NEWS RELEASE
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Interim Management Report for the half year ended 30 June 2013

Kerry, the global ingredients & flavours and consumer foods group, reports a solid financial performance for the half year ended 30 June 2013.

Highlights

- Adjusted* EPS up 11.7% to 108.9 cent
- Reported revenue up 1.1% to €2.9 billion
- Continuing volume growth +2.7%; Pricing +1.8%
- Trading profit increased by 9.8% to €267m
- Group trading margin up 70 basis points to 9%
  - Ingredients & Flavours +80 bps to 11.1%
  - Consumer Foods +30bps to 7.7%
- Interim dividend per share increased by 11.1% to 12 cent
- Free cash flow of €216m (H1 2012 : €84m)

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

Commenting on the results Kerry Group Chief Executive Stan McCarthy said; "The Group achieved a strong financial performance in the first half of 2013 and continued to invest in enhancing the quality of our businesses. Adjusted earnings per share in the period increased by 11.7% to 108.9 cent. Our global ingredients & flavours technologies and core consumer foods businesses are performing well. We remain confident of achieving our growth targets for the full year and delivering 7% to 11% growth in adjusted earnings per share to a range of 250 to 260 cent per share."

For further information please contact:

Media	**Investor Relations**
Frank Hayes, Director of Corporate Affairs	Brian Mehigan, Chief Financial Officer
Tel: +353 66 718 2304	Ronan Deasy, Group Controller
Email: corpaffairs@kerry.ie	William Lynch, Head of Investor Relations
Web: www.kerrygroup.com	Tel: +353 66 718 2253
	Email: investorrelations@kerry.ie

INTERIM MANAGEMENT REPORT

for the half year ended 30 June 2013

Kerry Group achieved a strong financial performance in the first half of 2013. Results across our core ingredients & flavours and consumer foods business segments were very encouraging against the backdrop of a relatively sluggish overall market environment — particularly in developed markets. Solid growth and business development continued in the Group's developing markets.

Kerry's broad ingredients & flavours technology base, supported by industry leading innovation enabled through the Group's Global Technology & Innovation Centres, continued to capitalise on added value growth opportunities and demand for enhanced nutritional and taste solutions. Positive margin momentum was also assisted through the ongoing 1 Kerry Business Transformation Programmes.

In the Group's Irish and UK consumer foods' businesses, the ongoing refocusing by the division on its core branded and customer branded offerings has achieved satisfactory results to date – despite the prevailing competitive, value driven market environment.

RESULTS

Group sales revenue increased by 1.1% to €2.9 billion. Continuing business volumes increased by 2.7% and pricing increased by 1.8% — broadly offsetting input cost inflation of approximately 4%.

Volume growth and trading performance in ingredients & flavours' markets improved in Q2 relative to Q1 which was impacted by an increase in customer inventories in the final quarter of 2012. Ingredients & Flavours continuing business volumes increased by 3.9% relative to H1 2012 and pricing increased by 2%. Continuing business volumes in Kerry Foods decreased by 0.3% and pricing increased by 1.2% relative to the same period in 2012.

Group trading profit increased by 9.8% to €267m. Ongoing added value business development which is improving product mix, coupled with the benefits accruing through the 1 Kerry Business Transformation Programmes and the positive impact from exiting non-core business activities, contributed to a 70 basis points improvement in the Group trading profit margin to 9%. This reflects an 80 basis points improvement in trading margin in Ingredients & Flavours to 11.1% and a 30 basis points improvement in Consumer Foods' margin to 7.7%.

Adjusted profit before tax, brand related intangible asset amortisation and non-trading items increased by 10.2% to €225.2m. The income statement charge arising from investment in the EMEA Global Technology & Innovation Centre, integration of acquisitions, restructuring / reorganisation costs and loss on disposal of non-current assets/businesses amounted to €66.1m (net of tax) resulting in a net cash outflow of €12.3m after tax.

Adjusted profit after tax before brand related intangible asset amortisation and non-trading items increased 11.7% to €191m. Adjusted earnings per share increased 11.7% to 108.9 cent (2012 : 97.5 cent). The interim dividend of 12 cent per share represents an increase of 11.1% over the 2012 interim dividend.

BUSINESS REVIEWS

INGREDIENTS & FLAVOURS

	H1 2013	Growth
Revenue	€2,159m	4.1%
Trading profit	€239m	11.6%
Trading Margin	11.1%	+80bps

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 achieved good underlying value growth through innovative product developments in all end-use-markets and channels driven by Kerry's complete technology positioning. Sales revenue grew by 4.1% on a reported basis to €2,159m reflecting 2.9% like-for-like (LFL) growth. Continuing business volumes increased by 3.9% and pricing increased by 2%. Trading profit grew by 11.6% to €239m with the division's trading margin improved by 80 basis points to 11.1%.

Americas Region

Kerry continued to make good progress throughout the Americas Region, despite weaker market conditions in some industry segments. Performance was driven by leveraging joint market growth opportunities through strategic customer alliances, assisted by integration of recent acquisitions which further strengthened Kerry's leading technology portfolio. Revenue in the region increased by 6.2% on a reported basis to €931m, reflecting 4.5% LFL growth. Continuing business volumes grew by 4.3% and pricing increased by 2.1%.

Beverage systems & flavours recorded an excellent performance including strong development of the Group's global beverage brands in the foodservice channel. California based *Big Train*, a global foodservice branded speciality beverage provider acquired prior to year-end 2012, was integrated as planned – strengthening the Group's branded portfolio dedicated to the foodservice channel across American and global markets. Building on the successful integration of Cargill's flavours business acquired in late 2011, continued growth was achieved in Latin American and North American markets through beverage syrups, tea & coffee applications and nutritional beverage applications.

Savoury, Dairy & Culinary systems performed satisfactorily despite industry sectoral issues. Kerry continued to advance product innovation with industry leaders in particular through application of all natural flavours and shelf-life extension technologies, and wider menu concepts for the foodservice channel. The encouraging product development pipeline is expected to lead to further new product launches in H2 2013.

Cereal systems were negatively impacted by poor retail sales in a highly competitive marketplace.

Sweet systems recorded satisfactory progress despite the late ice cream season. Increased demand for shelf-life extension and clean label offerings provided solid growth opportunities in the bakery and confectionery sectors.

Kerry continues to leverage its technology positioning with key accounts in Latin American developing markets with good results to date in the fast growing snacking and convenience sectors.

Pharma ingredients continued to achieve a strong performance through cell nutrition applications developed in conjunction with key pharmaceutical companies serving developed and developing markets. Excipients achieved slower growth during the period. Functional proteins and functional dairy systems achieved strong growth through nutritional applications particularly in developing markets.

EMEA Region

While economic or political pressures continue to impact market conditions across EMEA markets, Kerry again achieved satisfactory progress underpinned by close collaboration with global and regional food & beverage accounts and foodservice providers. Reported revenues reduced by 2.8% to €798m reflecting a decrease of 1.2% LFL. Continuing business volumes in the region grew by 1.5% and pricing increased by 2%.

The division has continued to successfully expand its platforms for growth in EMEA developing markets and to realign its regional business operating footprint through the Group's 1 Kerry Business Transformation Programme. Work has commenced on the establishment of a Kerry Global Technology & Innovation Centre in Ireland to serve global and regional customers in the EMEA region.

