NEWS RELEASE
Thursday 9 August 2012

Interim Management Report for the half year ended 30 June 2012

Kerry, the global ingredients & flavours and consumer foods group, reports a solid business performance for the half year ended 30 June 2012 and increases guidance for full year.

Highlights

- Adjusted EPS* up 14.3% to 99.2 cent
- Sales revenue increased by 10% [2.5% LFL] to €2.9 billion
- Trading profit increased by 12.6% to €241m
- Group trading margin up 20 basis points to 8.3%
  - Ingredients & Flavours +30 bps to 10.3%
  - Consumer Foods margin maintained
- Interim dividend per share increased by 10.2% to 10.8 cent
- Free cash flow of €57m [H1 2011:€48m]

**before brand related intangible asset amortisation and non-trading items*

Commenting on the results Kerry Group Chief Executive Stan McCarthy said; "Kerry achieved a strong financial and operating performance in the first half of 2012 which augurs well for the full year. We have a strong innovation pipeline and continue to make good progress in implementation of our 1 Kerry Business Transformation programme. The Group is confident of delivering our full year growth objectives and has revised adjusted earnings per share guidance upwards. We now expect to achieve eight to twelve per cent growth in adjusted earnings per share in 2012".

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INTERIM MANAGEMENT REPORT

for the half year ended 30 June 2012

Kerry Group delivered a strong financial and operating performance in the first half of 2012 despite the difficult global economic situation. Consumer confidence remains weak across developed markets resulting in constrained retail and foodservice spend. However Kerry performed well against this background and continued to make good progress in aligning and optimising our business infrastructure and resources for today's market requirements and positioning for continued growth through our strong customer alliances. Group ingredients and flavours businesses continued to benefit from our market leading technologies, innovation capabilities and speed to market – assisted by our 1 Kerry strategies and Kerry Centres of Excellence. Good progress was also made in further deployment of resources to meet the Group's growth objectives and customer requirements in developing markets. Performance in the period under review also benefited from the impact of acquisitions completed in 2011.

While the UK and Irish consumer foods markets remain intensely competitive due to the prevailing economic situation and consumer's pursuit of value offerings, Kerry Foods innovation and efficiency programmes have continued to deliver greater product differentiation supporting development of the division's leading brands and growth in selected private label categories.

RESULTS

Group sales revenue on a reported basis increased by 10% to €2.9 billion, reflecting like-for-like (LFL) growth of 2.5% when account is taken of acquisitions net of disposals and currency translation. Continuing business volumes increased by 1.8% and pricing / mix increased by 1.1%. Cost recovery programmes proved successful offsetting input cost increases where necessary.

As outlined in the Preliminary Statement of Results for 2011, business intersegment trading was realigned during 2011 to reflect changes in management responsibility for some European manufacturing facilities. This does not impact Group revenue, trading profit or trading margin. The H1 2011 comparatives have been re-presented on a similar basis.

Trading performance progressively improved in Q2 2012. Ingredients & flavours business volumes increased by 2.4% relative to the first half of 2011. Allowing for a 1.5% rationalisation volume loss due to restructuring of production across consumer foods' sites, continuing business volumes in the division were 0.7% ahead of the same period last year.

Group trading profit increased by 12.6% to €241m. Notwithstanding the increased level of expenditure relating to the Group's ongoing 1 Kerry Business Transformation and global 'Kerryconnect' IT project, the Group trading profit margin increased by 20 basis points to 8.3%.

As previously signalled, arising from the 1 Kerry Business Transformation programme the Group has undertaken a strategic review of Kerry's manufacturing footprint to align and optimise manufacturing to our global technology strategies. The two year programme, including the integration of recent acquisitions, streamlining of existing manufacturing facilities and the disposal of non-core activities, will incur an estimated total charge of approximately €200m – with a cash cost of just over €100m before any disposals.

Ingredients & flavours achieved 30 basis points margin improvement to 10.3%. Consumer foods margin was held at 7.3% despite the aforementioned competitive market situation and level of promotional activity.

Adjusted profit before tax and non-trading items increased by 13.7% to €209m. The income statement charge arising from integration of acquisitions, restructuring / reorganisation costs and loss on disposal of non-current assets/businesses amounted to €59.2m [net of tax] resulting in a net cash inflow of €1.7m after tax. Adjusted profit after tax before brand related intangible asset amortisation and non-trading items increased by 14.3% to €174m. Adjusted earnings per share increased by 14.3% to 99.2 cent. The interim dividend of 10.8 cent per share represents an increase of 10.2% over the 2011 interim dividend.

BUSINESS REVIEWS

INGREDIENTS & FLAVOURS

	H1 2012	Growth
Revenue	€2,073m	14%
Trading profit	€213m	17.2%
Trading Margin	10.3%	+30bps

Kerry Ingredients & Flavours develops, manufactures and delivers technology-based ingredients and taste solutions and pharma, nutritional and functional ingredients for the food, beverage and pharmaceutical markets.

Ingredients & Flavours sales revenue in the half year reflects solid growth of 14% as reported and 3.7% LFL growth. Business volumes increased by 2.4% and pricing / mix increased by 1.3%. Kerry's innovation pipeline remained strong driven by its integrated solutions approach and technology layering capability across food, beverage and pharma end-use-markets. Performance during the period also benefited from the impact of acquisitions completed in 2011 including Cargill's flavours business, SuCrest, FlavourCraft, EBI Cremica, IJC Fillings, General Cereals S.A. and the business and assets of Lactose India. Trading profit grew by 10.9% LFL to €213m with the division's trading margin improved by 30 basis points to 10.3%.

Americas Region

Revenue in the Americas region increased by 15% on a reported basis to €876m, reflecting 3% LFL growth. Continuing business volumes grew by 1.5% and pricing / mix increased by 1.5%. Whilst the North American marketplace proved challenging, Kerry outperformed market trends and business performance improved encouragingly during the second quarter – benefiting from the strength and breadth of our technology portfolio and applications expertise spearheaded through the Kerry Centre in Beloit [WI]. Progress in Latin American markets was assisted by strong innovation driven from the Kerry Centre in Campinas, Brazil and the recently commissioned new Kerry Centre in San Juan del Rio, Mexico.

Overall business performance in the region was also boosted by the successful integration of 2011 acquisitions, in particular Cargill's flavours business, and also by business efficiency improvements accruing from the ongoing 1 Kerry Business Transformation programme.

