

**Revenue**

2018

€1,339m

**Volume Growth**

1.1%

**Trading Margin**

2018

7.5%

**Growth**

(60bps)

**The consumer and retail landscape within the UK and Ireland continued to change at pace in the year.**

Consumer confidence softened noticeably in the second half of the year, leading to reduced consumption across a number of categories. The UK retail environment continues to undergo major structural change through increased consolidation of the multiples, further growth of discounter volumes and ranges, and pressure on high street stores – all leading to the need for more streamlined and dynamic supply chains.

Against this backdrop, the business delivered a solid performance in the year. Reported revenue increased by 0.6% to €1,339m, as volume growth and the contribution from business acquisitions were partially offset by foreign currency headwinds. The divisional trading profit margin decreased by 60 basis points to 7.5% as the underlying margin improvement was more than offset by transaction currency headwinds, resulting in a trading profit decrease of 7.1% to €100m.

Kerry Foods is an industry-leading manufacturer of added-value branded and customer branded chilled food products to the Irish, UK and selected international markets.



'Everyday Fresh' delivered solid growth, led by the Richmond range. Richmond chicken sausages were successfully launched in Q2 and contributed well to overall performance. The Denny range benefited from increased marketing support in Ireland. The traditional spreads category continued to be challenged, however Kerry's softer butter offerings delivered good growth particularly with private label brands in the UK, and the Dairygold brand in Ireland maintained its market leadership position.

'Convenience Meal Solutions' had a difficult year, impacted by reduced promotional activity as well as the extended period of warm weather. Kerry had further business development with 'better-for-you' ranges, while its frozen ready meals outperformed a challenging category.

'Food to Go' performed well with strong growth in Cheestrings across the year. Progress continued to be achieved in the development of the out of home segments with good growth particularly with restaurant chains. The Fridge Raiders brand was relaunched during the year and now encompasses a broader range of snacking products across a wider consumer demographic.