Culinary systems & flavours benefited from increased demand for low sodium and clean label solutions. Savoury flavours achieved good growth in the snack seasonings sector. Integration of the *FlavourCraft* business in South Africa continued to drive growth in particular through innovative flavour solutions in the soup, sauces and dressings sectors. ***Dairy*** systems recorded good volume growth in confectionery markets. Development in the European meat industry proved challenging due to industry sectoral issues, but Kerry's ***Savoury*** systems continued to record good growth in the foodservice sector.

Cereal & Sweet systems & flavours maintained good growth. While demand conditions in the ice cream sector were sluggish during the half year – until recent weather related improvement in overall demand, nevertheless Kerry achieved continued growth through inclusions and coatings' applications in the premium sector. Progress was also recorded through Kerry's 'Bakestable' technologies in the bakery sector. Despite challenging conditions in the RTE cereals sector satisfactory results were achieved in niche growth sectors of the market. South Africa based *Orley Foods,* a leading supplier of sweet ingredient solutions to food manufacturers and foodservice providers, was acquired during the period further strengthening the Group's capabilities to meet customer requirements in regional developing markets.

Beverage systems & flavours achieved good growth in EMEA developing markets in particular through beverage flavours and brewing ingredients in the Middle East and African markets. Kerry beverage systems recorded solid growth in the juice sector in Northern Europe. In the foodservice sector Da Vinci branded hot coffee solutions achieved strong growth. Kerry's frappé and smoothie systems launched in early 2013 also achieved encouraging results.

Functional ingredients achieved solid growth in developing markets. Emulsifiers continues to benefit from the new production facilities commissioned in Zwijndrecht in 2012.

Primary Dairy market prices increased significantly during the half year due to tighter supply conditions and continued growth in demand in importing countries.

Asia-Pacific Region

Kerry made further progress in extending its market and technology positioning in Asia-Pacific markets. The increased resources deployed to meet the Group's growth objectives in Asian developing markets continues to achieve excellent results. Sales revenue on a reported basis increased by 15.4% to €394m, reflecting 8.7% LFL growth. Continuing business volumes increased by 8.8% and pricing increased by 2%.

Savoury**, **Dairy & Culinary systems & flavours achieved strong growth through innovative offerings for the fast growing regional foodservice sector and a strong focus on nutritional applications across all end-use-markets. Lipid systems again performed well throughout the region, with strong growth through nutritional applications in China. Dairy systems recorded good growth in Indonesian snack markets. Culinary systems grew strongly through foodservice applications. Despite issues in the regional meat industry Kerry technologies achieved satisfactory volume growth through coatings and seasonings.

Sweet technologies continued to make good progress in the region – in particular through Kerry Pinnacle in the Australian lifestyle bakery sector.

Beverage systems achieved strong volume growth. Da Vinci branded syrups delivered solid growth throughout the regional foodservice sector. Beverage flavours showed good growth in tea & coffee applications in South East Asia and through sweet beverage applications in South West Asia. The aseptic processing/packaging capability added through the *Food Spectrum Group Pty Ltd* acquisition in 2012 performed well particularly in nutritional product sectors.

Functional ingredients maintained solid growth in food and beverage markets.

CONSUMER FOODS

	H1 2013	Growth
Revenue	€830m	(5.8%)
Trading profit	€64m	(1.8%)
Trading margin	7.7%	+30bps

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

Economic and fiscal pressures continue to impact consumer confidence in the Irish and UK consumer foods markets. As a result conditions in both markets remained highly competitive during the first half of 2013 with shoppers continuing to respond to promotions, pricing and value offerings. However, Kerry Foods' core business segments performed well, recording good branded growth in the UK market and a stabilised positioning in the Irish market. While Kerry Foods' products were unaffected by the Equine DNA issues which unfolded during the first quarter, confidence in some meat categories, including the frozen meals sector, was impacted which resulted in lower sales due to the underlying weakness of the market.

As signalled at year-end 2012, the division is refocusing its business model on its core offerings which impacted in particular the direct-to-store service to the independent and convenience retail sectors in the UK and Ireland in the period. Therefore whilst the underlying core business sales performance was encouraging, divisional revenue on a reported basis decreased by 5.8% to €830m and 4.5% on a LFL basis. Continuing business volumes decreased by 0.3% and pricing increased by 1.2%. Trading profit decreased by 1.8% to €64m and the division's trading margin improved by 30 basis points to 7.7%.

The division's ***UK Brands*** performed well. Richmond again advanced its brand leadership in the sausage category with a strong performance in the frozen segment. Wall's again achieved good growth in the savoury pastry market. Mattessons saw significant growth in the meat snacks category.

Kerry Foods' overall ***UK Customer Brands***' performance was flat compared to the same period in 2012. Cheese slices performed well but dairy spreads lost market share to heavily promoted branded offerings. Overall volumes in chilled ready meals were unchanged but, as previously stated, sales in the frozen category reflected the significant loss in consumer confidence in frozen meat products.

Brands Ireland maintained a good performance through the Galtee pork products range and through 100% Natural Ingredients Denny Deli Style ham. Dairygold and LowLow performed well in the spreads and cheese categories respectively. Cheestrings continues to make good progress in the German and French markets.

FINANCIAL REVIEW

Reconciliation of adjusted* earnings to profit after taxation	% Change	H1 2013 €m	H1 2012 €m**
Revenue	1.1%	**2,949.4**	2,916.2
Trading profit	9.8%	**266.6**	242.8
Trading margin		***9.0%***	*8.3%*
Computer software amortisation		**(5.3)**	(4.1)
Finance costs (net)		**(36.1)**	(34.3)
Adjusted* earnings before taxation	10.2%	**225.2**	204.4
Income taxes (excluding non-trading items)		**(33.9)**	(33.2)
Adjusted* earnings after taxation	11.7%	**191.3**	171.2
Brand related intangible asset amortisation		**(7.8)**	(7.4)
Non-trading items (net of related tax)		**(66.1)**	(59.2)
Profit after taxation	12.2%	**117.4**	104.6
		EPS cent	EPS cent
Adjusted* EPS	11.7%	**108.9**	97.5
Brand related intangible asset amortisation		**(4.4)**	(4.2)
Non-trading items (net of related tax)		**(37.7)**	(33.7)
Basic EPS	12.1%	**66.8**	59.6

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

***Restated due to the adoption of IAS 19 (amendment) 'Employee Benefits'*

Analysis of Results

Group revenue increased by 1.1% on a reported basis. Excluding the impact of reporting currency (-1.0%) and business acquisitions net of disposals (+1.5%) like-for-like (LFL) revenue growth was 0.6%. Continuing volume growth was 2.7% while pricing was positive 1.8%. Restructuring programmes to optimise the Group's manufacturing footprint and withdrawal from non-core business activities resulted in a 3.8% volume loss.

Group trading profits increased by 9.8% on a reported basis to €267m. Group trading margin increased 70 basis points to 9.0% (H1 2012 : 8.3%) in the period driven by improved product mix, operating leverage, business efficiency programmes and the positive impact from exiting non-core business activities.

During the period the Group incurred acquisition integration costs of €28.0m (net of tax). Costs were also incurred during the period relating to the Group's footprint and supply chain restructuring programme and the establishment of a Global Technology & Innovation Centre in Ireland for the EMEA region. These costs amounted to €22.4m (net of tax) and €10.3m (net of tax) respectively.