Savoury, Dairy & Culinary systems had a mixed performance due to marketplace sectoral issues. Dairy systems continued to perform well in the yoghurt and frozen desserts sectors. Meat systems benefited from successful product launches incorporating Kerry's all-natural shelflife extension technology. Coatings maintained good growth in the added value poultry segment. Snack systems continued to perform well in Latin American markets.

Cereal & Sweet systems and flavours recorded good progress in all end-use-markets. Despite the relative weakness of the ice cream sector, Kerry achieved good growth through application of its inclusion technologies in new product launches. Demand for all-natural, clean label solutions provided a strong platform for growth in the confectionery and bakery sectors. Argentina based General Cereals S.A. achieved encouraging growth in the Latin American ready-to-eat cereals market.

Beverage systems and flavours benefited from health and wellness trends and 'life stage' product launches. Caffe D'Amore recorded solid growth in the branded foodservice segment. The ongoing investment programmes at Kerry's aseptic beverage facilities in Savannah [GA] and in Sainte Claire, Quebec has significantly increased Kerry's capability to provide complete shelf-stable beverage solutions including nutritional product ranges. The Group's expanded beverage flavours capability assisted delivery of solid growth through key global accounts.

Pharma ingredients continued to record excellent progress in developed and developing markets. The Lactose India business and assets acquired in 2011 were successfully integrated providing a strong platform for growth. Development in Asian markets also benefited from the new tablet coatings and applications facilities in India. A US$10m programme to establish a new Cell Science Facility also commenced at the Kerry Centre in Beloit [WI].

EMEA Region

Kerry Ingredients & Flavours achieved a satisfactory performance in EMEA markets despite the prevailing weak economic landscape and fragile consumer confidence. Reported revenue increased by 11.8% to €820m, reflecting 1.6% LFL growth. Continuing business volumes were 0.7% ahead of the same period in 2011 and pricing/mix increased by 0.9%.

Savoury, Dairy & Culinary systems & flavours achieved a mixed performance due to the challenging marketplace. Good volume growth was achieved through culinary systems due to continuing demand for solutions offering lower sodium, authenticity in taste and cleaner ingredient declarations - in particular in prepared meals, snack and soup/sauce end-use-markets. Progress in developing markets benefited significantly from the Durban, South Africa based FlavourCraft business acquired prior to year-end. Dairy systems volumes were negatively impacted due to challenging conditions in the soups, sauces and confectionery markets but dairy flavours recorded good growth in dairy and bakery applications. Development in the meat sector also proved difficult but Kerry's core business in the sector improved by the end of the half year – particularly in coatings applications and through 'clean label' solutions. Good growth was achieved in the Russian and Middle Eastern markets.

Cereal & Sweet technologies recorded a strong performance. Sweet systems saw good growth in the dairy sector and, despite the weather-related poor ice cream season in Europe, Kerry achieved good growth through development of novel inclusions for the premium ice cream market. Performance in sweet ingredients & flavours was significantly strengthened by the SuCrest business acquired in October 2011. The SuCrest business is now integrated into the Group's 1 Kerry customer service strategy broadening our technology platform for development of superior solutions. Strong growth was achieved in the cereals and bars markets through key accounts. Encouraging market development was also recorded in EMEA developing markets.

Beverage systems & flavours is progressing integration of the Cargill flavours acquisition. Performance in the beverage sector continued to benefit from the demand for cost effective beverage solutions and Kerry's fmt™ flavour technology. The UK and Irish private label beverage sectors provided good flavour development opportunities in the soft drinks sector. In developing markets Kerry saw continued growth through global accounts in the African brewing market.

Functional ingredients again grew strongly in EMEA markets due to 1 Kerry 'go-to-market' opportunities and integration of Kerry's portfolio of technologies into wider application areas and integrated solutions. The new emulsifier plant in Zwijndrecht, the Netherlands, was commissioned as planned enabling further cost optimisation within the Group's global emulsifiers' footprint. Enzymes recorded good growth in the bakery and beverage sectors in Africa and the Middle East.

Primary Dairy markets weakened considerably during the first half of 2012 due to significant growth in production and export volumes in key exporting countries.

Asia-Pacific Region

Kerry continued to perform well throughout Asia-Pacific markets. Sales revenue on a reported basis increased by 16.7% to €342m, reflecting 9.8% LFL growth. Continuing business volumes grew by 8.1% and pricing / mix increased by 1.7%.

Savoury, Dairy & Culinary systems performed well throughout the region. Lipid systems recorded a strong performance in the nutritional sector in particular in China and Indonesia – utilising the additional production capacity from the newly commissioned plant in Penang, Malaysia. Culinary systems won significant new approvals in both retail and QSR applications. Dairy systems benefited from market recovery in Japan and achieved continued growth in snack applications in South East Asian markets. Meat systems maintained good growth in Australia and New Zealand and won new QSR listings in Asian markets. Construction of a new coatings plant commenced in India.

In June, agreement was reached to acquire Angsana Food Industries – a customised food coatings and culinary systems business serving food manufacturing and foodservice markets in Asia. With modern manufacturing facilities located in Selangor, Malaysia and in Shanghai, China, the acquisition significantly extends Kerry's capability to service key industry growth sectors and customer requirements in Asia. The transaction in Malaysia was completed before the end of the period and is scheduled to be completed in China in August, subject to local regulatory approvals.

Sweet technology performance progressively improved during the period. Kerry Pinnacle won new listings in the Australian bakery sector. IJC Fillings acquired prior to year end was successfully integrated – extending Kerry's technology base in ice cream and bakery markets. Since the end of the period Brisbane, Australia based Food Spectrum Group Pty Ltd was acquired – strengthening Kerry's capability to meet added value dairy, nutritional and infant food / beverage product development and specialist aseptic processing / packaging requirements throughout Asia-Pacific markets.

Functional ingredients continued to record good growth. Proteins grew strongly in confectionery markets. Emulsifiers extended market development in the UHT beverage sector.

CONSUMER FOODS

	H1 2012	Growth
Revenue	€881m	1.8%
Trading profit	€64m	1.8%
Trading margin	7.3%	Flat

Kerry Foods is a leading manufacturer and marketer of added-value branded and customer branded chilled foods to the UK and Irish consumer foods markets.

Notwithstanding the impact of the economic situation in Ireland and the UK on consumer trends and spend, Kerry Foods performed satisfactorily in the first half of 2012 achieving continued growth in the UK branded and private label sectors and a stabilised market positioning in Ireland. Divisional revenue increased by 1.8% on a reported basis to €881m, reflecting 0.1% LFL growth. Allowing for 1.5% rationalisation volume loss on restructuring of production across a number of Foods' sites, continuing business volumes increased by 0.7%. Pricing/mix increased by 0.7% reflecting good recovery of raw material inflation offset by continued promotional activity. Trading profit increased by 0.6% LFL to €64m, maintaining the divisional trading margin at 7.3%.

