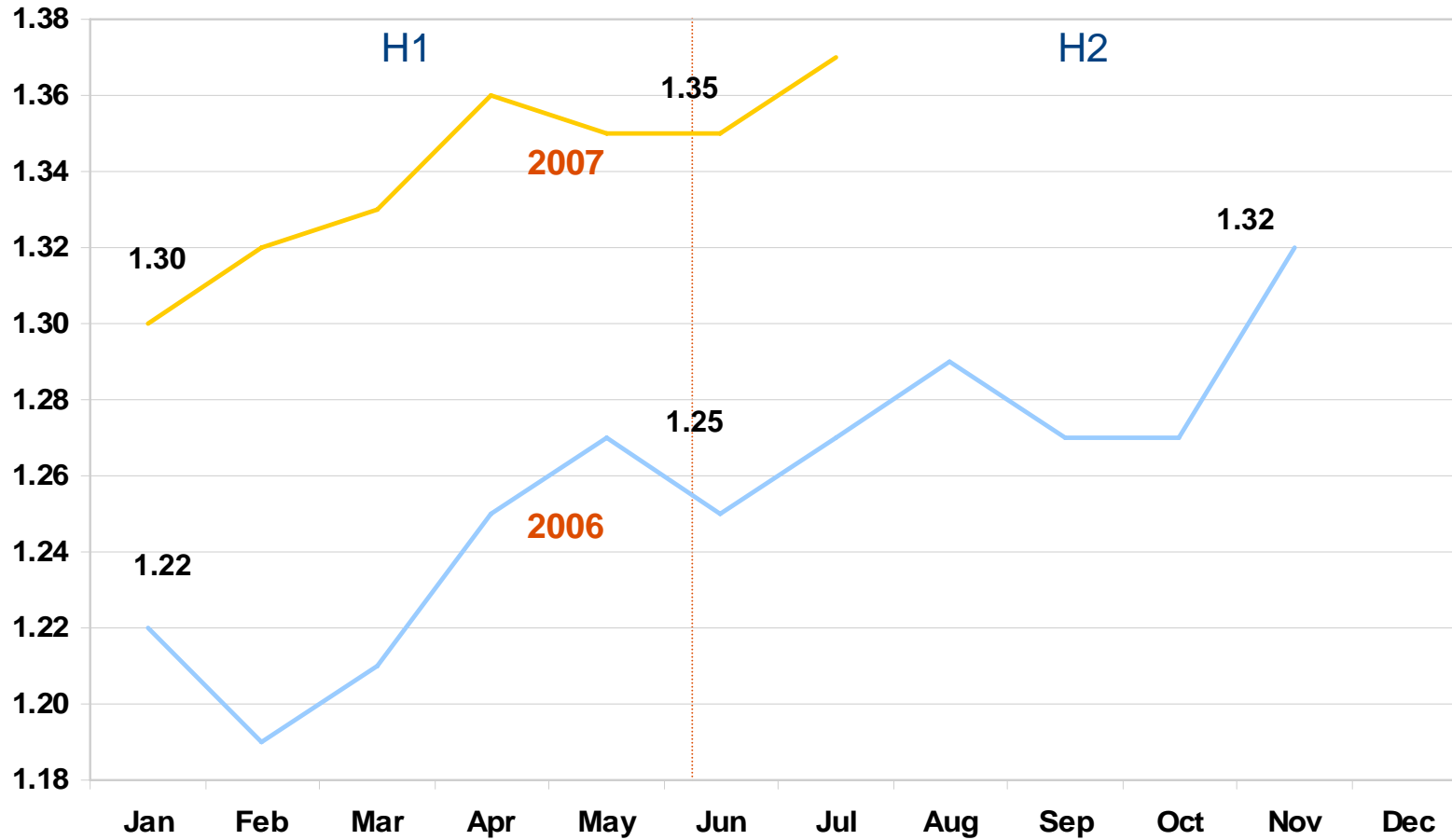
*Note: * revenue by location of customers*

