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**Adoption of International Financial Reporting Standards (IFRS)**

**Restatement of 2004 Interim Financial Information**

**30 August 2005**

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## Introduction

Kerry, the global ingredients, flavours and consumer foods group has adopted International Financial Reporting Standards (IFRS) as its primary accounting basis for all reporting periods on or after 1 January 2005 as required for all EU listed companies. As part of this transition the Group presented on 24 May 2005 a 'Preliminary Restatement of 2004 Financial Information' in accordance with IFRS for the date of transition 1 January 2004 and for the year ended 31 December 2004, which is available on our website ([www.kerrygroup.com](http://www.kerrygroup.com)).

The Group now presents its reconciliation for the effects of the transition to IFRS on the 30 June 2004 Irish/UK Generally Accepted Accounting Principles (GAAP) interim accounts. Additional explanatory notes on the impact of the transition to IFRS are available in the 'Preliminary Restatement of 2004 Financial Information' presented on 24 May 2005. The restated 30 June 2004 results form part of the Group's 30 June 2005 interim accounts which is available on our website ([www.kerrygroup.com](http://www.kerrygroup.com)).

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**Reconciliation of impact of IFRS on the Consolidated Income Statement  
for the half year ended 30 June 2004**

	Impact of transition to IFRS					Under IFRS €000
	Under Irish/UK GAAP €000	IAS 19 Employee benefits €000	IFRS 3 Business combinations €000	IAS 12 Income taxes €000	IAS 38 Intangible assets €000	
<b>Revenue</b>	<b>1,955,344</b>	-	-	-	-	<b>1,955,344</b>
<b>Trading profit</b>	<b>146,772</b>	3,201	-	-	534	<b>150,507</b>
Intangible asset amortisation	(30,335)	-	25,986	-	(534)	(4,883)
Acquisition and other restructuring costs	(6,720)	-	-	-	-	(6,720)
Profit on sale of non-current assets	1,643	-	-	-	-	1,643
<b>Operating profit</b>	<b>111,360</b>	3,201	25,986	-	-	<b>140,547</b>
Finance costs	(23,266)	(1,259)	-	-	-	(24,525)
<b>Profit before taxation</b>	<b>88,094</b>	1,942	25,986	-	-	<b>116,022</b>
Taxation	(26,570)	-	-	(3,324)	-	(29,894)
<b>Profit after taxation and attributable to equity shareholders</b>	<b>61,524</b>	<b>1,942</b>	<b>25,986</b>	<b>(3,324)</b>	-	<b>86,128</b>
<b>Earnings per ordinary share (cent)</b>						
- basic	<b>33.1</b>	<b>1.0</b>	<b>14.0</b>	<b>(1.8)</b>	-	<b>46.3</b>
- fully diluted	<b>32.9</b>	<b>1.0</b>	<b>14.0</b>	<b>(1.8)</b>	-	<b>46.1</b>

Explanatory notes are as published on 24 May 2005 in the 'Preliminary Restatement of 2004 Financial Information' which is available on the Group's website ([www.kerrygroup.com](http://www.kerrygroup.com)).

**Reconciliation of impact of IFRS on the Consolidated Balance Sheet  
as at 30 June 2004**

**Impact of transition to IFRS**

	Under Irish/UK GAAP €000	IAS 19 Employee benefits €000	IFRS 3 Business combinations €000	IAS 12 Income taxes €000	IAS 38 Intangible assets €000	IAS 10 Events after the balance sheet date €000	IFRS 5 Assets classified as held for sale €000	IAS 1 Presentation of financial statements €000	Under IFRS €000
<b>Non-current assets</b>									
Property, plant and equipment	979,896	-	-	-	(2,418)	-	(4,687)	-	972,791
Intangible assets	1,314,377	-	25,986	6,852	2,418	-	-	-	1,349,633
Deferred tax assets	-	-	-	8,772	-	-	-	-	8,772
	<b>2,294,273</b>	-	25,986	15,624	-	-	(4,687)	-	<b>2,331,196</b>
<b>Current assets</b>									
Inventories	530,011	-	-	-	-	-	-	-	530,011
Trade and other receivables	652,434	-	-	-	-	-	-	-	652,434
Cash and cash equivalents	50,695	-	-	-	-	-	-	-	50,695
Assets classified as held for sale	-	-	-	-	-	-	4,687	-	4,687
	<b>1,233,140</b>	-	-	-	-	-	4,687	-	<b>1,237,827</b>
<b>Current Liabilities</b>									
Trade and other payables	(846,371)	-	-	-	-	8,389	-	-	(837,982)
Financial liabilities	(165,685)	-	-	-	-	-	-	-	(165,685)
Tax liabilities	(48,623)	-	-	-	-	-	-	-	(48,623)
Deferred income	(3,114)	-	-	-	-	-	-	-	(3,114)
	<b>(1,063,793)</b>	-	-	-	-	8,389	-	-	<b>(1,055,404)</b>
<b>Net current assets</b>	<b>169,347</b>	-	-	-	-	8,389	4,687	-	<b>182,423</b>
<b>Total assets less current liabilities</b>									
	<b>2,463,620</b>	-	25,986	15,624	-	8,389	-	-	<b>2,513,619</b>
<b>Non-current liabilities</b>									
Financial liabilities	(1,218,948)	-	-	-	-	-	-	-	(1,218,948)
Retirement benefit obligation	-	(179,640)	-	-	-	-	-	-	(179,640)
Other non-current liabilities	(99,846)	-	-	-	-	-	-	-	(99,846)
Deferred tax liabilities	(133,223)	-	-	33,163	-	-	-	-	(100,060)
Deferred income	(25,849)	-	-	-	-	-	-	-	(25,849)
	<b>(1,477,866)</b>	(179,640)	-	33,163	-	-	-	-	<b>(1,624,343)</b>
	<b>985,754</b>	<b>(179,640)</b>	<b>25,986</b>	<b>48,787</b>	-	<b>8,389</b>	-	-	<b>889,276</b>
<b>Capital and reserves</b>									
Share capital	23,307	-	-	-	-	-	-	-	23,307
Capital conversion reserve fund	340	-	-	-	-	-	-	-	340
Share premium account	370,377	-	-	-	-	-	-	-	370,377
Translation reserve	-	-	-	-	-	-	-	3,200	3,200
Retained earnings	591,730	(179,640)	25,986	48,787	-	8,389	-	(3,200)	492,052
<b>Shareholders' equity</b>	<b>985,754</b>	<b>(179,640)</b>	<b>25,986</b>	<b>48,787</b>	-	<b>8,389</b>	-	-	<b>889,276</b>

Explanatory notes are as published on 24 May 2005 in the 'Preliminary Restatement of 2004 Financial Information' which is available on the Group's website ([www.kerrygroup.com](http://www.kerrygroup.com)).