UK Brands achieved a solid performance. Richmond again improved its brand leadership positioning in the sausage category delivering growth of 8% year-on-year. In the cooked meats category the Richmond all-natural ham range was successfully launched – a market first in the UK industry with 100% natural ingredients. Wall's continued to make good progress in the savoury pastry market and Mattessons maintained momentum in the meat snacking sector. Cheestrings outperformed market growth rates in the children's cheese snack sector. Low Low continued to drive penetration of the UK cheese sector with Low Low Cheddar Spreads and a new range of Low Low 'Delightfully Creamy Slices'.

The ***UK Customer Brands*** business performed well during the period, in particular in the chilled ready meals and dairy spreads markets. Kerry Foods maintained its leadership positioning in the chilled ready meals category which grew by approximately 10% year-on-year. In the frozen segment, the division restructured its manufacturing base following the acquisition of Headland Foods in 2011. The Flint and Grimsby plants were closed with production transferring to the Carrickmacross facility.

Market conditions in the cooked meats sector remained highly competitive. Following a review of production requirements, a decision was taken to close the Durham plant and transfer production to the Spalding and Attleborough facilities in the UK and to the Shillelagh plant in Ireland.

The ***Brands Ireland*** business benefited from the successful launch of 100% Natural Ingredients Denny Deli Style ham. Denny Gold Medal Sausage was re-launched with a new improved recipe. The Galtee range of value offerings continued to record good progress. Dairygold and Charleville performed well in the spreads and cheese categories respectively. Cheestrings again recorded encouraging market development in Germany and the Ficello brand maintained good growth in France.

FINANCIAL REVIEW

Reconciliation of adjusted* earnings to profit after taxation	% Change	H1 2012 €m	H1 2011 €m
Revenue	10.0%	**2,916.2**	2,650.0
Trading profit	12.6%	**240.6**	213.6
Trading margin		***8.3%***	*8.1%*
Computer software amortisation		**(4.1)**	(2.0)
Finance costs (net)		**(27.9)**	(28.2)
Adjusted* earnings before taxation	13.7%	**208.6**	183.4
Income taxes (excluding non-trading items)		**(34.4)**	(31.0)
Adjusted* earnings after taxation	14.3%	**174.2**	152.4
Brand related intangible asset amortisation		**(7.4)**	(5.7)
Non-trading items (net of related tax)		**(59.2)**	(2.3)
Profit after taxation	(25.5%)	**107.6**	144.4
		EPS cent	EPS cent
Adjusted* EPS	14.3%	**99.2**	86.8
Brand related intangible asset amortisation		**(4.2)**	(3.3)
Non-trading items (net of related tax)		**(33.7)**	(1.3)
Basic EPS	(25.4%)	**61.3**	82.2

** Before brand related intangible asset amortisation and non-trading items [net of tax]*

Analysis of Results

Group revenue increased by 10.0% on a reported basis. Excluding the impact of reporting currency (+3.4%) and business acquisitions net of disposals (+4.1%) like-for-like (LFL) revenue growth was 2.5%. Underlying volume growth was 1.8% (before the elimination of non-core activities associated with the 1 Kerry transformation programme which reduced volumes by 0.5%) while pricing was positive 1.1%.

Group trading profits increased by 12.6% on a reported basis. The period benefited from a €10m reduction in maintenance expenditure due to a change in phasing of the spend from the first half to the second half of the year.

The Group trading margin increased by 20 basis points to 8.3% in the period. Excluding the impact of cost recovery pricing (-20 bps), acquisitions/disposals (-20 bps), currency movements (+10 bps) and the impact of increased expenditure on Kerryconnect (-20 bps) the Group's underlying trading margin increased by 70 basis points reflecting margin improvement due to operational leverage, business efficiency programmes and the deferral of maintenance expenditure until the second half of the year.

Finance Costs

Finance costs for the period decreased slightly to €27.9m (H1 2011: €28.2m) as cashflows and lower interest rates offset the impact of acquisitions made in the latter part of 2011.

Taxation

The tax charge before non-trading items for the period was €34m (H1 2011: €31m) which represents an effective tax rate of 17.1% (H1 2011: 17.5%). The decrease in the effective tax rate is primarily due to variations in the geographical split of profits earned and changes in local statutory tax rates.

Free Cash Flow

The Group achieved a free cash flow of €57m (H1 2011: €48m) which is stated after net capital expenditure of €78m (H1 2011: €60m) and working capital outflow of €106m (H1 2011: €85m).

Free Cash Flow	H1 2012 €m	H1 2011 €m
EBITDA*	**304.3**	268.8
Movement in working capital	**(105.9)**	(85.2)
Pension contributions paid less pension expense	**(15.4)**	(15.8)
Net investment in non-current assets	**(78.3)**	(59.6)
Finance costs paid (net)	**(22.1)**	(25.6)
Income taxes paid	**(25.9)**	(34.8)
Free cash flow	**56.7**	47.8

* Earnings before finance costs, income taxes, depreciation & impairment, intangible asset amortisation and non-trading items.

Financial Position

At 30 June 2012 net debt stood at €1,335m, an increase of €47m relative to the December 2011 position. The average maturity profile of net debt was 4.4 years at the end of the period (H1 2011: 5.4 years, Dec 2011: 4.9 years).

At the period end 54% of debt was carried at fixed rates and the weighted average period for which rates were fixed was 2.7 years.

At 30 June the key financial ratios were as follows;

	Covenant	H1 2012 TIMES	H1 2011 TIMES
Net debt: EBITDA*	Maximum 3.5	**2.1**	1.7
EBITDA: Net interest*	Minimum 4.75	**13.9**	11.6

* Calculated in accordance with lenders' facility agreements

The Group's balance sheet is in a healthy position. With a net debt to EBITDA* ratio of 2.1 times, the organisation has sufficient headroom to support its future growth plans.

Retirement Benefits
At the balance sheet date, the net deficit for all defined benefit schemes (after deferred tax) was €231m (H1 2011: €130m, Dec 2011: €213m). The increase since December 2011 reflects higher estimated liabilities caused by a decrease in discount rates in the Eurozone partially offset by an increase in schemes' assets. Pension expense increased by €5m versus the same period last year.

