Glanbia PLC
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NEWS RELEASE
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2005 Interim Results

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GLANBIA FIRST HALF EARNINGS BROADLY IN LINE WITH 2004

STRATEGIC INITIATIVES PROGRESSING WELL

31 August 2005 - Glanbia plc, an international Consumer Foods, Food Ingredients and Nutritionals Group, announces its interim results for the half-year ended 2 July 2005. These interim results are prepared under International Financial Reporting Standards (IFRS), which the Group expects to be effective at 31 December 2005 and all comparisons are based on a restatement of 2004 financial information. The impact on the key financial data for the year 2004 is summarised on page 15 of these results and a detailed IFRS restatement document was released simultaneously, and is available on the Group's website at www.glanbia.com
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Interim Results Analysis (1)
Profit after tax at the half year was broadly similar to the first half of 2004. A good performance in the US Food Ingredients business and satisfactory progress in other areas of operation was offset by a difficult first half in the Agribusiness division and the chilled foods segment of the Consumer Foods division, where challenging market conditions and further rationalisation to improve competitiveness affected results. Strategic investments in Nigeria and New Mexico are on schedule and to plan, and the evolving Nutritionals business delivered solid organic growth.

	2 July 2005 Pre exceptional €'000	Exceptional €'000	2 July 2005 Total €'000	3 July 2004 (2) Pre exceptional €'000
Turnover up €45.7m	926,127		926,127	880,412
Operating profit pre exceptional down €3.1m	38,328	(2,431)	35,897	41,390

- Exceptional includes €6.3 million rationalisation costs at the Consumer Foods division, offset by a foreign exchange credit of €3.9 million, arising from the implementation of IFRS.

Total financing costs pre exceptional down €2.0m (3)				
Group interest	(7,725)	(5,304)	(13,029)	(4,073)
Non-equity minority interest				(5,602)

- Total financing costs pre exceptional down €2.0m to €7.7m in H1 2005, compared with €9.7m in H1 2004.
- Exceptional is the cancellation cost of $100m preferred securities, which were prepaid in June 2005 as part of an overall refinancing of the Group.

Profit before tax (4) pre exceptional, on a comparable basis (5) down €0.8m	30,641	(7,735)	22,906	31,466
Taxation	(3,947)	7,454	3,507	(5,037)

- Exceptional is a tax credit relating to a prior business disposal.

Profit after tax (5) on a comparable basis	26,694	(281)	26,413	26,429

(1) Continuing operations.
(2) Profit after tax and exceptional on a comparable basis for the period ended 3 July 2004 amounted to €26.5 million.
(3) Due to the timing of the implementation of the relevant IFRS standards, interest on preferred securities and preference shares is shown in the income statement as part of group interest in H1 2005 and as non-equity minority interest in H1 2004.
(4) Including share of profit of joint ventures and associates (H1 2005: €38,000 profit and H1 2004: €249,000 loss).
(5) After total financing costs (group interest plus non-equity minority interest) of €7.7m in H1 2005 and €9.7m in H1 2004.

Interim Results Analysis (1) continued	2 July 2005	3 July 2004
Operating margin pre exceptional	4.1%	4.7%

- Margin erosion is primarily as a consequence of the decline in operating margin in Agribusiness and the chilled foods segment of the Consumer Foods division.

Earnings per share	9.01c	9.03c
Adjusted earnings per share	9.10c	8.99c
Interim dividend up 5%	2.27c	2.16c

John Moloney, Group Managing Director, said today:
'The Group's performance at the half year was broadly in line with the first

half of 2004. A good performance in the US cheese business and satisfactory progress in other areas of operation were offset by a difficult first half in the Agribusiness division and the chilled foods segment of the Consumer Foods division. This arose from the ongoing effects of the implementation of MTR on farming and the dairy sector, a competitive market environment in Ireland and additional rationalisation to improve cost effectiveness and productivity.

The strategic developments in Nigeria, New Mexico and Europe, and the evolving Nutritionals business, are all progressing well.