H1 2007 Revenue Growth by Destination



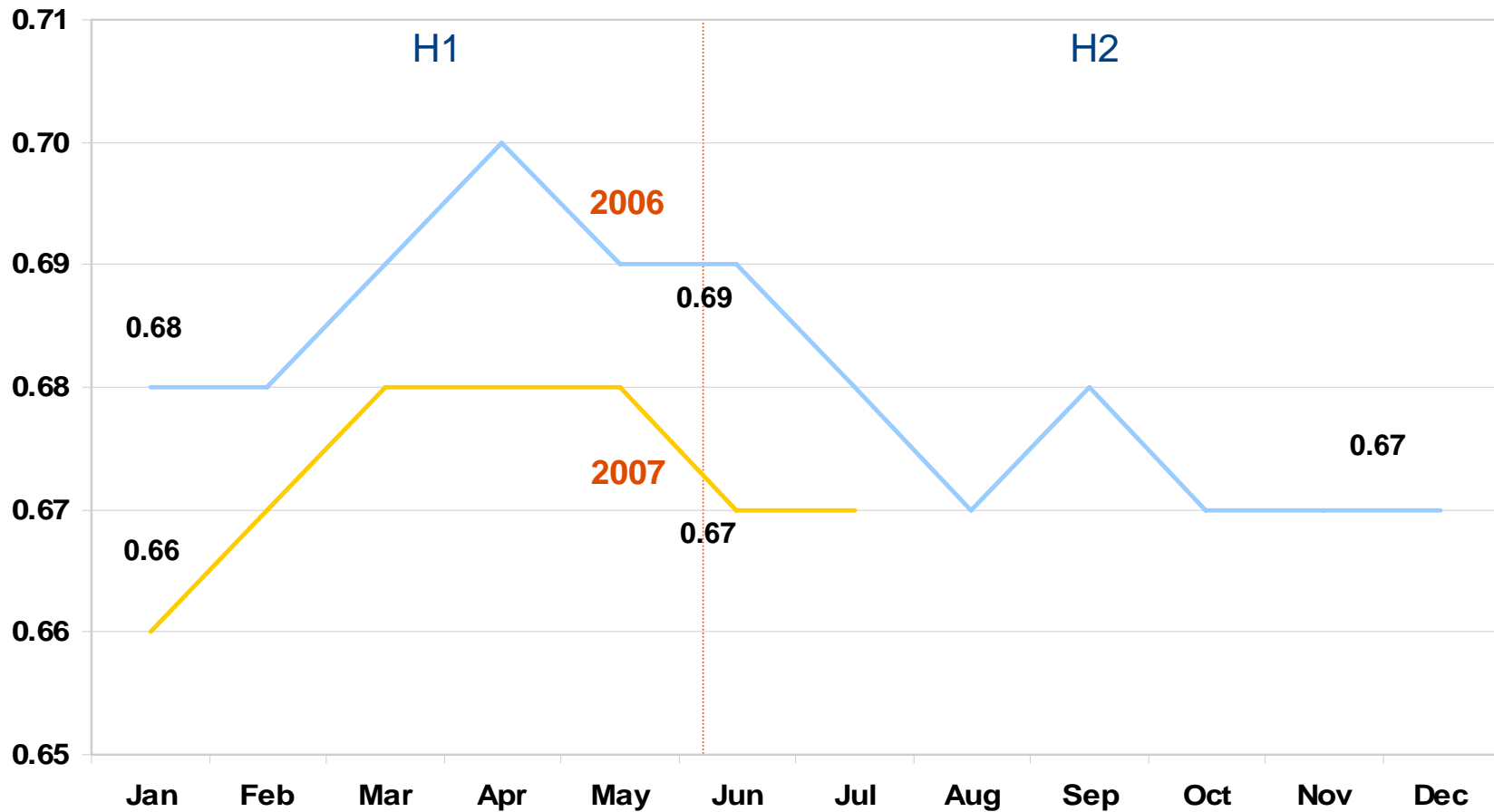
Note: like-for-like represents revenue growth before subsidiary translation and acquisitions / disposals impact

Euro - US Dollar Trend



	H1 2007	H1 2006
Avg fx rate	1.34	1.23
% change	(8.9%)	

Euro - Sterling Trend



	H1 2007	H1 2006
Avg fx rate	0.67	0.69
% change	+2.9%	

Interim Five Year Free Cash Flow



	2007	2006	2005	2004	2003
	€m	€m	€m	€m	€m
EBITDA*	225	216	212	197	176
Movement in working capital	(64)	(100)	(77)	(4)	(79)
Capital expenditure (net)	(39)	(48)	(59)	(48)	(37)
Finance costs	(35)	(35)	(29)	(21)	(22)
Taxation	(12)	(13)	(23)	(23)	(14)
Free cash flow	75	20	24	101	24

Note: * before non-trading items

Debt Profile (€m)