Finance Costs

Finance costs for the period increased slightly to €36.1m (H1 2012 : €34.3m) as interest costs from acquisitions (especially those executed in the latter part of 2012) and capital expenditure outweighed the benefit from higher cash flows. Finance costs now include the net interest cost associated with defined benefit pension schemes following the adoption of 'IAS 19 (amendment) Employee Benefits' on 1 January 2013.

Taxation

The tax charge before non-trading items for the period was €34m (H1 2012 : €33m) which represents an effective tax rate of 15.6% (FY 2012 : 16.3%). 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 €216m (H1 2012 : €84m) which is stated after net capital expenditure of €61m and average working capital inflow of €11m.

Free Cash Flow	H1 2013 €m	H1 2012 €m**
EBITDA*	**323.8**	306.5
Movement in average working capital	**11.4**	(78.4)
Capital expenditure (excluding R&D centres)	**(53.2)**	(78.3)
Business operating cash flow	**282.0**	149.8
R&D centre capital expenditure	**(7.4)**	-
Pension contributions paid less pension expense	**(16.7)**	(17.6)
Finance costs paid (net)	**(23.5)**	(22.1)
Income taxes paid	**(18.4)**	(25.9)
Free cash flow	**216.0**	84.2

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

** Restated due to adoption of IAS 19 (amendment) 'Employee Benefits' and also change in average working capital

A summary balance sheet as at 30 June 2013 is presented below:

Balance Sheet	H1 2013 €m	H1 2012 €m*
Intangible assets	**2,466.2**	2,358.1
Property, plant & equipment	**1,170.5**	1,217.9
Other non-current assets	**104.5**	134.9
Current assets	**1,792.4**	1,819.9
Total assets	**5,533.6**	5,530.8
Current liabilities	**1,351.6**	1,582.6
Non-current liabilities	**2,142.4**	2,030.7
Total liabilities	**3,494.0**	3,613.3
Net assets	**2,039.6**	1,917.5
Shareholders' equity	**2,039.6**	1,917.5

* Restated due to adoption of IAS 19 (amendment) 'Employee Benefits'

Intangible Assets & Acquisitions

Intangible assets increased by €108.1m to €2,466.2m due to acquisitions completed in the latter half of 2012 and acquisitions completed during the period under review. In H1 2013 acquisitions (at a cost of €42.7m) were completed by the Group's Ingredients & Flavours division which further strengthens the Group's capabilities and footprint particularly in developing regions.

Financial Position

At 30 June 2013 net debt stood at €1,236m, an increase of €25m relative to the December 2012 position. The average maturity profile of net debt was 6.5 years at the end of the period (Dec 2012: 3.8 years). The increase in the Group's maturity profile of net debt is primarily due to the Group successfully issuing a 10 year $750m debut public bond in April with an annual coupon of 3.2%. At the period end 66% of debt was carried at fixed rates and the weighted average period for which rates were fixed was 5.9 years.

At 30 June the key financial ratios were as follows;

	Covenant	H1 2013 TIMES	H1 2012 TIMES**
Net debt: EBITDA*	Maximum 3.5	**1.8**	2.1
EBITDA: Net interest*	Minimum 4.75	**14.0**	13.8

* Calculated in accordance with lenders' facility agreements

** Restated due to adoption of IAS 19 (amendment) 'Employee Benefits'

The Group's balance sheet is in a healthy position. With a net debt to EBITDA* ratio of 1.8 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 €247m (H1 2012 : €234m, Dec 2012 : €248m). The decrease since December 2012 reflects an increase in the schemes' assets due to cash contributions and investment return. This was offset by an increase in the schemes' liabilities mainly due to a decrease in the discount rates in the Eurozone.

Change in Accounting Policy and Reclassification

The Group adopted 'IAS 19 (amendment) Employee Benefits' from 1 January 2013 with retrospective application to 2012 as required by the standard. Comparative numbers have been restated to reflect any changes resulting from the adoption of the standard. Additionally, some comparative information has been represented to align with the presentation in the current Interim Financial Statements.

Related Party Transactions

There were no changes in related party transactions from the 2012 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 2012 Annual Report on pages 53 to 55. 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.

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 12.0 cent per share (an increase of 11.1% on the 2012 interim dividend of 10.8 cent) payable on 15 November 2013 to shareholders registered on the record date 18 October 2013.

FUTURE PROSPECTS

The Group's global ingredients & flavours technologies and core consumer foods businesses are performing well - notwithstanding challenging conditions in some geographic markets. Our 1 Kerry strategies and programmes are delivering good results and building a scalable growth platform for the organisation. Increased Group resources are being deployed to capitalise on the significant growth opportunities in our developing markets and in the global foodservice channel.

Despite currency headwinds, we remain confident of delivering 7% to 11% growth in adjusted earnings per share in 2013 to a range of 250 to 260 cent per share.

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 2013 have been prepared in accordance with the international accounting standard applicable to interim financial reporting adopted pursuant to the procedure provided for under Article 6 of the Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

- 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 2013, 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

7 August 2013

Condensed Consolidated Income Statement (unaudited)

for the half year ended 30 June 2013

	Notes	**Before Non-Trading Items 30 June 2013 €m**	**Non-Trading Items 30 June 2013 €m**	**Half year ended 30 June 2013 €m**	Half year ended 30 June 2012 (Restated)* €m	Year ended 31 Dec. 2012 (Restated)* €m
Continuing operations						
Revenue	2	**2,949.4**	**-**	**2,949.4**	2,916.2	5,848.3
Trading profit	2	**266.6**	**-**	**266.6**	242.8	559.0
Intangible asset amortisation		**(13.1)**	**-**	**(13.1)**	(11.5)	(23.4)
Acquisition integration and restructuring costs	3	**-**	**(74.1)**	**(74.1)**	(70.7)	(120.2)
Loss on disposal of businesses	3	**-**	**(5.6)**	**(5.6)**	(1.4)	(35.3)
Loss on disposal of non-current assets	3	**-**	**(0.5)**	**(0.5)**	(2.3)	(2.5)
Operating profit		**253.5**	**(80.2)**	**173.3**	156.9	377.6
Finance income	4	**0.5**	**-**	**0.5**	0.6	1.1
Finance costs	4	**(36.6)**	**-**	**(36.6)**	(34.9)	(63.2)
Profit before taxation		**217.4**	**(80.2)**	**137.2**	122.6	315.5
Income taxes		**(33.9)**	**14.1**	**(19.8)**	(18.0)	(54.8)
Profit after taxation and attributable to owners of the parent		**183.5**	**(66.1)**	**117.4**	104.6	260.7
Earnings per A ordinary share				**Cent**	Cent	Cent
- basic	5			**66.8**	59.6	148.4
- diluted	5			**66.7**	59.5	148.3

* IAS 19 (amendment) 'Employee benefits' has been adopted as required by IFRS for the half year ended 30 June 2013. The comparatives for the half year ended 30 June 2012 and for the year ended 31 December 2012 have been restated (refer to note 1 and note 8).