The trading environment in Ireland is expected to remain challenging for the remainder of this year. We have taken strong proactive measures on costs, productivity and market positioning and the benefits of these initiatives will flow through during the next year. Given the current difficult trading environment we expect earnings for 2005 to be broadly in line with 2004. Glanbia continues to make solid underlying strategic and operational progress and we are confident of the Group's future prospects. '

31 August 2005

ABOUT GLANBIA

Glanbia plc has operations in Ireland, Europe, the US and Nigeria. Business units are structured around developing the Group's strategic focus on the Consumer Foods, Food Ingredients and Nutritionals markets.

There are three operational divisions of Glanbia:

- Agribusiness Division - the key linkage between Glanbia and its Irish raw materials supply base of 5,700 farmer suppliers. This business is engaged primarily in feed milling, milk assembly and the marketing of a range of farm inputs, including fertilisers, feed and grain through a retail branch network.
- Consumer Foods - includes liquid milk, chilled foods and pork processing.

In Ireland Glanbia is the leading supplier of branded and value-added liquid milk, mineral water, fresh dairy, cheeses, soups and spreads in the retail market. Glanbia Meats is the leading Irish fresh pork and bacon processor selling to Irish and International markets.

- Food Ingredients - comprising the US and Irish dairy ingredients operations and the Group's developing Nutritionals business. Glanbia processes a range of milk, cheese and whey protein ingredients at facilities in Ireland and the US for sale on international markets. Glanbia Nutritionals supplies the global nutrition industry with a range of solutions designed to address specific health and wellness benefits.

2005 INTERIM STATEMENT
Results for the six months ended 2 July, 2005

Income Statement

In the first half, turnover grew €45.7 million to €926.1 million (H1 2004: €880.4 million). Operating profit pre exceptional was down €3.1 million to €38.3 million (H1 2004: €41.4 million), as a result of the challenges experienced by the Irish Agribusiness and chilled foods segment of the Consumer Foods division, which impacted overall performance. The operating margin declined 60 basis points to 4.1% (H1 2004: 4.7%) due to the margin decline suffered in these businesses.

At the operating profit level an exceptional charge of €2.4 million is made up primarily of €6.3 million rationalisation costs to enhance efficiency in Ireland, which was offset by a non-cash credit of €3.9 million pertaining to foreign currency retranslation under IFRS. Of the €6.3 million rationalisation costs, €4.9 million relates to an agreement, reached in May, with employees at the fresh dairy products facility in Inch, which involves voluntary redundancies and new work practices and the remaining €1.4 million relates to the closure of two liquid milk distribution depots in Dublin.

The Group's share of joint ventures and associates amounted to €38,000 profit for the first half of 2005, compared with a loss of €249,000 in the first half of 2004. This reflects an improvement in Glanbia Cheese, the joint venture in the UK with Leprino Foods.

Total financing costs, which includes Group interest and non-equity minority interest for preferred securities and preference shares, reduced by €2.0 million to €7.7 million (H1 2004: €9.7 million), as the Group continues to benefit from a changing mix of debt and a lower interest rate environment. Due to the timing of the implementation of IAS 32 and 39, interest on preferred securities and preference shares is shown in the income statement as part of Group interest in H1 2005 and as non-equity minority interest in H1 2004.

The exceptional of €5.3 million in Group interest for the first half of 2005 is the cancellation cost of the early payment of US$100 million preferred securities, which were prepaid on 15 June 2005. This prepayment forms part of the Group's refinancing, which was undertaken in the first half in the context of the current favourable interest rate environment. The Group has renewed financing facilities of over €400 million to July 2010 with core banking relationships.

Profit before tax pre exceptional, and including share of joint ventures and associates, on a comparable basis was down €0.9 million to €30.6 million (H1 2004: €31.5 million). The comparable basis is after total financing costs, which are outlined above.
Taxation amounted to a credit of €3.5 million. This is as a consequence of an exceptional credit of €7.5 million, which is a tax credit relating to a prior disposal of assets in the US.

Profit after tax pre exceptional, on a comparable basis, was up marginally by €0.3 million to €26.7 million (H1 2004: €26.4 million). Profit after tax was broadly in line with 2004 at €26.4 million (H1 2004: €26.5 million).