Related Party Transactions
There were no changes in related party transactions from the 2011 Annual Report that could have a material effect on the financial position or performance of the Group in the first half of the year.

Principal Risks & Uncertainties
Details of the principal risks and uncertainties facing the Group can be found in the 2011 Annual Report on pages 57 and 58. These risks include but are not limited to; competition risk, a slow down in the rate of innovation, operational and technical compliance risks, the loss of a critical manufacturing facility and the execution of a value destroying acquisition. However, fluctuating raw material costs and volatile currencies, remain the most likely to affect the Group in the second half of the year. The Group actively manages these and all other risks through its control and risk management processes.

Post Balance Sheet Events
Since the period end the Group has entered into an agreement to purchase the business and assets of Shanghai Angsana Food Company Limited, a savoury ingredients company based in China and has also entered into an agreement to purchase the business and assets of Food Spectrum, a specialist provider of food ingredients and aseptic solutions based in Australia.

Going Concern
The Condensed Consolidated Interim Financial Statements have been prepared on the going concern basis. The Directors report that they have satisfied themselves that the Group is a going concern, having adequate resources to continue in operational existence for the foreseeable future. In forming this view, the Directors have reviewed the Group's budget for a period not less than 12 months, the medium term plans as set out in the rolling five year plan, and have taken into account the cash flow implications of the plans, including proposed capital expenditure, and compared these with the Group's committed borrowing facilities and projected gearing ratios.

DIVIDEND
The Board has declared an interim dividend of 10.8 cent per share (an increase of 10.2% on the 2011 interim dividend of 9.8 cent) payable on 16 November 2012 to shareholders registered on the record date 19 October 2012.

FUTURE PROSPECTS
Group businesses continue to align and optimise our business resources and capabilities for today's marketplace and future growth opportunities. We are successfully progressing our 1 Kerry business excellence programme across all operations and functional areas to leverage Kerry's global expertise whilst optimising manufacturing, scale and efficiency benefits.

We remain confident of achieving our strategic growth objectives for the full year and, taking current trading conditions into account, the Group has revised adjusted earnings per share guidance upwards. We now expect to deliver eight to twelve per cent growth in adjusted earnings per share in 2012.

RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (S.I. No. 277 of 2007) ("the Regulations"), the Transparency Rules of the Central Bank of Ireland and with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

The Directors confirm that to the best of their knowledge:

- the Group Condensed Consolidated Interim Financial Statements for the half year ended 30 June 2012 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under regulations 5, 6, 7 and 8 of the Regulations and Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the half year ended 30 June 2012;

- the Interim Management Report includes a fair review of the development and performance of the business and the position of the Group;

- the Interim Management Report includes a fair review of the important events that have occurred during the first six months of the financial year, and their impact on the Group Condensed Consolidated Interim Financial Statements for the half year ended 30 June 2012, and a description of the principal risks and uncertainties for the remaining six months;

- the Interim Management Report includes a fair review of the related party transactions that have occurred during the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period, and any changes in the related parties' transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year.

On behalf of the board

Stan McCarthy
Chief Executive

Brian Mehigan
Chief Financial Officer

8 August 2012

Condensed Consolidated Income Statement
for the half year ended 30 June 2012

	Notes	**Before Non-Trading Items 30 June 2012 Unaudited €'m**	**Non-Trading Items 30 June 2012 Unaudited €'m**	**Half year ended 30 June 2012 Unaudited €'m**	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Continuing operations						
Revenue	*1*	**2,916.2**	**-**	**2,916.2**	2,650.0	5,302.2
Trading profit	*1*	**240.6**	**-**	**240.6**	213.6	500.5
Intangible asset amortisation		**(11.5)**	**-**	**(11.5)**	(7.7)	(19.3)
Non-trading items	*2*	**-**	**(74.4)**	**(74.4)**	(2.5)	(1.8)
Operating profit		**229.1**	**(74.4)**	**154.7**	203.4	479.4
Finance income		**0.6**	**-**	**0.6**	0.4	0.9
Finance costs		**(28.5)**	**-**	**(28.5)**	(28.6)	(46.9)
Profit before taxation		**201.2**	**(74.4)**	**126.8**	175.2	433.4
Income taxes		**(34.4)**	**15.2**	**(19.2)**	(30.8)	(72.7)
Profit after taxation and attributable to equity shareholders		**166.8**	**(59.2)**	**107.6**	144.4	360.7

Earnings per A ordinary share				**Cent**	Cent	Cent
- basic	*3*			**61.3**	82.2	205.5
- diluted	*3*			**61.2**	82.2	205.4

Condensed Consolidated Statement of Recognised Income and Expense
for the half year ended 30 June 2012

	Notes	**Half year ended 30 June 2012 Unaudited €'m**	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Profit for the period after taxation		**107.6**	144.4	360.7
Other comprehensive (expense)/income:				
Fair value movements on cash flow hedges		**(12.6)**	9.6	(7.1)
Exchange difference on translation of foreign operations	*9*	**32.9**	(47.5)	11.5
Actuarial losses on defined benefit post-retirement schemes		**(17.7)**	(0.4)	(112.5)
Deferred tax on items taken directly to reserves	*5*	**(0.9)**	(1.9)	18.6
Net income/(expense) recognised directly in other comprehensive income		**1.7**	(40.2)	(89.5)
Reclassification to profit or loss from equity:				
Cash flow hedges		**4.1**	(6.2)	(2.5)
Total comprehensive income		**113.4**	98.0	268.7