	Net Borrowings	@ Floating Rates	@ Fixed Rates
Euro	488	288	200
Sterling	263	263	-
US Dollar	486	93	393
Other	120	120	-
	<hr/> 1,357	<hr/> 764	<hr/> 593
	100%	56%	44%

Weighted average period for which rate is fixed: 3.2 years

Maturity Profile of Net Debt



	30 June 2007 €m	30 June 2006 €m
Within one year	(88)	104
Between 1 and 2 years	4	108
Between 2 and 5 years	733	689
Between 5 and 10 years	708	437
	<u>1,357</u>	<u>1,338</u>

Weighted average maturity in years:

4.9

4.6

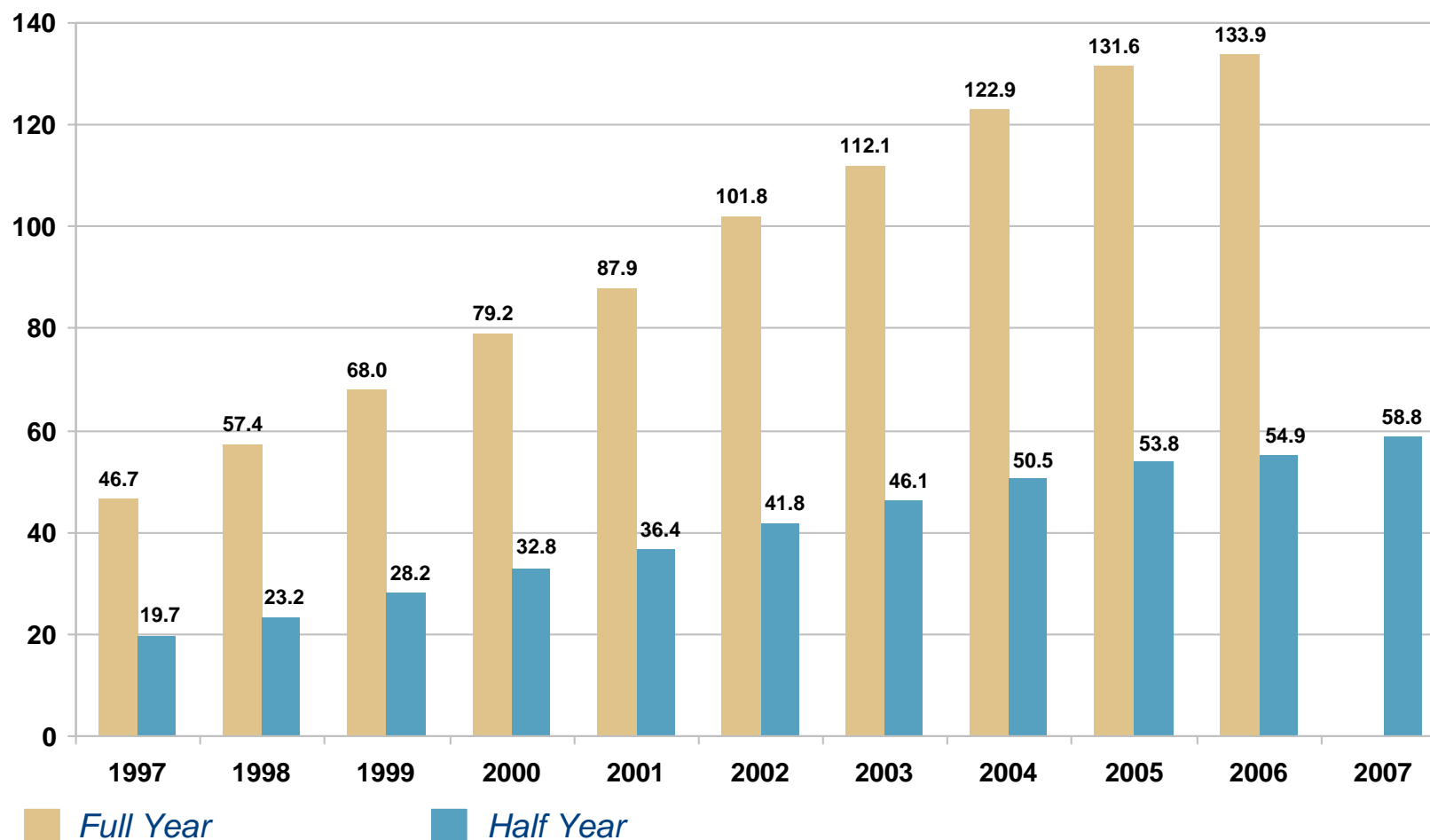
EPS Reconciliation



H1 2006		H1 2007	Growth
€ cent		€ cent	%
54.9	Adjusted EPS*	58.8	7.1%
(2.9)	Intangible asset amortisation	(3.4)	
1.8	Non-trading items (net of tax)	2.2	
53.8	Basic EPS	57.6	7.1%