Balance Sheet and Cash Flow

Total financing on a comparable basis increased €25.7 million to €286.6 million compared to €260.9 million at the end of 2004 and declined €6.2 million when compared to €292.8 million at the half year 2004. This first half increase relates primarily to further investment by the Group in development initiatives such as the agreement with Dairygold Co-operative Society Limited to take on the CMP brand portfolio and investment in the Nigerian joint venture with PZ Cussons plc. In addition, the Group has put in place initiatives to reduce its ongoing investment in seasonal working capital.

Dividends

The Board is recommending an Interim dividend of 2.27 cent per share (H1 2004: 2.16 cent per share), representing an increase of 5%. Dividends will be paid on 5 October 2005 to shareholders on the register as at 9 September 2005, the record date. Irish dividend withholding tax will be deducted at the standard rate, where appropriate.

Operations Review

Glanbia is organised into three operating divisions - Agribusiness, Consumer Foods and Food Ingredients, which includes the evolving Nutritionals business.

AGRIBUSINESS

The Agribusiness division had a difficult first half. As expected the effects of the implementation by the EU of the Mid Term Review (MTR) of the Common Agricultural Policy impacted farm purchasing power. Whilst overall turnover was similar at €142.3 million (H1 2004: €143.8 million), reduced volumes and a competitive pricing environment resulted in a decline in performance and margin erosion. Operating profit declined €1.6 million to €7.7 million (H1 2004: €9.3 million) and the operating margin was down 110 basis points to 5.4% (H1 2004: 6.5%).

Agribusiness is the key linkage with the Group's farmer supply base. Farming is going through a period of significant change and as a result the Group currently anticipates further performance pressure in this division. Additional cost reduction initiatives, which form part of an ongoing rationalisation programme for this division, are planned in the second half to continue to minimise the impacts of this changing market environment.

CONSUMER FOODS

Turnover was up €19.5 million to €242.5 million (H1 2004: 223.0 million). Operating profit pre exceptional declined €2.2 million to €8.5 million (H1 2004: €10.7), whilst the operating margin was down 130 basis points to 3.5% (H1 2004: 4.8%). The decline in profitability was substantially driven by the significant market pressures and competitive challenges faced by the chilled foods segment of this division during the first half. The performance of the chilled foods business in the second half of the year is expected to show an improvement on the first half, benefiting from stronger marketing and cost efficiencies.

Liquid Milk and Chilled Foods

The liquid milk segment of the Consumer Foods business performed satisfactorily in a competitive environment, with increasing imports from Northern Ireland and the growth of own brand milk in food retailing. An exceptional rationalisation cost of €1.4 million was incurred in this segment of the Consumer Foods division as two distribution depots in Dublin were closed. In February 2005 Glanbia concluded an agreement with Dairygold Co-operative Society Limited to take on the CMP liquid milk, cream and juice brands for a consideration of €10 million. This business operates primarily in Cork City and County in the South of Ireland and its successful integration has extended the national coverage of the Avonmore brand and will help to strengthen the Group's position further in the beverage market.

The chilled foods segment of the Consumer Foods division had a tough first half in competitive markets. Performance was further impacted by rationalisation initiatives and additional marketing spend during the period. The process of realigning the high cost base at the Inch manufacturing facility commenced in the first half. A new site agreement was reached, at an exceptional cost of €4.9 million, which will significantly increase the competitiveness and productivity of this business. There was also an increase in marketing spend on promoting key brands and new products in the first half. The Group expects the full market and performance benefits of these initiatives to be delivered during the next year.

Fresh Pork

Glanbia Meats improved its performance in the first half, after the severe downturn experienced in the pigmeat industry in 2004, however markets recovered more slowly than expected. This business has a good market position and efficient plants and will continue to benefit as the market environment improves.

FOOD INGREDIENTS

The Food Ingredients division achieved a solid performance with an improvement in turnover of €27.8 million to €541.3 million (H1 2004: €513.5 million) and operating profit increased €0.8 million to €22.1 million (H1 2004: €21.3 million). The operating margin at 4.1% was similar to the 2004 level, as margin pressure in the Food Ingredients business in Ireland was offset by a good performance from the US and steady organic growth in the Nutritionals business.