Condensed Consolidated Statement of Recognised Income and Expense (unaudited)

for the half year ended 30 June 2013

	Note	**Half year ended 30 June 2013 €m**	Half year ended 30 June 2012 (Restated)* €m	Year ended 31 Dec. 2012 (Restated)* €m
Profit after taxation and attributable to owners of the parent		**117.4**	104.6	260.7
Other comprehensive (expense)/income:				
Items that may be reclassified subsequently to profit or loss:				
Fair value movements on cash flow hedges		**(4.1)**	(12.6)	(0.8)
Deferred tax effect of fair value movements on cash flow hedges		**0.8**	1.0	0.8
Exchange difference on translation of foreign operations	*11*	**(35.8)**	32.9	(0.3)
Deferred tax effect of exchange difference on translation of foreign operations		**0.4**	1.5	(0.9)
Items that will not be reclassified to profit or loss:				
Re-measurement on retirement benefits obligation		**(1.7)**	(13.3)	(44.6)
Deferred tax effect of re-measurement on retirement benefits obligation		**(7.2)**	(4.6)	8.3
Net (expense)/income recognised directly in other comprehensive income		**(47.6)**	4.9	(37.5)
Reclassification to profit or loss from equity:				
Cash flow hedges		**(3.7)**	4.1	4.9
Total comprehensive income		**66.1**	113.6	228.1

* IAS 19 (amendment) 'Employee benefits' and IAS 1 (amendment) 'Presentation of financial statements' have been adopted as required by IFRS for the half year ended 30 June 2013. The comparatives for the half year ended 30 June 2012 and for the year ended 31 December 2012 have been restated (refer to note 1 and note 8).

Condensed Consolidated Balance Sheet (unaudited)
as at 30 June 2013

	Notes	**30 June 2013**	30 June 2012	31 Dec. 2012
			(Restated)*	(Restated)*
		€m	€m	€m
Non-current assets				
Property, plant and equipment		**1,170.5**	1,217.9	1,205.6
Intangible assets		**2,466.2**	2,358.1	2,459.9
Financial asset investments		**21.1**	18.6	18.8
Non-current financial instruments		**72.3**	104.9	86.1
Deferred tax assets		**11.1**	11.4	10.0
		3,741.2	3,710.9	3,780.4
Current assets				
Inventories		**711.6**	760.9	637.3
Trade and other receivables		**799.0**	827.2	706.1
Cash at bank and in hand	10	**263.3**	229.3	215.4
Other current financial instruments		**18.4**	0.8	10.0
Assets classified as held for sale		**0.1**	1.7	0.5
		1,792.4	1,819.9	1,569.3
Total assets		**5,533.6**	5,530.8	5,349.7
Current liabilities				
Trade and other payables		**1,196.2**	1,252.0	1,149.8
Borrowings	10	**33.2**	226.5	212.7
Other current financial instruments		**4.5**	21.6	1.8
Tax liabilities		**32.9**	23.5	32.7
Provisions		**81.9**	56.1	42.3
Deferred income		**2.9**	2.9	2.3
		1,351.6	1,582.6	1,441.6
Non-current liabilities				
Borrowings	10	**1,505.5**	1,430.4	1,287.4
Other non-current financial instruments		**33.0**	11.9	11.9
Retirement benefits obligation	7	**297.6**	293.5	311.6
Other non-current liabilities		**62.3**	65.7	60.1
Deferred tax liabilities		**173.4**	171.9	163.9
Provisions		**50.9**	36.7	37.7
Deferred income		**19.7**	20.6	21.1
		2,142.4	2,030.7	1,893.7
Total liabilities		**3,494.0**	3,613.3	3,335.3
Net assets		**2,039.6**	1,917.5	2,014.4
Issued capital and reserves attributable to owners of the parent				
Share capital		**21.9**	21.9	21.9
Share premium		**398.7**	398.7	398.7
Other reserves		**(128.7)**	(68.9)	(88.1)
Retained earnings		**1,747.7**	1,565.8	1,681.9
Shareholders' equity		**2,039.6**	1,917.5	2,014.4

* IAS 19 (amendment) 'Employee benefits' has been adopted as required by IFRS for the half year ended 30 June 2013. The comparatives for the half year ended 30 June 2012 and for the year ended 31 December 2012 have been restated (refer to note 1 and note 8).

Condensed Consolidated Statement of Changes in Equity (unaudited)

for the half year ended 30 June 2013

	Notes	Share Capital €m	Share Premium €m	Other Reserves €m	Retained Earnings €m	Total €m
At 1 January 2012 (Restated)*		21.9	398.7	(94.3)	1,515.9	1,842.2
Total comprehensive income (Restated)*		-	-	24.4	89.2	113.6
Dividends paid	6	-	-	-	(39.3)	(39.3)
Long term incentive plan expense		-	-	1.0	-	1.0
Shares issued during the period		-	-	-	-	-
At 30 June 2012 (Restated)*		21.9	398.7	(68.9)	1,565.8	1,917.5
Total comprehensive (expense)/income (Restated)*		-	-	(20.6)	135.1	114.5
Dividends paid	6	-	-	-	(19.0)	(19.0)
Long term incentive plan expense		-	-	1.4	-	1.4
Shares issued during the period		-	-	-	-	-
At 31 December 2012 (Restated)*		21.9	398.7	(88.1)	1,681.9	2,014.4
Total comprehensive (expense)/income		**-**	**-**	**(43.6)**	**109.7**	**66.1**
Dividends paid	6	**-**	**-**	**-**	**(43.9)**	**(43.9)**
Long term incentive plan expense		**-**	**-**	**3.0**	**-**	**3.0**
Shares issued during the period	5	**-**	**-**	**-**	**-**	**-**
At 30 June 2013		**21.9**	**398.7**	**(128.7)**	**1,747.7**	**2,039.6**

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 2012	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	1.7	0.3	6.4	(56.3)	(21.0)	(68.9)
Total comprehensive (expense)/income	-	-	-	(33.2)	12.6	(20.6)
Long term incentive plan expense	-	-	1.4	-	-	1.4
At 31 December 2012	1.7	0.3	7.8	(89.5)	(8.4)	(88.1)
Total comprehensive expense	**-**	**-**	**-**	**(35.8)**	**(7.8)**	**(43.6)**
Long term incentive plan expense	**-**	**-**	**3.0**	**-**	**-**	**3.0**
At 30 June 2013	**1.7**	**0.3**	**10.8**	**(125.3)**	**(16.2)**	**(128.7)**

* IAS 19 (amendment) 'Employee benefits' has been adopted as required by IFRS for the half year ended 30 June 2013. The comparatives for the half year ended 30 June 2012 and for the year ended 31 December 2012 have been restated (refer to note 1 and note 8).