Condensed Consolidated Balance Sheet
as at 30 June 2012

	Notes	**30 June 2012 Unaudited €'m**	30 June 2011 Unaudited €'m	31 Dec. 2011 Audited €'m
Non-current assets				
Property, plant and equipment		**1,217.9**	1,073.9	1,208.7
Intangible assets		**2,358.1**	1,949.8	2,294.6
Financial asset investments		**18.6**	8.2	19.3
Non-current financial instruments	*8*	**104.9**	17.4	84.0
Deferred tax assets		**11.4**	10.6	10.2
		3,710.9	3,059.9	3,616.8
Current assets				
Inventories		**760.9**	637.3	658.5
Trade and other receivables		**827.2**	710.0	709.8
Cash and cash equivalents	*8*	**229.3**	90.9	237.9
Other current financial instruments		**0.8**	4.3	1.4
Assets classified as held for sale		**1.7**	5.0	5.6
		1,819.9	1,447.5	1,613.2
Total assets		**5,530.8**	4,507.4	5,230.0
Current liabilities				
Trade and other payables		**1,252.0**	1,129.6	1,136.9
Borrowings and overdrafts	*8*	**226.5**	41.6	39.0
Other current financial instruments		**21.6**	0.3	16.5
Tax liabilities		**23.5**	26.3	25.2
Provisions		**56.1**	15.8	26.1
Deferred income		**2.9**	3.0	2.3
		1,582.6	1,216.6	1,246.0
Non-current liabilities				
Borrowings	*8*	**1,430.4**	1,151.2	1,559.9
Other non-current financial instruments		**11.9**	3.3	10.7
Retirement benefits obligation	*6*	**290.6**	171.6	277.5
Other non-current liabilities		**65.7**	55.5	63.1
Deferred tax liabilities		**171.9**	169.7	173.0
Provisions		**36.7**	29.3	33.1
Deferred income		**20.6**	19.7	21.4
		2,027.8	1,600.3	2,138.7
Total liabilities		**3,610.4**	2,816.9	3,384.7
Net assets		**1,920.4**	1,690.5	1,845.3
Issued capital and reserves attributable to equity holders of the parent				
Share capital		**21.9**	21.9	21.9
Share premium		**398.7**	398.7	398.7
Other reserves		**(68.9)**	(141.6)	(94.3)
Retained earnings		**1,568.7**	1,411.5	1,519.0
Shareholders' equity		**1,920.4**	1,690.5	1,845.3

Condensed Consolidated Statement of Changes in Equity
for the half year ended 30 June 2012

	Notes	Share Capital €'m	Share Premium €'m	Other Reserves €'m	Retained Earnings €'m	Total €'m
At 1 January 2011		21.9	398.7	(98.2)	1,304.6	1,627.0
Total comprehensive (expense)/income		-	-	(44.1)	142.1	98.0
Dividends paid	*4*	-	-	-	(35.2)	(35.2)
Long term incentive plan expense		-	-	0.7	-	0.7
Shares issued during the period		-	-	-	-	-
At 30 June 2011 - unaudited		21.9	398.7	(141.6)	1,411.5	1,690.5
Total comprehensive income		-	-	46.0	124.7	170.7
Dividends paid	*4*	-	-	-	(17.2)	(17.2)
Long term incentive plan expense		-	-	1.3	-	1.3
Shares issued during the period		-	-	-	-	-
At 31 December 2011 - audited		21.9	398.7	(94.3)	1,519.0	1,845.3
Total comprehensive income		**-**	**-**	**24.4**	**89.0**	**113.4**
Dividends paid	*4*	**-**	**-**	**-**	**(39.3)**	**(39.3)**
Long term incentive plan expense		**-**	**-**	**1.0**	**-**	**1.0**
Shares issued during the period	*3*	**-**	**-**	**-**	**-**	**-**
At 30 June 2012 - unaudited		**21.9**	**398.7**	**(68.9)**	**1,568.7**	**1,920.4**

Other Reserves comprise the following:

	Capital Redemption Reserve €'m	Capital Conversion Reserve Fund €'m	Long Term Incentive Plan Reserve €'m	Translation Reserve €'m	Hedging Reserve €'m	Total €'m
At 1 January 2011	1.7	0.3	3.4	(100.7)	(2.9)	(98.2)
Total comprehensive (expense)/income	-	-	-	(47.5)	3.4	(44.1)
Long term incentive plan expense	-	-	0.7	-	-	0.7
At 30 June 2011 - unaudited	1.7	0.3	4.1	(148.2)	0.5	(141.6)
Total comprehensive income/(expense)	-	-	-	59.0	(13.0)	46.0
Long term incentive plan expense	-	-	1.3	-	-	1.3
At 31 December 2011 - audited	1.7	0.3	5.4	(89.2)	(12.5)	(94.3)
Total comprehensive income/(expense)	**-**	**-**	**-**	**32.9**	**(8.5)**	**24.4**
Long term incentive plan expense	**-**	**-**	**1.0**	**-**	**-**	**1.0**
At 30 June 2012 - unaudited	**1.7**	**0.3**	**6.4**	**(56.3)**	**(21.0)**	**(68.9)**

Condensed Consolidated Cash Flow Statement

for the half year ended 30 June 2012

	Notes	**Half year ended 30 June 2012 Unaudited €'m**	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Operating activities				
Trading profit		**240.6**	213.6	500.5
Adjustments for:				
Depreciation (net) and impairment		**63.7**	55.2	100.8
Change in working capital		**(105.9)**	(85.2)	(3.8)
Pension contributions paid less pension expense		**(15.4)**	(15.8)	(34.0)
Expenditure on non-trading items		**(18.9)**	(3.1)	(13.9)
Exchange translation adjustment	*9*	**0.6**	0.3	(2.8)
Cash generated from operations		**164.7**	165.0	546.8
Income taxes paid		**(25.9)**	(34.8)	(75.9)
Finance income received		**0.6**	0.4	0.9
Finance costs paid		**(22.7)**	(26.0)	(47.5)
Net cash from operating activities		**116.7**	104.6	424.3
Investing activities				
Purchase of non-current assets		**(84.0)**	(60.2)	(174.0)
Proceeds from the sale of property, plant and equipment		**4.8**	0.6	9.9
Capital grants received		**0.9**	-	1.9
Purchase of subsidiary undertakings (net of cash acquired)	*7*	**(15.0)**	(39.1)	(361.6)
Proceeds from disposal of businesses (net of related tax)		**0.6**	5.2	5.6
Payment of deferred consideration on acquisition of subsidiaries		**(0.5)**	(2.9)	(4.3)
Consideration adjustment on previous acquisitions		**(3.8)**	1.5	1.1
Net cash used in investing activities		**(97.0)**	(94.9)	(521.4)
Financing activities				
Dividends paid	*4*	**(39.3)**	(35.2)	(52.4)
Issue of share capital	*3*	**-**	-	-
Net movement on bank borrowings		**5.8**	(35.0)	233.0
Net cash movement due to financing activities*		**(33.5)**	(70.2)	180.6
Net (decrease)/increase in cash and cash equivalents		**(13.8)**	(60.5)	83.5
Cash and cash equivalents at beginning of period*		237.0	152.1	152.1
Exchange translation adjustment on cash and cash equivalents	*9*	**6.1**	(4.5)	1.4
Cash and cash equivalents at end of period*	*8*	**229.3**	87.1	237.0

Reconciliation of Net Cash Flow to Movement in Net Debt				
Net (decrease)/increase in cash and cash equivalents		**(13.8)**	(60.5)	83.5
Cash (inflow)/outflow from debt financing		**(5.8)**	35.0	(233.0)
Changes in net debt resulting from cash flows		**(19.6)**	(25.5)	(149.5)
Fair value movement on interest rate swaps recognised in shareholders' equity		**(2.6)**	4.4	(4.6)
Exchange translation adjustment on net debt	*9*	**(25.2)**	45.2	(21.7)
Movement in net debt in the period		**(47.4)**	24.1	(175.8)
Net debt at beginning of period		**(1,287.7)**	(1,111.9)	(1,111.9)
Net debt at end of period	*8*	**(1,335.1)**	(1,087.8)	(1,287.7)

*The 30 June 2011 cash and cash equivalents balances have been re-presented to include bank overdrafts of €3.8m in the Condensed Consolidated Cash Flow Statement which continue to be included in borrowings and overdrafts in the Condensed Consolidated Balance Sheet.

