NEWS RELEASE
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Preliminary Statement of Results for the year ended 31 December 2015

Kerry, the global taste & nutrition and consumer foods group, reports preliminary results for the year ended 31 December 2015.

Highlights

- Adjusted EPS* up 8.2% to 301.9 cent
- Group revenue of €6.1 billion reflecting 3.8% business volume growth
  - Taste & Nutrition €4.7 billion, +4% volume growth
  - Consumer Foods €1.5 billion, +3% volume growth
- Trading profit increased by 10% to €700m
- Group trading margin up 40 basis points to 11.5%
  - Taste & Nutrition +40 basis points to 14.1%
  - Consumer Foods +20 basis points to 8.5%
- Final dividend per share of 35 cent (Total 2015 dividend up 11.1% to 50 cent)
- Free cash flow of €453m (2014: €303m)
- Industry-leading RD&A investment

**before brand related intangible asset amortisation and non-trading items (net of related tax)*

Commenting on the results Kerry Group Chief Executive Stan McCarthy said; *"In a record year of business development in 2015, the Group achieved a strong financial performance, delivering continued business margin expansion and 8.2% growth in adjusted earnings per share. Our industry-leading technologies are well positioned to meet today's consumer and customer requirements. We expect to achieve 6% to 10% growth in adjusted earnings per share in 2016 taking into account a 3% currency headwind at today's exchange rates".*

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PRELIMINARY STATEMENT OF RESULTS

for the year ended 31 December 2015

Kerry Group achieved a strong financial performance coupled with solid business development in all our core business areas and markets in 2015. In a challenging year marked by regional variation in economic growth, geopolitical instability, and significant commodity and currency volatility, global and regional food and beverage providers also continued to address the changing marketplace arising from consumer shopping patterns and channel dynamics. The 'new connected consumer' increasingly demands on-trend food & beverage experience at retail and foodservice level - accelerating the requirement for innovation and speed to market. In addition health, wellness, nutrition and convenience are key differentiators across all end-use-markets – providing strong opportunities for growth through Kerry's unique Taste & Nutrition technology portfolio.

While economic conditions continued to improve in most regional developed markets – consumer demand remained weak. Developing markets overall exhibited slower economic growth, with many regional markets impacted by intensified geopolitical activity and significant currency movement. However Kerry continued to achieve good volume growth through its Taste & Nutrition technologies and systems in all regions. In a record year of acquisition investment, the Group also continued to consolidate Kerry's leading global infrastructure and expand its technology and market footprint for future growth.

Kerry Foods performed well, benefiting from the improved economic conditions in the UK and Irish markets and growing consumer demand for snacking and convenience offerings. The restructured Kerry Foods' portfolio is well positioned to meet consumer requirements across all channels including the fast growing food-to-go sector and e-commerce channels.

RESULTS

Group businesses continued to outperform market growth rates in 2015. Sales revenue on a reported basis increased by 6.1% to €6.1 billion. Business volumes progressively improved during the year delivering 3.8% year-on-year growth. This performance reflected continued strong market development in American markets, an improved performance in the EMEA region and good growth in Asia despite lower economic growth in some regional developing markets. Pricing declined by 2.2% against a background of approximately 4.5% lower raw material costs. Currency movements contributed a positive 6.9% translation impact to revenue.

Taste & Nutrition achieved 4% growth in business volumes and pricing was 2.3% lower. Kerry Foods' business volumes grew by 3% and pricing reduced by 1.9%.

Group trading performance was again assisted by 1 Kerry efficiency programmes, improved product mix and the repositioned Kerry Foods business portfolio. Group trading profit increased by 10% to €700m. The Group trading profit margin increased by 40 basis points to 11.5%, reflecting a 40 basis points improvement in Taste & Nutrition to 14.1% and a 20 basis points improvement in Kerry Foods' margin to 8.5%.

Basic earnings per share increased by 9.4% to 298.7 cent. Adjusted earnings per share increased by 8.2% to 301.9 cent (2014: 278.9 cent). The Board recommends a final dividend of 35 cent per share, an increase of 11.1% on the 2014 final dividend. Together with the interim dividend of 15 cent per share, this brings the total dividend for the year to 50 cent, an increase of 11.1% on 2014.

Expenditure on research and development in 2015 increased to €234m (2014: €197m). Net capital expenditure amounted to €229m (2014: €257m). The Group achieved a free cash flow of €453m (2014: €303m).

BUSINESS REVIEWS

TASTE & NUTRITION

	2015	Growth
Revenue	€4,716m	4%*
Trading profit	€663m	+11.9%
Trading margin	14.1%	+40bps

**volume growth*

Kerry provides the largest, most innovative portfolio of Taste & Nutrition Technologies and Systems, and Functional Ingredients & Actives for the global food, beverage and pharmaceutical industries.

The changing marketplace continues to drive a strong pipeline of innovation and demand for Kerry's Taste & Nutrition Technologies and Systems. Solid market development was achieved in all regions as the Group's global and regional customers addressed consumer demand for 'better-for-you', natural, authentic taste, 'free-from', 'clean-label', convenience products. Developed market conditions remain challenging as food and beverage providers compete to meet changing consumer lifestyles, shopping behaviours, and retail / foodservice channel requirements. Regional developing markets continue to be impacted by slower economic growth, significant currency movements and geopolitical issues. Against this background, Kerry's Taste & Nutritional technology portfolio and Global Technology & Innovation Centre network was to the fore in product development and innovation through the Group's commercial alliances.