Condensed Consolidated Cash Flow Statement (unaudited)

for the half year ended 30 June 2013

	Notes	**Half year ended 30 June 2013 €m**	Half year ended 30 June 2012 (Restated)* €m	Year ended 31 Dec. 2012 (Restated)* €m
Operating activities				
Trading profit		**266.6**	242.8	559.0
Adjustments for:				
Depreciation (net) and impairment		**57.2**	63.7	114.3
Change in working capital		**(104.7)**	(105.9)	(6.2)
Pension contributions paid less pension expense		**(16.7)**	(17.6)	(29.5)
Expenditure on non-trading items		**(28.2)**	(18.9)	(70.6)
Exchange translation adjustment	*11*	**(0.4)**	0.6	(1.8)
Cash generated from operations		**173.8**	164.7	565.2
Income taxes paid		**(18.4)**	(25.9)	(53.5)
Finance income received		**0.5**	0.6	1.1
Finance costs paid		**(24.0)**	(22.7)	(49.7)
Net cash from operating activities		**131.9**	116.7	463.1
Investing activities				
Purchase of non-current assets		**(63.0)**	(84.0)	(167.5)
Proceeds from the sale of property, plant and equipment		**1.8**	4.8	8.3
Capital grants received		**0.6**	0.9	3.2
Purchase of subsidiary undertakings (net of cash acquired)	*9*	**(40.4)**	(15.0)	(174.7)
Proceeds/(payments) due to disposal of businesses (net of related tax)		**-**	0.6	(2.1)
Payments relating to previous acquisitions		**(1.1)**	(4.3)	(5.0)
Net cash used in investing activities		**(102.1)**	(97.0)	(337.8)
Financing activities				
Dividends paid	*6*	**(43.9)**	(39.3)	(58.3)
Issue of share capital	*5*	**-**	-	-
Net movement on bank borrowings		**64.3**	5.8	(88.6)
Net cash movement due to financing activities		**20.4**	(33.5)	(146.9)
Net increase/(decrease) in cash and cash equivalents		**50.2**	(13.8)	(21.6)
Cash and cash equivalents at beginning of period		215.4	237.0	237.0
Exchange translation adjustment on cash and cash equivalents	*11*	**(2.3)**	6.1	-
Cash and cash equivalents at end of period	*10*	**263.3**	229.3	215.4

	Notes	**Half year ended 30 June 2013 €m**	Half year ended 30 June 2012 (Restated)* €m	Year ended 31 Dec. 2012 (Restated)* €m
Reconciliation of Net Cash Flow to Movement in Net Debt				
Net increase/(decrease) in cash and cash equivalents		**50.2**	(13.8)	(21.6)
Cash (inflow)/outflow from debt financing		**(64.3)**	(5.8)	88.6
Changes in net debt resulting from cash flows		**(14.1)**	(19.6)	67.0
Fair value movement on interest rate swaps (net of adjustment to borrowings)		**(8.4)**	(2.6)	(1.4)
Exchange translation adjustment on net debt	*11*	**(2.8)**	(25.2)	11.3
Movement in net debt in the period		**(25.3)**	(47.4)	76.9
Net debt at beginning of period		(1,210.8)	(1,287.7)	(1,287.7)
Net debt at end of period	*10*	**(1,236.1)**	(1,335.1)	(1,210.8)

* IAS 19 (amendment) 'Employee benefits' has been adopted as required by IFRS for the half year ended 30 June 2013. The comparatives for the half year ended 30 June 2012 and for the year ended 31 December 2012 have been restated (refer to note 1 and note 8).

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
for the half year ended 30 June 2013

1. Accounting policies

These condensed consolidated interim financial statements for the half year ended 30 June 2013 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 2012 Annual Report with the exception of Retirement Benefits Obligation for which the impact is disclosed below. Certain comparative information has been restated in line with IAS 19 (amendment) and IAS 1 (amendment). Additionally, some comparative information has been re-presented to align with the current half year presentation.

The following standard is effective for the Group from 1 January 2013 and has an impact on the results and the financial position of the Group:

- IAS 19 (amendment)	Employee Benefits Amended IAS 19 - Employee Benefits (endorsed by the EU in June 2012) changes a number of disclosure requirements for post-employment arrangements and restricts the options currently available on how to account for defined benefit pension plans. This standard is effective for annual periods beginning on or after 1 January 2013 with retrospective application applied. Under the amended IAS 19, re-measurements are required to be recognised immediately when they occur thereby eliminating the option of the "corridor approach"; the expected return on assets and interest cost will be replaced by a net interest cost which is required to be calculated using the liability discount rate rather than using an assumed long term expected rate of return for calculating the expected return on assets element; and all past service costs are required to be recognised immediately. The quantification of the impact is disclosed in note 8.

The following standards are effective for the Group and only affect the presentation of the condensed consolidated interim financial statements of the Group:

		Effective Date
- IAS 1 (amendment)	Presentation of Financial Statements The amendment to IAS 1 has revised the layout of the Condensed Consolidated Statement of Recognised Income and Expense but has no impact on the results or financial position of the Group.	1 July 2012
- IAS 34 (amendment)	Interim Financial Reporting IFRS 13 and IFRS 7 disclosures required by IAS 34 (amendment) are applicable for periods beginning on or after 1 January 2013. The Group has included these disclosures in note 10.	1 January 2013

The following standards and interpretations are effective for the Group from 1 January 2013 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
- IFRS 10	Consolidated Financial Statements
- IFRS 11	Joint Arrangements
- IFRS 12	Disclosure of Interests in Other Entities
- IFRS 13	Fair Value Measurement
- IAS 1 (amendment)	Presentation of Financial Statements
- IAS 16 (amendment)	Property, Plant & Equipment
- IAS 27 (amendment)	Separate Financial Statements
- IAS 28 (amendment)	Investments in Associates and Joint Ventures
- IAS 32 (amendment)	Financial Instruments: Presentation
- IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine

Notes to the Condensed Consolidated Interim Financial Statements (unaudited) (continued)
for the half year ended 30 June 2013

2. 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 2013 €m	Half year ended 30 June 2012 (Restated)* €m	Year ended 31 Dec. 2012 (Restated)* €m
External revenue			
- Ingredients & Flavours	**2,123.0**	2,038.4	4,147.3
- Consumer Foods	**826.4**	877.8	1,701.0
	2,949.4	2,916.2	5,848.3
Inter-segment revenue			
- Ingredients & Flavours	**36.3**	35.1	77.9
- Consumer Foods	**3.9**	3.2	11.3
- Group Eliminations and Unallocated	**(40.2)**	(38.3)	(89.2)
	-	-	-
Total revenue			
- Ingredients & Flavours	**2,159.3**	2,073.5	4,225.2
- Consumer Foods	**830.3**	881.0	1,712.3
- Group Eliminations and Unallocated	**(40.2)**	(38.3)	(89.2)
	2,949.4	2,916.2	5,848.3
Trading profit			
- Ingredients & Flavours	**238.8**	214.0	507.7
- Consumer Foods	**63.8**	65.0	132.6
- Group Eliminations and Unallocated	**(36.0)**	(36.2)	(81.3)
	266.6	242.8	559.0
Intangible asset amortisation	**(13.1)**	(11.5)	(23.4)
Non-trading items	**(80.2)**	(74.4)	(158.0)
Operating profit	**173.3**	156.9	377.6
Finance income	**0.5**	0.6	1.1
Finance costs	**(36.6)**	(34.9)	(63.2)
Profit before taxation	**137.2**	122.6	315.5
Income taxes	**(19.8)**	(18.0)	(54.8)
Profit after taxation and attributable to owners of the parent	**117.4**	104.6	260.7

Information about geographical areas

	Half year ended 30 June 2013 €m	Half year ended 30 June 2012 €m	Year ended 31 Dec. 2012 €m
Revenue by location of external customers			
EMEA	**1,623.9**	1,697.9	3,315.7
Americas	**931.2**	876.5	1,806.8
Asia Pacific	**394.3**	341.8	725.8
	2,949.4	2,916.2	5,848.3

* Comparatives have been restated to reflect the adoption of IAS 19 (amendment) (refer to note 1 and note 8).