Food Ingredients Ireland

Food Ingredients Ireland delivered a satisfactory result against a backdrop of substantial and ongoing change in dairy markets. These changes arise from the implementation of a reduction in EU dairy market supports, resulting from MTR, and are expected to further impact performance in the second half of the year. The focus for this business continues to be the effective management of the impact of these changes whilst maintaining profitability through productivity gains, product mix and cost efficiencies. A number of initiatives were completed in the first half including contract manufacturing agreements on milk processing and an agreement on a new joint venture to manufacture and market dairy spreads and butterfat products.

Food Ingredients USA

Food Ingredients USA had a good first half benefiting from strong market demand, increased output and high capacity utilisation. Increased capacity for cheese, whey and protein isolates were all commissioned at the Idaho facilities in the last year. Market demand remains positive and milk production is expected to be strong for the remainder of the year.

Nutritionals

The evolving Nutritionals business made steady progress. Further organic growth was achieved in the first half and Kortus Food Ingredient Services GmbH - a German based nutrient delivery systems business acquired in the second half of last year - performed well, with sales ahead of expectations. In addition the Group continued to invest in enhancing the human resource capability to drive forward the development of this business. This is part of a programme of investment including research and technology to build the product pipeline, customer relationships and market relevance.

Development Strategy

Glanbia's development strategy is to build international relevance in cheese, nutritional ingredients and selected consumer foods. In the first half good progress was made including:

- The commissioning in June of the new US$25 million facility in Nigeria. This joint venture with PZ Cussons plc currently packs fat filled milk powder which is sourced in Ireland, in consumer formats for the local market. Early sales and market developments are very encouraging and a further manufacturing plant for condensed milk will begin commissioning shortly.
- The construction of the new US$190 million cheese and whey products facility in New Mexico is also on track to begin commissioning in October 2005. This is a joint venture with Dairy Farmers of America and Select Milk Producers Inc. which, when completed, will make Glanbia the number one producer of American cheese.
- The successful integration of the Kortus nutritionals business in Germany, acquired in December 2004 was completed and this acquisition is performing ahead of expectations.
- The newly opened Group Innovation Centre in Kilkenny, Ireland, is operating

well and a Phase II expansion, adding additional personnel and lab facilities is scheduled for completion in October.

Outlook

The trading environment in Ireland is expected to remain challenging for the remainder of this year. We have taken strong proactive measures on costs, productivity and market positioning and the benefits of these initiatives will flow through during the next year. Given the current difficult trading environment we expect earnings for 2005 to be broadly in line with 2004. Glanbia continues to make solid underlying strategic and operational progress and the Board and management are confident of the Group's future prospects.

Glanbia plc

Consolidated Income Statement
for half year ended 2 July 2005

		Half year ended 2 July 2005			Half year ended 3 July 2004			Year end
		Pre-exceptional	Exceptional	Total	Pre-exceptional	Exceptional	Total	Pre-exceptional
	Note	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Turnover	2	926,127	-	926,127	880,412	-	880,412	1,753,645

Operating profit

before exceptional items	2	38,328	-	38,328	41,390	-	41,390	86,257
Exceptional items	3	-	(2,431)	(2,431)	-	(325)	(325)	-
Operating profit		38,328	(2,431)	35,897	41,390	(325)	41,065	86,257
Group interest (see note below)	4	(7,725)	(5,304)	(13,029)	(4,073)	-	(4,073)	(5,723)
Share of profits/ (losses) of joint ventures and associates		38	-	38	(249)	-	(249)	(1,523)
Profit before tax (see note below)		30,641	(7,735)	22,906	37,068	(325)	36,743	79,011
Taxation	5	(3,947)	7,454	3,507	(5,037)	-	(5,037)	(8,386)
Profit after tax (see note below)		26,694	(281)	26,413	32,031	(325)	31,706	70,625
Discontinued operations	6	-	-	-	-	429	429	-
Profit for the period (see note below)		26,694	(281)	26,413	32,031	104	32,135	70,625
Attributable to:								
Equity holders of the parent				26,200			26,218	

Non-equity minority interest	4	-	5,602
Equity minority interest		213	315
		----------	----------
		26,413	32,135
		==========	==========
Earnings per share (cent)	7	9.01	9.03
Diluted earnings per share (cent)	7	8.95	8.97

Note:
The comparative numbers for the half year ended 3 July 2004 and year ended 1 January 2005 have been restated on an IFRS basis, with the exception of IAS 32 and IAS 39, which were implemented from 2 January 2005. Accordingly, interest on preferred securities and preference shares is shown in the Income Statement as part of Group interest charge in the half year ended 2 July 2005, and as Non-equity minority interest in the 2004 comparative numbers. On a comparable basis the profit after tax, pre-exceptional items, for the half year ended 2 July 2005 was €26.7m compared to €26.4m at 3 July 2004.