Notes to the Condensed Consolidated Interim Financial Statements
for the half year ended 30 June 2012

1. Analysis by business segment

The Group has two operating segments: Ingredients & Flavours and Consumer Foods. The Ingredients & Flavours operating segment manufactures and distributes application specific ingredients and flavours spanning a number of technology platforms while the Consumer Foods segment manufactures and supplies added value brands and customer branded foods to the Irish and UK markets.

	Half year ended 30 June 2012 Unaudited €'m	Half year ended 30 June 2011* Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
External revenue			
- Ingredients & Flavours	**2,038.4**	1,788.4	3,638.1
- Consumer Foods	**877.8**	861.6	1,664.1
	2,916.2	2,650.0	5,302.2
Inter-segment revenue			
- Ingredients & Flavours	**35.1**	30.9	68.3
- Consumer Foods	**3.2**	4.0	9.4
- Group Eliminations and Unallocated	**(38.3)**	(34.9)	(77.7)
	-	-	-
Total revenue			
- Ingredients & Flavours	**2,073.5**	1,819.3	3,706.4
- Consumer Foods	**881.0**	865.6	1,673.5
- Group Eliminations and Unallocated	**(38.3)**	(34.9)	(77.7)
	2,916.2	2,650.0	5,302.2
Trading profit			
- Ingredients & Flavours	**212.9**	181.7	439.3
- Consumer Foods	**63.9**	62.8	130.4
- Group Eliminations and Unallocated	**(36.2)**	(30.9)	(69.2)
	240.6	213.6	500.5
Intangible asset amortisation	**(11.5)**	(7.7)	(19.3)
Non-trading items	**(74.4)**	(2.5)	(1.8)
Operating profit	**154.7**	203.4	479.4
Finance income	**0.6**	0.4	0.9
Finance costs	**(28.5)**	(28.6)	(46.9)
Profit before taxation	**126.8**	175.2	433.4
Income taxes	**(19.2)**	(30.8)	(72.7)
Profit after taxation	**107.6**	144.4	360.7

Information about geographical areas

	Half year ended 30 June 2012 Unaudited €'m	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Revenue by location of external customers			
EMEA	**1,697.9**	1,595.0	3,139.2
Americas	**876.5**	762.2	1,557.7
Asia Pacific	**341.8**	292.8	605.3
	2,916.2	2,650.0	5,302.2

*The 30 June 2011 analysis by business segment has been re-presented to reflect the change in management responsibility in 2011.

2. Non-trading items

	Half year ended 30 June 2012 Unaudited €'m	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Acquisition integration costs	**(39.6)**	-	(10.7)
Restructuring and reorganisation costs	**(31.1)**	-	-
Loss on disposal of non-current assets	**(2.3)**	(0.4)	(8.4)
(Loss)/profit on disposal/acquisition of businesses	**(1.4)**	(2.1)	17.3
	(74.4)	(2.5)	(1.8)
Tax	**15.2**	0.2	1.9
	(59.2)	(2.3)	0.1

Material restructuring costs

In 2012, material restructuring costs relate to:

(i) acquisition integration costs which represent additional investment by the Group in the businesses acquired in 2011, in particular the Cargill Flavours Systems business, in order to realise their full value and achieve the expected synergies. The costs reflect the closure of factories, relocation of resources and the streamlining of operations in order to integrate the businesses into the existing Kerry operating model; and

(ii) restructuring and reorganisation costs which are the costs associated with the Group's progression of the 1 Kerry business excellence programme across all manufacturing operations and functional areas to leverage Kerry's global expertise and capabilities, whilst optimising manufacturing, scale and efficiency benefits.

Included in restructuring costs detailed above are redundancies and contract compensation of **€28.2m** and impairment of assets of **€24.4m**. The costs to date reflect the impact of closing or streamlining 10 sites within the Group.

Loss on disposal of non-current assets

This loss primarily relates to the sale of property, plant and equipment in the Americas.

Loss on disposal of businesses

This loss primarily relates to the disposal of non-core businesses in the UK and Ireland.

2011 Non-trading items

Acquisition integration costs included transaction expenses incurred in completing the 2011 acquisitions as well as costs in integrating the acquisitions into the Group's operations and structure. The loss on disposal of non-current assets primarily related to the sale of property, plant and equipment in the US, UK and Brazil. The profit on acquisition of businesses was due to the group acquiring the controlling interest of previously held investments which was partially offset by losses on the sale of non-core businesses in the US and Ireland.

Cash impact

The non-trading items resulted in net cash inflow (after related tax) of **€1.7m**. The future expected cash outflow on non-trading items already provided for is estimated to be €32.2m.

Notes to the Condensed Consolidated Interim Financial Statements (continued)

for the half year ended 30 June 2012

3. Earnings per A ordinary share

		Half year ended 30 June 2012 Unaudited		Half year ended 30 June 2011 Unaudited		Year ended 31 Dec. 2011 Audited	
	Notes	**EPS cent**	**€'m**	EPS cent	€'m	EPS cent	€'m
Basic earnings per share							
Profit after taxation and attributable to equity shareholders		**61.3**	**107.6**	82.2	144.4	205.5	360.7
Brand related intangible asset amortisation		**4.2**	**7.4**	3.3	5.7	7.9	13.9
Non-trading items (net of related tax)	*2*	**33.7**	**59.2**	1.3	2.3	-	(0.1)
Adjusted earnings		**99.2**	**174.2**	86.8	152.4	213.4	374.5
Diluted earnings per share							
Profit after taxation and attributable to equity shareholders		**61.2**	**107.6**	82.2	144.4	205.4	360.7
Adjusted earnings		**99.1**	**174.2**	86.8	152.4	213.3	374.5

In addition to the basic and diluted earnings per share, an adjusted earnings per share is also provided as it is considered more reflective of the Group's underlying trading performance. Adjusted earnings is profit after taxation before brand related intangible asset amortisation and non-trading items (net of related tax). These items are excluded in order to assist in the understanding of underlying earnings.

