NEWS RELEASE
2 May 2012

Interim Management Statement: Kerry Group Annual General Meeting

2 May 2012 – Kerry Group, the global ingredients & flavours and consumer foods group, issues the following Interim Management Statement for the first quarter ended 31 March 2012. This statement is issued in conjunction with the Group's Annual General Meeting which is being held today.

BUSINESS PERFORMANCE

Despite more challenging trading conditions in developed markets, Group businesses continued to perform satisfactorily in the first quarter of 2012 while continuing to invest in our capabilities and positioning for the future. Developing markets continued to provide good opportunities for growth and business development. Performance in the first quarter also benefited from the impact of Group acquisitions completed in 2011.

Reported sales revenue increased by 9.7% reflecting like-for-like (LFL) growth of 3.8% when account is taken of acquisitions and currency translation. Business volumes grew by 1.7% and pricing / mix increased by 2.1%. Input cost inflationary trends persist into 2012 and cost recovery programmes continue to be implemented to recover residual increases where necessary. Trading profit increased by 7.2% on a reported basis. Underlying business margins in the Group's ingredients & flavours and consumer foods businesses increased relative to Q1 2011. When account is taken of the increased level of expenditure relating to the Group's ongoing 1 Kerry business transformation and global IT project and the dilutive impact of 2011 acquisitions, the Group trading profit margin is back 20 basis points.

BUSINESS REVIEWS

INGREDIENTS & FLAVOURS

Revenues in ingredients & flavours increased by 13.8% reflecting 4.9% LFL growth. Business volumes grew by 2.2% relative to a strong comparative in Q1 2011 – outperforming market growth rates and destocking trends in some market sectors. Innovation benefiting from Kerry's technology layering capability continued to successfully advance business development across all end-use-markets and key global / regional accounts.

The ***Americas Region*** maintained good progress across all technology platforms. Reported sales revenues increased by 12.2% reflecting 3.8% LFL growth. Business volumes were 1.1% ahead of strong Q1 2011 volumes. Pricing / mix increased by 2.7%.

Dairy systems achieved good growth in the frozen desserts sector. Coatings systems maintained solid growth in the meat sector through retail and foodservice applications. Cereal systems outperformed market growth rates and benefited in Latin American markets from the acquisition of General Cereals S.A. in Argentina completed in 2011. Performance in sweet applications benefited from improved plant efficiencies. Good progress was achieved in the beverage sector - in particular through beverage flavours, benefiting from the acquisition of Cargill's flavours business acquired prior to year end.

Pharma, nutritional and functional ingredients continued to perform strongly.

Markets in the ***EMEA Region*** continued to be impacted by weak consumer sentiment but Kerry maintained a satisfactory business performance. Reported revenues increased by 14.8% reflecting 2.9% LFL growth. Business volumes increased by 0.9% and pricing / mix increased by 2%.

Culinary systems achieved good growth assisted by Durban, South Africa based FlavourCraft acquired prior to year end. While functional ingredients achieved good growth, performance in the mainland European meat industry was impacted by challenging sectoral market conditions. Cereal and Sweet technologies continued to perform well. SuCrest, acquired in October 2011, performed in line with expectations. Development continued in the beverage sector through systems and flavours. Returns from primary dairy markets weakened considerably since year end due to increased production in key exporting countries.

Solid business development was again achieved in ***Asia Pacific*** markets. Sales revenues increased by 15.9% on a reported basis reflecting 12.2% LFL growth. Business volumes grew by 8.2% and pricing / mix increased by 3.3%.

Culinary systems performed well benefiting from increased demand for authentic ethnic marinades and dressings. Meat technologies continued to outperform market growth rates in Australia and New Zealand. Lipids achieved strong growth in nutritional applications particularly in the infant nutrition sector. Emulsifiers and texturants achieved good growth through bakery applications. Performance in the sweet and confectionery sectors benefited from integration of the IJC Fillings business in Australia. Beverage systems and flavours continued to achieve excellent growth throughout the region.

CONSUMER FOODS

Kerry Foods achieved an encouraging business performance despite the challenging conditions in the Irish and UK consumer foods markets. Revenue on a reported basis increased by 0.6% reflecting 1.5% LFL growth. Business volumes increased by 0.6% and pricing / mix increased by 1%.

Richmond achieved excellent growth in the UK sausage sector. Cheestrings performed well in the children's cheese snack sector. Kerry Foods maintained a solid business performance in the UK chilled ready meals sector. Following the acquisition of Headland Foods in 2011, Kerry's frozen meals business unit continues to restructure its manufacturing base in response to continuing challenging market conditions. Good growth was achieved in the UK spreads market.

In Ireland, Denny benefited from the launch of 100% Natural Ingredients Denny Deli Style ham. The Galtee range of value offerings also recorded good progress. Dairygold continued to perform well in the spreads market and Charleville grew brand share in the cheese market. Cheese slices recorded good growth in the foodservice market.

FINANCIAL REVIEW

The Group's closing net debt position was €1.4 billion up marginally from the year end position of €1.3 billion. The increase reflects the impact of capital expenditure in the quarter and increased investment in working capital. Capital expenditure in 2012 is expected to be higher than the 2011 level as the Group continues investment in its growth and efficiency programmes, acquisition integration, implementation of 1 Kerry portfolio optimisation initiatives and the Group global IT project.

FUTURE PROSPECTS

The Group continues to integrate the acquisitions completed in 2011, all of which are performing in line with expectations. As announced at year end, the Group is progressing the 1 Kerry business excellence programme across all operations and functional areas to leverage Kerry's global expertise and capabilities, whilst optimising manufacturing, scale and efficiency benefits.

As previously guided, the Group expects to achieve 7% to 10% growth in adjusted earnings per share in 2012 to a range of 228 to 235 cent per share.

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