Glanbia plc

Consolidated Statement of Total Recognised Income and Expense for the half year ended 2 July 2005

	Half year ended 2 July 2005 €'000	Half year ended 3 July 2004 €'000	Year ended 1 January 2005 €'000
Items of income and expense recognised directly in equity:			
Actuarial loss on defined benefit pension schemes	(25,020)	(2,746)	(40,260)
Actuarial loss on joint venture defined benefit pension scheme	-	-	(436)
Exchange differences on translation of foreign operations	(9,494)	(3,851)	(755)
Fair value adjustment on financial derivatives and related hedged items	(533)	-	-
Fair value adjustment on available for sale investments	264	-	-
Dividend paid	(8,989)	(8,535)	(14,813)
Net expense recognised directly in equity	(43,772)	(15,132)	(56,264)
Profit for the period	26,200	26,218	61,119
Total recognised income and expense for the period	(17,572)	11,086	4,855

Glanbia plc

Consolidated Balance Sheet
as at 2 July 2005

	Notes	2 July 2005	3 July 2004	1 January 2005
ASSETS		€'000	€'000	€'000
Non-current assets				
Property, plant and equipment		322,055	295,795	302,057
Intangible assets		44,790	22,181	36,698
Investments in associates and joint ventures		61,685	36,174	59,199
Available-for-sale investments		32,762	22,342	28,672
Receivables		55,886	52,239	51,942
Deferred tax assets		12,299	7,775	12,299
		529,477	436,506	490,867
Current assets				
Inventories		141,572	121,009	133,419
Receivables and prepayments		249,526	303,073	172,622
Cash and cash equivalents (see note below)	8	30,438	38,364	51,625
		421,536	462,446	357,666
Total assets		951,013	898,952	848,533

SHAREHOLDERS' EQUITY AND LIABILITIES

Share capital		17,559	17,559	17,559
Share premium		80,212	80,212	80,212
Own shares		(2,563)	(3,235)	(2,563)
Fair value and currency translation reserves	9	(5,368)	(4,902)	43
Merger reserve		113,148	113,148	113,148
Capital reserve		3,346	3,263	3,223
Revenue reserves - retained profits	10	(18,254)	4,492	(4,836)
Revenue reserves - goodwill	10	(94,296)	(94,299)	(92,961)
Equity share capital and reserves		93,784	116,238	113,825
Equity minority interest		6,298	5,986	6,085
Non-equity minority interest (see note below)		-	119,302	110,384
		100,082	241,526	230,294
Non-current liabilities				
Borrowings (see note below)	8	316,724	211,388	198,682
Deferred tax liabilities		33,007	31,143	30,375
Retirement benefit obligations		151,696	88,515	126,676
Capital grants		14,459	15,732	15,276
Other liabilities		6,389	7,187	5,348
		522,275	353,965	376,357
Current liabilities				
Trade and other payables		328,332	302,934	238,373
Borrowings (see note below)	8	324	527	3,509
		328,656	303,461	241,882
Total liabilities		850,931	657,426	618,239

Total shareholders' equity and liabilities	951,013	898,952	848,533

Note:
The comparative numbers as at 3 July 2004 and 1 January 2005 have been restated on an IFRS basis, with the exception of IAS 32 and IAS 39 which were implemented from 2 January 2005. This impacts the comparison of net financing which on a comparable basis was €286.6m at 2 July 2005, €292.8m at 3 July 2004 and €260.9m at 1 January 2005.
Glanbia plc