Notes to the Condensed Consolidated Interim Financial Statements (unaudited) (continued)
for the half year ended 30 June 2013

3. Non-trading items

(a) Acquisition integration and restructuring costs

	Gross Cost €m	Tax €m	Net Cost €m
Acquisition integration costs	**36.4**	**(8.4)**	**28.0**
Footprint and supply chain restructuring programme	**26.2**	**(3.8)**	**22.4**
Global Technology and Innovation Centres	**11.5**	**(1.2)**	**10.3**
30 June 2013 Acquisition integration and restructuring costs	**74.1**	**(13.4)**	**60.7**
30 June 2012 Acquisition integration and restructuring costs	70.7	(13.6)	57.1
31 December 2012 Acquisition integration and restructuring costs	120.2	(20.4)	99.8

Of which:

	Acquisition integration costs €m	Footprint and supply chain restructuring programme €m	Global Technology and Innovation Centres €m	Total Gross Cost €m	Tax €m	Net Cost €m
Redundancies and contract compensation	**16.4**	**14.0**	**3.8**	**34.2**	**(6.2)**	**28.0**
Impairment of assets and other non-cash costs	**2.8**	**4.1**	**-**	**6.9**	**(1.2)**	**5.7**
Relocation and dual running costs	**11.5**	**4.1**	**7.7**	**23.3**	**(4.2)**	**19.1**
Acquisition transaction and other service costs	**4.1**	**1.8**	**-**	**5.9**	**(1.1)**	**4.8**
Other	**1.6**	**2.2**	**-**	**3.8**	**(0.7)**	**3.1**
Acquisition integration and restructuring costs	**36.4**	**26.2**	**11.5**	**74.1**	**(13.4)**	**60.7**

Acquisition integration costs represent additional investment by the Group in the recently acquired businesses, in order to realise their full value and achieve 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.

Footprint and supply chain restructuring programme 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.

Global Technology and Innovation Centres represents costs associated with the establishment in Ireland of the Group's Global Technology and Innovation Centre for the EMEA region.

The costs at 30 June 2013 reflect the impact of closing or streamlining 11 sites within the Group.

Tax
A tax credit of **€13.4m** (30 June 2012: a tax credit of €13.6m; 31 December 2012: a tax credit of €20.4m) arose due to tax deductions available on the acquisition integration and restructuring costs.

Cash impact
The acquisition integration and restructuring costs resulted in net cash outflow (after related tax) of **€14.8m**.

(b) Loss on disposal of businesses

The loss of **€5.6m** relates primarily to the disposal of a non-core business in Ireland. A net tax credit of **€0.6m** arose due to tax deductions available on the loss.

(c) Loss on disposal of non-current assets

The loss of **€0.5m** primarily relates to the sale of property, plant and equipment in the US, UK and Ireland. A net tax credit of **€0.1m** arose due to tax deductions available on the loss.

2012 Non-trading items

The 2012 acquisition integration costs of €120.2m included transaction expenses incurred in completing recent acquisitions as well as initial costs in integrating the acquisitions into the Group's operations and structure. The loss of €35.3m on disposal of businesses related primarily to the disposal of the Candied Fruit business in France, Cargill Aroma Chemicals US business and other non-core businesses in the UK and Ireland. The loss of €2.5m on disposal of non-current assets related primarily to the disposal of property, plant and equipment in the US and UK.

4. Finance income and costs

	Half year ended 30 June 2013	Half year ended 30 June 2012 (Restated)*	Year ended 31 Dec. 2012 (Restated)*
	€m	€m	€m
Finance income:			
Interest income on deposits	**0.5**	0.6	1.1
Finance costs:			
Interest payable	**(28.8)**	(28.6)	(50.6)
Interest rate derivative cost	**(1.9)**	-	-
Borrowing costs capitalised	**0.1**	0.1	0.3
	(30.6)	(28.5)	(50.3)
Net interest cost on retirement benefits obligation	**(6.0)**	(6.4)	(12.9)
Finance costs	**(36.6)**	(34.9)	(63.2)

* Comparatives have been restated to reflect the adoption of IAS 19 (amendment) (refer to note 1 and note 8).

The interest rate derivative cost represents adjustments for hedge ineffectiveness, including the adjustment to certain derivatives that are no longer designated in a hedge relationship. This amount is disclosed under liabilities at fair value through profit or loss in note 10.

5. Earnings per A ordinary share

		Half year ended 30 June 2013		Half year ended 30 June 2012 (Restated)*		Year ended 31 Dec. 2012 (Restated)*	
	Note	**EPS cent**	**€m**	EPS cent	€m	EPS cent	€m
Basic earnings per share							
Profit after taxation and attributable to owners of the parent		**66.8**	**117.4**	59.6	104.6	148.4	260.7
Brand related intangible asset amortisation		**4.4**	**7.8**	4.2	7.4	8.4	14.7
Non-trading items (net of related tax)	*3*	**37.7**	**66.1**	33.7	59.2	77.2	135.5
Adjusted earnings		**108.9**	**191.3**	97.5	171.2	234.0	410.9
Diluted earnings per share							
Profit after taxation and attributable to owners of the parent		**66.7**	**117.4**	59.5	104.6	148.3	260.7
Adjusted earnings		**108.8**	**191.3**	97.4	171.2	233.7	410.9

* Comparatives have been restated to reflect the adoption of IAS 19 (amendment) (refer to note 1 and note 8).

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 2013	Number of Shares 30 June 2012	Number of Shares 31 Dec. 2012
	m's	m's	m's
Basic weighted average number of shares	**175.7**	175.6	175.6
Impact of share options outstanding	**0.2**	0.2	0.2
Diluted weighted average number of shares	**175.9**	175.8	175.8

Shares issued during the period

During the period ended 30 June 2013, a total of **76,445** 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 2013 was **175,703,108** (30 June 2012: 175,625,013; 31 December 2012: 175,626,663).

Notes to the Condensed Consolidated Interim Financial Statements (unaudited) (continued)

for the half year ended 30 June 2013

6. Dividends

	Half year ended 30 June 2013 €m	Half year ended 30 June 2012 €m	Year ended 31 Dec. 2012 €m
Amounts recognised as distributions to equity shareholders in the period			
Final 2012 dividend of **25.00 cent** per A ordinary share paid 10 May 2013 (Final 2011 dividend of 22.40 cent per A ordinary share paid 11 May 2012)	**43.9**	39.3	39.3
Interim 2012 dividend of 10.80 cent per A ordinary share paid 16 November 2012	**-**	-	19.0
	43.9	39.3	58.3

Since the end of the period, the Board has declared an interim dividend of 12.00 cent per A ordinary share. The payment date for the interim dividend will be 15 November 2013 to shareholders registered on the record date as at 18 October 2013. These condensed consolidated interim financial statements do not reflect this dividend payable.

7. 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 2013 €m	Half year ended 30 June 2012 (Restated)* €m	Year ended 31 Dec. 2012 (Restated)* €m
Net recognised deficit in plans before deferred tax	**(297.6)**	(293.5)	(311.6)
Net related deferred tax asset	**51.1**	59.3	63.3
Net recognised deficit in plans after deferred tax	**(246.5)**	(234.2)	(248.3)

* Comparatives have been restated to reflect the adoption of IAS 19 (amendment) (refer to note 1 and note 8).

The defined benefit post-retirement schemes' liabilities at 30 June 2013 have been rolled forward from the 31 December 2012 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 2013 are measured at market value.