	Number of Shares 30 June 2012 m's Unaudited	Number of Shares 30 June 2011 m's Unaudited	Number of Shares 31 Dec. 2011 m's Audited
Basic weighted average number of shares	**175.6**	175.5	175.5
Impact of share options outstanding	**0.2**	0.1	0.1
Diluted weighted average number of shares	**175.8**	175.6	175.6

Shares issued during the period

During the period ended 30 June 2012, a total of **90,201** A ordinary shares, each with a nominal value of 12.50 cent, were issued at nominal value per share under the Long Term Incentive Plan.

The total number of shares in issue at 30 June 2012 was **175,625,013** (30 June 2011: 175,522,816; 31 December 2011: 175,534,812).

4. Dividends

	Half year ended 30 June 2012 Unaudited €'m	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Amounts recognised as distributions to equity shareholders in the period			
Final 2011 dividend of **22.40 cent** per A ordinary share paid 11 May 2012 (Final 2010 dividend of 20.00 cent per A ordinary share paid 13 May 2011)	**39.3**	35.2	35.2
Interim 2011 dividend of 9.80 cent per A ordinary share paid 11 November 2011	**-**	-	17.2
	39.3	35.2	52.4

Since the end of the period, the Board has declared an interim dividend of 10.80 cent per A ordinary share. The payment date for the interim dividend will be 16 November 2012 to shareholders registered on the record date 19 October 2012. These condensed consolidated interim financial statements do not reflect this dividend payable.

5. Deferred tax on items taken directly to reserves

	Half year ended 30 June 2012 Unaudited €'m	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Deferred tax impact due to:			
Fair value movements on cash flow hedges	**1.0**	(0.4)	2.0
Exchange difference on translation of foreign operations	**1.5**	(0.7)	1.5
Retirement benefits obligation	**(3.4)**	(0.8)	21.9
Tax losses and credits	**-**	-	(6.8)
	(0.9)	(1.9)	18.6

6. Retirement benefits obligation

The Group's net defined benefit post-retirement schemes' deficit which has been recognised in the Condensed Consolidated Balance Sheet was as follows:

	Half year ended 30 June 2012 Unaudited €'m	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Net recognised deficit in plans before deferred tax	**(290.6)**	(171.6)	(277.5)
Net related deferred tax asset	**59.3**	41.7	65.0
Net recognised deficit in plans after deferred tax	**(231.3)**	(129.9)	(212.5)

The defined benefit post-retirement schemes' liabilities at 30 June 2012 have been rolled forward from the 31 December 2011 position and updated to reflect material movements in underlying assumptions over the half year. The Group's defined benefit post-retirement schemes' assets at 30 June 2012 are measured at market value.

The increase in the net deficit before deferred tax over the half year to 30 June 2012 of €13.1m was accounted for by an increase of €78.5m in the underlying present value of the schemes' liabilities and an increase in the schemes' assets of €65.4m. The increase in the present value of the schemes' liabilities was mostly due to a decrease in discount rates in the Eurozone. The increase in the schemes' assets over the half year to 30 June 2012 was due to ongoing cash contributions, an investment return of approximately 3% and positive foreign exchange movements in the first half of the year.

7. Business combinations

In June 2012 the Group acquired the business and assets of Angsana Food Industries Sdn. Bhd. The acquired business based in Malaysia, manufactures and supplies a range of savoury and sweet ingredients products to a range of customers primarily located in Asia.

Total consideration for the acquisition was **€20.1m**, being cash of €15.0m and deferred payments of €5.1m. Transaction expenses related to the acquisition were charged against non-trading items in the Group's Condensed Consolidated Income Statement during the period and represented less than one percent of the total consideration.

The provisional net assets acquired before combination were €13.4m. The Group recognised goodwill on acquisition of €6.7m. As this acquisition was only recently completed the initial accounting for this business combination is incomplete and therefore the disclosure of fair value adjustments and separate disclosure of the acquisition revenue and profit or loss is impracticable.

For the acquisitions completed in 2011 there have been no material revisions of the provisional fair value adjustments since the initial values were established.

Notes to the Condensed Consolidated Interim Financial Statements (continued)
for the half year ended 30 June 2012

8. Financial instruments

The following table outlines the components of net debt by category at the balance sheet date:

	Loans & Receivables & Other Financial Assets/(Liabilities) at Amortised Cost €'m	Liabilities at Fair Value through Profit or Loss €'m	Derivatives Designated as Hedging Instruments €'m	Total Net Debt by Category €'m
Assets:				
Interest rate swaps	**-**	**-**	**104.9**	**104.9**
Cash and cash equivalents	**229.3**	**-**	**-**	**229.3**
Total assets	**229.3**	**-**	**104.9**	**334.2**
Liabilities:				
Interest rate swaps	**-**	**-**	**(12.4)**	**(12.4)**
Bank overdrafts	**-**	**-**	**-**	**-**
Bank loans	**(694.9)**	**-**	**-**	**(694.9)**
Senior notes	**(922.9)**	**(39.1)**	**-**	**(962.0)**
Borrowings and overdrafts	**(1,617.8)**	**(39.1)**	**-**	**(1,656.9)**
Total liabilities	**(1,617.8)**	**(39.1)**	**(12.4)**	**(1,669.3)**
At 30 June 2012 - unaudited	**(1,388.5)**	**(39.1)**	**92.5**	**(1,335.1)**
Assets:				
Interest rate swaps	-	-	17.4	17.4
Cash and cash equivalents	90.9	-	-	90.9
Total assets	90.9	-	17.4	108.3
Liabilities:				
Interest rate swaps	-	-	(3.3)	(3.3)
Bank overdrafts	(3.8)	-	-	(3.8)
Bank loans	(383.8)	-	-	(383.8)
Senior notes	(797.7)	(7.5)	-	(805.2)
Borrowings and overdrafts	(1,185.3)	(7.5)	-	(1,192.8)
Total liabilities	(1,185.3)	(7.5)	(3.3)	(1,196.1)
At 30 June 2011 - unaudited	(1,094.4)	(7.5)	14.1	(1,087.8)
Assets:				
Interest rate swaps	-	-	84.0	84.0
Cash and cash equivalents	237.9	-	-	237.9
Total assets	237.9	-	84.0	321.9
Liabilities:				
Interest rate swaps	-	-	(10.7)	(10.7)
Bank overdrafts	(0.9)	-	-	(0.9)
Bank loans	(675.6)	-	-	(675.6)
Senior notes	(889.4)	(33.0)	-	(922.4)
Borrowings and overdrafts	(1,565.9)	(33.0)	-	(1,598.9)
Total liabilities	(1,565.9)	(33.0)	(10.7)	(1,609.6)
At 31 December 2011 - audited	(1,328.0)	(33.0)	73.3	(1,287.7)