Summarised Cash Flow Statement

	Half year ended 2 July 2005	Half year ended 3 July 2004	Year ended 1 January 2005
Net cash inflow from operating activities:	€'000	€'000	€'000
Operating profit (pre exceptional items)	38,328	41,390	86,257
Profit on disposal of fixed assets	(915)	(57)	(920)
Depreciation and amortisation	13,769	17,115	28,130
Changes in working capital	(61)	(90,415)	(33,713)
	51,121	(31,967)	79,754
Exceptional items	(5,304)	-	3,693

Returns on investments and servicing of finance	(10,097)	(11,397)	(20,540)
Taxation	292	(1,100)	(4,955)
Purchase of fixed assets (net of disposals/grants)	(21,769)	(24,006)	(59,537)
Purchase of investments	(5,081)	(24,336)	(55,211)
Purchase of subsidiary undertakings	(10,050)	-	(10,157)
Disposal of subsidiary undertakings	-	90,642	83,277
Share capital issued	-	215	215
Equity dividends paid	(8,989)	(8,535)	(14,813)
Repayment of preferred securities (see note below)	(82,233)	-	-
Change in net debt resulting from cash flows	(92,110)	(10,484)	1,726
Translation difference	(6,145)	(9,270)	1,505
Movement in net debt in the period	(98,255)	(19,754)	3,231
Net debt at beginning of period	(150,566)	(153,797)	(153,797)
Preference shares reclassified on implementation of IAS 32 and IAS 39 (see note below)	(37,789)	-	-
Net debt at end of period	(286,610)	(173,551)	(150,566)

Note:
The comparative numbers as at 3 July 2004 and 1 January 2005 have been restated on an IFRS basis, with the exception of IAS 32 and IAS 39 which were implemented

from 2 January 2005. This impacts the comparison of net financing which on a comparable basis was €286.6m at 2 July 2005, €292.8m at 3 July 2004 and €260.9m at 1 January 2005.

Glanbia plc

1. Basis of preparation

The Group's date of transition to IFRS is 4 January 2004. The Group's financial statements for the year ended 31 December 2005 will be prepared in accordance with IFRS and the comparatives for those periods will be restated to reflect IFRS, except where otherwise required or permitted by IFRS 1 First Time Adoption of International Financial Reporting Standards.

IFRS 1 requires an entity to comply with each IFRS effective at the reporting date for its first IFRS financial statements. As a general principle, IFRS 1 requires the standards effective at the reporting date to be applied retrospectively. However, retrospective application is prohibited in some areas, particularly where retrospective application would require judgements by management about past conditions after the outcome of the particular transaction is already known. A number of optional exemptions from full retrospective application of IFRS's are granted where the cost of compliance is deemed to exceed the benefits to users of the financial statements.

The financial information in this document has been prepared in accordance with IFRS's, which the Group expects to be effective at 31 December 2005. The standards currently in issue are subject to ongoing review and endorsement by the EU, while the application of the standards continue to be subject to interpretation by the International Financial Reporting Interpretations Committee ('IFRIC'). The EU has yet to approve the amendment to IAS 19, which the group has implemented. In addition, the EU has endorsed a revised version of IAS 39 rather than the version published by the International Accounting Standards Board.

Further standards may be issued that could be applicable for financial years beginning on or after 2 January 2005, or are applicable to later periods, but with the option for companies to adopt for earlier periods. As a result, additional adjustments could therefore be required to the 2004 financial information prior to its inclusion as comparative figures in the 2005 final financial statements.

A separate document has been issued at the same time as this Interim Report detailing the impact of IFRS on Glanbia's financial statements for the 26 weeks ended 3 July 2004 and the year ended 1 January 2005. That restatement document provides reconciliations of the IFRS comparatives used within these financial statements to the results reported under the previous accounting standards ('Irish GAAP').

The consolidated financial statements have been prepared under the historical cost convention as modified from 2005 by the revaluation of available-for-sale securities, and financial assets and financial liabilities (including derivative instruments) at fair value through the income statement.