The decrease in the net deficit before deferred tax for the half year to 30 June 2013 of €14.0m was accounted for by an increase in the schemes' assets of €44.8m and an increase of €30.8m in the underlying present value of the schemes' liabilities. The increase in the schemes' assets in the half year to 30 June 2013 was due to on-going cash contributions, an investment return of approximately 5% and positive foreign exchange movements in the first half of the year. The increase in the present value of the schemes' liabilities was mostly due to a decrease in discount rates in the Eurozone.

8. Change in accounting policy and reclassification

The Group adopted the amended IAS 19 'Employee Benefits' from 1 January 2013 with retrospective application to 2012, as required by the standard. The impact on the Group's 2012 results and financial position was as follows:

• an additional pension cost to the Condensed Consolidated Income Statement for the half year ended 30 June 2012 of €4.2m and for the year ended 31 December 2012 of €8.6m. This is due to the increase in the net interest cost and the reduction in past service cost as the charge is no longer required. This has resulted in a reduction in the income tax charge to the Condensed Consolidated Income Statement and a corresponding decrease in deferred tax items taken directly to reserves in the Condensed Consolidated Statement of Recognised Income and Expense for the half year ended 30 June 2012 of €1.2m and for the year ended 31 December 2012 of €2.3m.

• an increase in the net deficit with a corresponding impact on retained earnings of €2.9m as at 30 June 2012, €2.8m as at 31 December 2012 and €3.1m as at 1 January 2012. This is due to unrecognised past service costs which are required to be recognised under the amended standard.

From 1 January 2013, with 2012 restated, the Group reports the net interest cost associated with defined benefit post-retirement schemes within finance costs in the Condensed Consolidated Income Statement, previously disclosed within trading profit. Under the amended IAS 19, the impact for the half year ended 30 June 2012 results in a decrease in trading profit of €2.2m and a corresponding increase in finance costs of €6.4m and a decrease in trading profit of €4.3m and a corresponding increase in finance costs of €12.9m for the year ended 31 December 2012.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited) (continued)

for the half year ended 30 June 2013

8. Change in accounting policy and reclassification (continued)

	Half year ended 30 June 2012 €m	Year ended 31 Dec. 2012 €m
Effect on the Condensed Consolidated Income Statement		
Decrease in pension cost included in trading profit	2.2	4.3
Increase in pension cost included in finance costs	(6.4)	(12.9)
Decrease in profit before taxation	(4.2)	(8.6)
Decrease in income taxes	1.2	2.3
Decrease in profit after taxation and attributable to owners of the parent	(3.0)	(6.3)
Decrease in earnings per A ordinary share	Cent	Cent
- Basic	(1.7)	(3.6)
- Diluted	(1.7)	(3.6)

	Half year ended 30 June 2012 €m	Year ended 31 Dec. 2012 €m
Effect on the Condensed Consolidated Statement of Recognised Income and Expense		
Decrease in profit after taxation and attributable to owners of the parent	(3.0)	(6.3)
Increase in re-measurement on retirement benefits obligation	4.4	8.9
Decrease in deferred tax on items taken directly to reserves	(1.2)	(2.3)
Increase in total comprehensive income	0.2	0.3

	Retirement benefits obligation €m	Shareholders' equity €m
Effect on the Condensed Consolidated Balance Sheet		
Balance as reported as at 1 January 2012	(277.5)	1,845.3
Effect of IAS 19 (amendment)	(3.1)	(3.1)
Restated balance as at 1 January 2012	(280.6)	1,842.2
Balance as reported as at 30 June 2012	(290.6)	1,920.4
Effect of IAS 19 (amendment)	(2.9)	(2.9)
Restated balance as at 30 June 2012	(293.5)	1,917.5
Balance as reported as at 31 December 2012	(308.8)	2,017.2
Effect of IAS 19 (amendment)	(2.8)	(2.8)
Restated balance as at 31 December 2012	(311.6)	2,014.4

There was no impact on the deferred tax asset relating to retirement benefits obligation.

	Half year ended 30 June 2012 €m	Year ended 31 Dec. 2012 €m
Effect on the Condensed Consolidated Cash Flow Statement		
Increase in trading profit	2.2	4.3
Increase in pension contributions paid less pension expense	(2.2)	(4.3)
Change in net cash from operating activities	-	-

9. Business combinations

During the period, the Group completed two bolt on acquisitions, both of which are 100% owned by the Group.

	Acquiree's Carrying Amount Before Combination Half year ended 30 June 2013 €m	Fair Value Adjustments Half year ended 30 June 2013 €m	Total Half year ended 30 June 2013 €m
Recognised amounts of identifiable assets acquired and liabilities assumed:			
Non-current assets			
Property, plant and equipment	9.9	(1.7)	8.2
Brand related intangibles	-	15.6	15.6
Current assets			
Inventories	2.9	-	2.9
Trade and other receivables	3.8	-	3.8
Current liabilities			
Trade and other payables	(4.4)	-	(4.4)
Non-current liabilities			
Other non-current liabilities	(2.5)	-	(2.5)
Total identifiable assets	9.7	13.9	23.6
Goodwill			19.1
Total consideration			42.7
Satisfied by:			
Cash			40.4
Deferred payment			2.3
			42.7

The acquisition method of accounting has been used to consolidate the businesses acquired in the Group's condensed consolidated interim financial statements. Since the valuation of the fair value of assets and liabilities recently acquired is still in progress, the above values are determined provisionally. For the acquisitions completed in 2012 there have been no material revisions of the provisional fair value adjustments since the initial values were established.

The goodwill is attributable to the expected profitability, revenue growth, future market development and assembled workforce of the acquired businesses and the synergies expected to arise within the Group after the acquisition. None of the goodwill recognised in respect of acquisitions completed during the period is expected to be deductible for income tax purposes.

Transaction expenses related to these acquisitions of **€0.3m** were charged against acquisition integration and restructuring costs in the Group's Condensed Consolidated Income Statement during the period. The cash figure above is net of **€0.6m** cash taken over at the date of acquisition.

The fair value of the financial assets includes trade and other receivables with a fair value and a gross contractual value of **€3.8m.**

In March 2013, the Group acquired Orley Foods, a leading supplier of sweet ingredient solutions to food manufacturers and foodservice providers in South Africa.

Additionally, the Group acquired a small business in the US frozen sauces and smoothie ingredients market.

Due to the rapid integration of the acquired businesses into the Group's current structure, involving all aspects of business activities such as manufacturing, commercial, finance and IT, separate disclosure of the acquisitions' revenues and profit or loss is impracticable.