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

EPS* Growth (cent)



Note: EPS numbers for 1997 to 2003 are pre IFRS

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

EPS* Broker Estimates 2007 / 2008



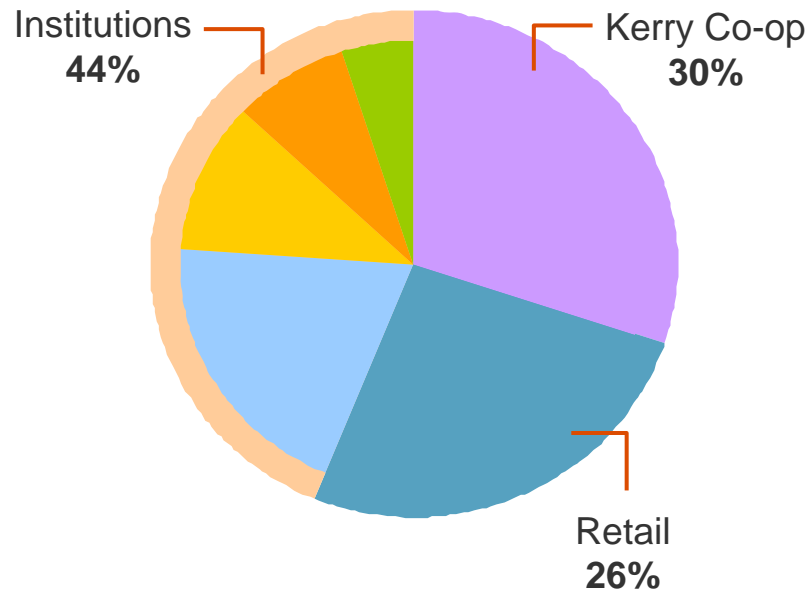
	High	Low	Consensus	%
2007 estimate	141.1	138.9	140.2	4.7
2008 estimate	151.5	148.0	149.8	6.8

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

Shareholder Analysis

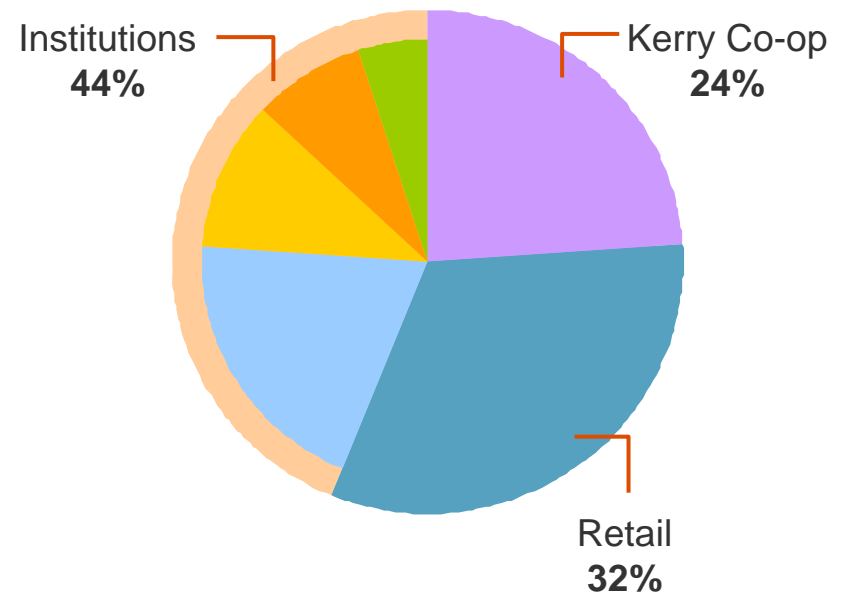


June 2007 (Post Buy Back)



- Institutional Analysis**
- North America **20%**
 - Ireland **11%**
 - UK **8%**
 - Continental Europe / Rest of World **5%**

October 2007 (After Co-op Share Exchange)



- Institutional Analysis**
- North America **20%**
 - Ireland **11%**
 - UK **8%**
 - Continental Europe / Rest of World **5%**

Analysis is based on shares at 30 June 2007 (174,320,535) adjusted for the pass out of 20% of the Co-op's shareholding in Sept 2007



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