2. Segment reporting

	Half year ended 2 July 2005 €'000	Half year ended 3 July 2004 €'000	Year ended 1 January 2005 €'000
Turnover by business class:			
Consumer Foods	242,523	223,042	451,124
Food Ingredients	541,321	513,542	1,075,153
Agribusiness	142,283	143,828	227,368
	926,127	880,412	1,753,645

Pre-exceptional operating profit by business class:

Consumer Foods	8,481	10,728	27,906
Food Ingredients	22,094	21,316	46,440
Agribusiness	7,753	9,346	11,911
	38,328	41,390	86,257

3. Exceptional items

		Half year ended 2 July 2005 €'000	Half year ended 3 July 2004 €'000	Year ended 1 January 2005 €'000
Foreign currency retranslation	(i)	3,907	(325)	(798)
Loss on sale of operation	(ii)			(81)
Profit on sale of fixed assets	(iii)			929
Profit on termination of operations	(iv)			2,445
Restructuring cost	(v)	(6,338)		400
		(2,431)	(325)	2,895

(i) The foreign currency retranslation gain arises on the repayment of loans between fellow subsidiaries. Under IFRS, loans between fellow subsidiaries do not qualify as part of the net investment and therefore any gains or losses on these loans are to be recognised in the Income Statement.

(ii) The loss on sale of operation in 2004 refers to additional costs relating to prior period disposals.

(iii) The 2004 profit on sale of fixed assets arises from the sale of a site in the Consumer Foods business.

(iv) The profit on termination of operations arises from the sale by the Group of its UK Fresh Meats and UK Consumer Meats plants at Drongan, Gainsborough and Milton Keynes during 2004.

(v) The restructuring cost in 2005 relates to rationalisation costs in the Consumer Foods division in Ireland. In 2004 the restructuring credit arise from the release of provisions no longer required.

4. Group interest

	Half year ended 2 July 2005 €'000	Half year ended 3 July 2004 €'000	Year ended 1 January 2005 €'000
Group interest - pre exceptional item			
Loans and overdrafts			
Repayable within five years	(4,944)	(1,760)	(4,211)
Repayable after five years	-	(2,241)	(3,779)
Senior notes	-	(929)	(917)
Finance leases	(34)	(110)	(90)
Interest receivable (i)	2,042	872	3,033
Net finance income re pension scheme	102	95	241
Subordinated debt costs	(4,891)	-	-
Net Interest pre exceptional item	(7,725)	(4,073)	(5,723)
Financing cost of preferred securities and preference shares	-	(5,602)	(10,387)
Total financing costs - pre			

exceptionals (ii)	(7,725)	(9,675)	(16,110)
Group interest - exceptional			
Cancellation of preferred securities (iii)	(5,304)	-	-

(i) Interest receivable mainly consists of interest on a Stg£35m subordinated secured loan note granted by The Cheese Company Holdings Limited in 2004, representing part proceeds on the sale by the Group of a 75% interest in its UK hard cheese business.

(ii) The comparative numbers for the half year ended 3 July 2004 and year ended 1 January 2005 have been restated on an IFRS basis, with the exception of IAS 32 and IAS 39, which were implemented from 1 January 2005. As a result, interest on preferred securities and preference shares is shown as an interest charge in the half year ended 2 July 2005, and as Non-equity minority interest in the 2004 comparative numbers. On a comparable basis the total financing costs, pre exceptional item, for the half year ended 2 July 2005 was €7.7m compared to €9.7m at 3 July 2004.

(iii) On 15 June the Group prepaid the US$100m 7.99% cumulative preferred securities, giving rise to a cost of €5.3m, which has been disclosed as an exceptional item.

5. Taxation

A tax benefit arising from the disposal of certain US operations in prior years which previously had not been recognised in the financial statements, has now been finalised, and separately disclosed as an exceptional item.

6. Discontinued operations

	Half year ended 2 July 2005 €'000	Half year ended 3 July 2004 €'000	Year ended 1 January 2005 €'000
Profit / (loss) on disposal of discontinued operation	-	429	(1,601)

The discontinued operation represents the Group's disposal of 75% of its interest in the UK hard cheese business on 7 April 2004.