10. Financial instruments

a) 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	**-**	**-**	**72.3**	**72.3**
Cash at bank and in hand	**263.3**	**-**	**-**	**263.3**
Total assets	**263.3**	**-**	**72.3**	**335.6**
Liabilities:				
Interest rate swaps	**-**	**(1.9)**	**(31.1)**	**(33.0)**
Bank loans	**(247.5)**	**-**	**-**	**(247.5)**
Senior notes	**(1,275.0)**	**(16.2)**	**-**	**(1,291.2)**
Borrowings	**(1,522.5)**	**(16.2)**	**-**	**(1,538.7)**
Total liabilities	**(1,522.5)**	**(18.1)**	**(31.1)**	**(1,571.7)**
At 30 June 2013	**(1,259.2)**	**(18.1)**	**41.2**	**(1,236.1)**
Assets:				
Interest rate swaps	-	-	104.9	104.9
Cash at bank and in hand	229.3	-	-	229.3
Total assets	229.3	-	104.9	334.2
Liabilities:				
Interest rate swaps	-	-	(12.4)	(12.4)
Bank loans	(694.9)	-	-	(694.9)
Senior notes	(922.9)	(39.1)	-	(962.0)
Borrowings	(1,617.8)	(39.1)	-	(1,656.9)
Total liabilities	(1,617.8)	(39.1)	(12.4)	(1,669.3)
At 30 June 2012	(1,388.5)	(39.1)	92.5	(1,335.1)
Assets:				
Interest rate swaps	-	-	86.1	86.1
Cash at bank and in hand	215.4	-	-	215.4
Total assets	215.4	-	86.1	301.5
Liabilities:				
Interest rate swaps	-	-	(12.2)	(12.2)
Bank loans	(585.6)	-	-	(585.6)
Senior notes	(870.9)	(43.6)	-	(914.5)
Borrowings	(1,456.5)	(43.6)	-	(1,500.1)
Total liabilities	(1,456.5)	(43.6)	(12.2)	(1,512.3)
At 31 December 2012	(1,241.1)	(43.6)	73.9	(1,210.8)

10. Financial instruments (continued)

b) 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 2013 €m	**Notional CCS Half year ended 30 June 2013 €m**	**Post CCS Half year ended 30 June 2013 €m**	Half year ended 30 June 2012 €m	Year ended 31 Dec. 2012 €m
Euro	**27.3**	**(575.5)**	**(548.2)**	(669.3)	(643.8)
Sterling	**(13.8)**	**-**	**(13.8)**	(89.6)	(108.3)
US Dollar	**(1,281.4)**	**575.5**	**(705.9)**	(581.8)	(495.4)
Other	**31.8**	**-**	**31.8**	5.6	36.7
	(1,236.1)	**-**	**(1,236.1)**	(1,335.1)	(1,210.8)

c) 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 at bank and in hand	**263.3**	**-**	**-**	**-**	**263.3**
Interest rate swaps	**-**	**(8.7)**	**8.5**	**39.5**	**39.3**
Bank loans	**(33.2)**	**-**	**(214.3)**	**-**	**(247.5)**
Senior notes	**-**	**(244.1)**	**(147.3)**	**(899.8)**	**(1,291.2)**
At 30 June 2013	**230.1**	**(252.8)**	**(353.1)**	**(860.3)**	**(1,236.1)**
Cash at bank and in hand	229.3	-	-	-	229.3
Interest rate swaps	(0.5)	-	(0.9)	93.9	92.5
Bank loans	(41.0)	-	(653.9)	-	(694.9)
Senior notes	(185.5)	-	(408.4)	(368.1)	(962.0)
At 30 June 2012	2.3	-	(1,063.2)	(274.2)	(1,335.1)
Cash at bank and in hand	215.4	-	-	-	215.4
Interest rate swaps	(0.3)	(3.0)	(1.4)	78.6	73.9
Bank loans	(38.4)	-	(547.2)	-	(585.6)
Senior notes	(174.3)	-	(387.3)	(352.9)	(914.5)
At 31 December 2012	2.4	(3.0)	(935.9)	(274.3)	(1,210.8)

In April 2013, the Group successfully issued a 10 year US$750m debut public bond. The bond is listed on the Irish Stock Exchange and is rated BBB+ by Standard & Poor's and Baa2 by Moody's. The proceeds from the issuance were used to retire existing debt including the US$230m Tranche B 2003 Senior Notes that matured on 30 April 2013 and also to decrease the level of utilisation on the syndicate revolving credit facility.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited) (continued)
for the half year ended 30 June 2013

10. Financial instruments (continued)

d) Fair value of financial instruments

i) Fair value of financial instruments carried at amortised cost

Except as detailed below, it is considered that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

	Carrying Amount 30 June 2013 €m	**Fair Value 30 June 2013 €m**	Carrying Amount 30 June 2012 €m	Fair Value 30 June 2012 €m	Carrying Amount 31 Dec. 2012 €m	Fair Value 31 Dec. 2012 €m
Senior notes	**(1,275.0)**	**(1,272.6)**	(922.9)	(984.1)	(870.9)	(939.1)

ii) Fair value of financial instruments carried at fair value

Financial instruments recognised at fair value are analysed between those based on:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- those involving inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- those involving inputs for the assets or liabilities that are not based on observable market data (unobservable inputs) (Level 3).

The following table sets out the fair value of financial instruments carried at fair value:

	Level 1 30 June 2013 €m	**Level 2 30 June 2013 €m**	**Level 3 30 June 2013 €m**
Financial assets			
Interest rate swaps	**-**	**72.3**	**-**
Forward foreign exchange contracts	**-**	**18.4**	**-**
Financial asset investments	**17.0**	**-**	**4.1**
Financial liabilities			
Forward foreign exchange contracts	**-**	**(4.5)**	**-**
Interest rate swaps	**-**	**(33.0)**	**-**

There have been no transfers between levels and there was no movement for the financial asset investments categorised at Level 3 for the current period.

iii) Valuation principles

The fair value of financial assets and liabilities are determined as follows:

- assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- other financial assets and liabilities (excluding derivatives) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
- derivative financial instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments. Forward foreign exchange contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited) (continued)

for the half year ended 30 June 2013

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

	Half year ended 30 June 2013 €m	Half year ended 30 June 2012 €m	Year ended 31 Dec. 2012 €m
(Decrease)/increase in assets			
Property, plant and equipment	**(17.4)**	33.4	1.9
Intangible assets	**(28.5)**	40.7	(4.5)
Financial asset investments	**0.2**	0.4	(0.2)
Inventories	**(9.7)**	17.8	(0.6)
Trade and other receivables	**(13.5)**	18.1	4.1
Cash at bank and in hand	**(2.3)**	6.1	-
Decrease/(increase) in liabilities			
Trade and other payables	**29.5**	(35.4)	(9.2)
Tax liabilities	**0.8**	(0.8)	0.2
Financial liabilities	**(0.5)**	(31.3)	11.3
Retirement benefits obligation	**5.0**	(9.3)	(3.0)
Other non-current liabilities	**(0.9)**	(0.8)	1.3
Deferred tax liabilities	**0.9**	(1.3)	0.9
Provisions	**0.9**	(5.1)	(0.7)
Deferred income	**0.1**	(0.2)	-
Retained earnings	**(0.4)**	0.6	(1.8)
	(35.8)	32.9	(0.3)

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

12. Events after the balance sheet date

Since the period end, the Group has declared an interim dividend of 12.00 cent per A ordinary share (see note 6).

There have been no other significant events, outside the ordinary course of business, affecting the Group since 30 June 2013.

13. General information

These unaudited condensed consolidated interim financial statements for the half year ended 30 June 2013, which have been prepared on the going concern basis as detailed in the 2012 Annual Report, are not full financial statements and were not reviewed by the auditors. The Board of Directors approved these condensed consolidated interim financial statements on 7 August 2013. The figures disclosed relating to 31 December 2012 have been derived from the consolidated financial statements which were audited, received an unqualified audit report and 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 due to product mix and the timing of promotional activity. There is also a material change to the levels of working capital between December and June mainly due to the seasonal nature of the dairy and crop-based businesses.

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.