8. Financial instruments (continued)

The following table sets out the currency profile of the Group's net debt, highlighting the impact of cross currency swaps (CCS) on net debt:

	Pre CCS Half year ended 30 June 2012 Unaudited €'m	**Notional CCS Half year ended 30 June 2012 Unaudited €'m**	**Post CCS Half year ended 30 June 2012 Unaudited €'m**	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Euro	**(266.1)**	**(403.2)**	**(669.3)**	(498.6)	(648.2)
Sterling	**(89.6)**	**-**	**(89.6)**	(87.8)	(96.3)
US Dollar	**(985.0)**	**403.2**	**(581.8)**	(485.6)	(556.0)
Other	**5.6**	**-**	**5.6**	(15.8)	12.8
	(1,335.1)	**-**	**(1,335.1)**	(1,087.8)	(1,287.7)

The following table details the maturity profile of the Group's net debt:

	On demand & up to 1 year €'m	**Up to 2 years €'m**	**2 - 5 years €'m**	**> 5 years €'m**	**Total €'m**
Cash and cash equivalents	**229.3**	**-**	**-**	**-**	**229.3**
Interest rate swaps	**(0.5)**	**-**	**(0.9)**	**93.9**	**92.5**
Bank overdrafts	**-**	**-**	**-**	**-**	**-**
Bank loans	**(41.0)**	**-**	**(653.9)**	**-**	**(694.9)**
Senior notes	**(185.5)**	**-**	**(408.4)**	**(368.1)**	**(962.0)**
At 30 June 2012 - unaudited	**2.3**	**-**	**(1,063.2)**	**(274.2)**	**(1,335.1)**
Cash and cash equivalents	90.9	-	-	-	90.9
Interest rate swaps	-	(1.1)	(2.2)	17.4	14.1
Bank overdrafts	(3.8)	-	-	-	(3.8)
Bank loans	(37.8)	(0.2)	(345.6)	(0.2)	(383.8)
Senior notes	-	(158.6)	(225.2)	(421.4)	(805.2)
At 30 June 2011 - unaudited	49.3	(159.9)	(573.0)	(404.2)	(1,087.8)
Cash and cash equivalents	237.9	-	-	-	237.9
Interest rate swaps	-	(0.6)	(10.1)	84.0	73.3
Bank overdrafts	(0.9)	-	-	-	(0.9)
Bank loans	(38.1)	(0.1)	(637.4)	-	(675.6)
Senior notes	-	(178.3)	(246.0)	(498.1)	(922.4)
At 31 December 2011 - audited	198.9	(179.0)	(893.5)	(414.1)	(1,287.7)

9. Effect of exchange translation adjustments on the Condensed Consolidated Balance Sheet

	Half year ended 30 June 2012 Unaudited €'m	Half year ended 30 June 2011 Unaudited €'m	Year ended 31 Dec. 2011 Audited €'m
Increase/(decrease) in assets			
Property, plant and equipment	**33.4**	(45.3)	14.9
Intangible assets	**40.7**	(54.8)	25.1
Financial asset investments	**0.4**	-	-
Inventories	**17.8**	(20.2)	7.2
Trade and other receivables	**18.1**	(22.5)	6.1
Cash and cash equivalents	**6.1**	(4.5)	1.4
(Increase)/decrease in liabilities			
Trade and other payables	**(35.4)**	33.5	(9.1)
Tax liabilities	**(0.8)**	1.1	(0.7)
Financial liabilities	**(31.3)**	49.7	(23.1)
Retirement benefits obligation	**(9.3)**	7.9	(4.4)
Other non-current liabilities	**(0.8)**	1.5	(0.1)
Deferred tax liabilities	**(1.3)**	3.4	(1.6)
Provisions	**(5.1)**	2.2	(0.1)
Deferred income	**(0.2)**	0.2	(1.3)
Retained earnings	**0.6**	0.3	(2.8)
	32.9	(47.5)	11.5

The above exchange translation adjustments arise primarily on the retranslation of the Group's opening net investment in its foreign currency subsidiaries.

10. Events after the balance sheet date

Since the period end, the Group has:

- declared an interim dividend of 10.80 cent per A ordinary share (see note 4);
- entered into an agreement to purchase the business and assets of Shanghai Angsana Food Company Limited, a savoury ingredients company based in China; and
- entered into an agreement to purchase the business and assets of Food Spectrum Group Pty Limited, a specialist provider of food ingredients and aseptic solutions based in Australia.

There have been no other significant events, outside the ordinary course of business, affecting the Group since 30 June 2012.

11. Accounting policies

These condensed consolidated interim financial statements for the half year ended 30 June 2012 have been prepared in accordance with the requirements of IAS 34 'Interim Financial Reporting' and using accounting policies consistent with International Financial Reporting Standards as adopted by the European Union. The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those detailed in the 2011 Annual Report. Some comparative information has been re-presented to align with the current half year presentation.

The following standards and interpretations are effective for the Group from 1 January 2012 but do not have a material effect on the results or financial position of the Group:

- IFRS 1 (amendments) First-time adoption of International Financial Reporting Standards
- IFRS 7 (amendment) Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
- IAS 12 (amendment) Income Taxes

12. General information

These condensed consolidated interim financial statements for the half year ended 30 June 2012 have been prepared on the going concern basis as detailed in the 2011 Annual Report. The Board of Directors approved these condensed consolidated interim financial statements on 8 August 2012. These are not full financial statements and were not reviewed by the auditors. Full consolidated financial statements to 31 December 2011, which were audited and received an unqualified audit report, have been filed with the Registrar of Companies.

In relation to seasonality, trading profit is lower in the first half of the year due to the nature of the food business and stronger December trading. While revenue is relatively evenly spread, margin has traditionally been higher in the second half of the year.

As permitted by the Transparency (Directive 2004/109/EC) Regulations 2007 this Interim Report is available on www.kerrygroup.com. However, if a physical copy is required, please contact the Corporate Affairs department.