7. Earnings per ordinary share

	Half year ended 2 July 2005 €'000	Half year ended 3 July 2004 €'000	Year ended 1 January 2005 €'000
Profit after taxation and minority interest	26,200	26,218	61,119
Weighted average number of ordinary shares in issue (Million)	290.912	290.477	290.617
Earnings per share (cent)	9.01	9.03	21.03
Adjustments:			
Exceptional items	0.09	(0.04)	(0.44)

Adjusted earnings per share	9.10	8.99	20.59
Diluted earnings per share	8.95	8.97	20.92

8. Group borrowings

	Half year ended 2 July 2005 €'000	Half year ended 3 July 2004 €'000	Year ended 1 January 2005 €'000
Borrowings due within one year	324	527	3,509
Borrowings due after one year	316,724	211,388	198,682
Less:			
Cash and bank balances	(30,438)	(38,364)	(51,625)
	286,610	173,551	150,566

Note:
The comparative numbers as at 3 July 2004 and 1 January 2005 have been restated on an IFRS basis, with the exception of IAS 32 and IAS 39 which were implemented from 2 January 2005. This impacts the comparison of Group net financing which on a comparable basis was €286.6m at 2 July 2005, €292.8m at 3 July 2004 and €260.9m at 1 January 2005.

9. Fair value and currency translation reserves

	Fair value reserve €'000	Currency translation reserve €'000	Total €'000
Balance 1 January 2005	-	43	43
Implementation of IAS 32 and IAS 39	3,017	-	3,017
Increase in fair value of financial assets	264	-	264
Reduction in fair value of financial derivatives	(533)	-	(533)
Translation difference on foreign currency net investments	-	(9,494)	(9,494)
Transfer from goodwill reserve	-	1,335	1,335
	2,748	(8,116)	(5,368)

10. Revenue reserves

	Retained profits €'000	Goodwill reserve €'000	Total €'000
Balance 1 January 2005	(4,836)	(92,961)	(97,797)
Implementation of IAS 32 and IAS 39	(5,609)	-	(5,609)
Profit retained for period	26,200	-	26,200
Actuarial loss on defined benefit pension schemes	(25,020)	-	(25,020)
Dividend paid	(8,989)	-	(8,989)
Transfer to currency translation reserve	-	(1,335)	(1,335)
	(18,254)	(94,296)	(112,550)

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11. Dividends

On 31 August 2005, the directors approved the payment of an interim dividend for 2005 of 2.27 cent per share (2004 interim dividend 2.16 cent per share).

12. Other

The figures for the half-years ended 2 July 2005 and 3 July 2004 are unaudited. The figures for the full year ended 1 January 2005 represent an abbreviated version of the Group's financial statements for the year, which received an unqualified audit report.

RESTATEMENT OF 2004 RESULTS UNDER IFRS

Glanbia plc today announces the impact of the transition to International Financial Reporting Standards (IFRS) on the Group's 2004 results, previously prepared in accordance with accounting standards generally accepted in Ireland (Irish GAAP). This one page summary provides an overview of the impact of the adoptions of IFRS on Glanbia's financial statements. The full restatement document is available on the Group's website at www.glanbia.com. The adoption of IFRS represents a change in the basis of preparation of financial statements and does not affect the operations or cash flows of the Group.

Impact of IFRS on 2004 at a Glance

	Irish GAAP €'000	IFRS €'000	Change €'000	Principal reason for change
Turnover	1,846,045	1,753,645	(92,400)	Discontinued operations excluded -€92.4m
Operating profit pre exceptional	84,422	86,257	1,835	Discontinued operations excluded -€0.9m Credit re pension charge +€2.6m
Operating profit post exceptional	84,822	89,152	4,330	As above and also including: Reclassification of exceptional +€3.3m Foreign currency loss -€0.8m
Profit before tax and pre exceptional	77,742	79,011	1,269	As above and also including: Tax on joint ventures and associates included in PBT-€0.7m
Equity share capital and reserves	221,401	113,825	(107,576)	Employee benefits (pension) -€113.7m Timing of dividend recognition +€9.0m

	cent	cent	Change cent
Earnings per share (EPS)	20.41	21.03	0.62
Adjusted earnings per share (1)	20.10	20.59	0.49

(1) Adjusted EPS is based on profits pre exceptional

A detailed reconciliation of all changes is provided in the full IFRS restatement document in the schedules on pages 12 to 17 therein. This document is available on

www.glanbia.com