Reported revenue increased by 8.7% to €4.7 billion, reflecting 4% business volume growth and 2.3% lower net pricing. Trading profit grew by 11.9% to €663m reflecting a 40 basis points increase in divisional trading margin to 14.1%. In 2015, Taste & Nutrition accounted for 76% of Group revenue and 84% of Group trading profit.

Americas Region

Combining Kerry's taste capability with the Group's unique Nutrition & General Wellness enabling technology portfolio delivered good growth throughout American food and beverage markets in 2015. Whilst sectoral industry issues impacted overall development in some traditional retail food categories, demand for innovation accelerated in particular in wellness, nutrition and snacking categories, and to meet 'eating-out-of-home' market requirements. Development in Latin American markets was impacted by significant currency devaluation particularly in Brazil which impacted 'out-of-home' food consumption, but Kerry maintained satisfactory business development in Mexico, Central America and the Andean region. The Group's recent acquisitions assisted growth in Brazil despite the prevailing macro-economic conditions.

Sales revenue in the Americas region increased by 21.4% on a reported basis to €2,308m, reflecting 4.1% volume growth and 1.9% lower pricing.

Americas region market development was boosted in 2015 through completion of a number of strategic acquisitions. Kerry achieved solid growth in the North American meat sector and across American foodservice channels through successful deployment of Kerry taste technologies and 'clean-label' systems. The breakfast meats sector provided good growth opportunities at retail and foodservice level, and meat snacking continued to grow across all channels. Kerry coatings, seasonings, fermented ingredient systems and smoke/grill technologies achieved strong growth based on such trends. *KFI Savory*, the U.S. based savoury flavour business of Kraft Food Ingredients acquired in June 2015, performed in line with expectations. *Wynnstarr Flavors* assisted performance in the North American culinary sector and recent acquisitions assisted growth in the Brazilian foodservice sector despite the challenging macro-economic conditions. Central American markets presented good growth opportunities. *Baltimore Spice*, a Costa Rican based spices, seasonings and condiments producer with production facilities located in Costa Rica, Guatemala and Panama acquired in July, significantly strengthened Kerry's market positioning in the culinary and snack sectors in Central America and the Caribbean.

The acquisition of *Red Arrow Products* was completed in December significantly strengthening Kerry's taste technology and savoury flavour industry leadership. Operating from manufacturing facilities in Wisconsin, supported by Application & Development Centres in Germany and Sweden, Red Arrow is a leading supplier of natural smoke flavours and authentic savoury grill flavours serving meat, culinary and food industry markets worldwide.

The snack bar and bagged snacks categories continued to provide good opportunities for Kerry innovation including application of organic certified seasonings. Savoury snack applications achieved strong growth in Mexico and Central America. Development in the bakery sector was driven by increased consumer demand for 'free-from', 'clean-label', convenience and tasteful products, enabling Kerry to record solid growth through its Taste & Nutrition technologies and gluten-free, organic and non-GMO lines.

Trends in international dairy markets limited development through dairy and culinary systems. However Kerry saw breakthrough innovation in the ice-cream sector through its proprietary 'Rapid Fire' development process, and through smoothie and yoghurt applications. Kerry continued to invest in the expansion and broadening of its beverage solutions technologies and to consolidate the Group's industry-leading positioning as provider of the broadest portfolio of beverage solutions. Taste and lower calorie trends provided strong innovation opportunities in soft drinks, coffee and nutritional beverages. The fast growing 'single serve' market led to increased applications in the hot beverage, soup, broth and sauce markets. Kerry's *Big Train, DaVinci Gourmet* and *Oregon Chai* brands benefited from growing consumption of 'out-of-home' beverages through c-stores and specialist outlets. Extension of the *Big Train* range to Kerry's branded offering in Latin American markets achieved good results. *Insight Beverages,* a leading U.S. based supplier of custom beverage solutions to foodservice and convenience store channels in North American markets, acquired in May, performed in line with expectations. In September the Group also acquired *Island Oasis* a category leading provider of all-natural premium cocktail mixes and customised beverage solutions serving 'on-premise', restaurant, leisure and hospitality segments of the U.S. market. Distributed and marketed though national and regional chains, QSR's and independents; the *Island Oasis* portfolio includes innovative frozen and shelf-stable fruit purées, coffee blends, performance nutrition beverage systems and customised 'on-premise' beverage equipment. Headquartered in Walpole (MA), the business operates from manufacturing facilities in Byesville (OH) and Buffalo (NY).

Pharma ingredients continued to achieve good growth throughout excipient and cell nutrition applications across Kerry's global markets. Kerry saw increased success in 2015 through the Group's custom-developed complex media systems in cell nutrition. In September the Group acquired Biothera Inc.'s *Wellmune*® business which produces and markets the unique *Wellmune*® branded natural food, beverage and supplement ingredient clinically proven to strengthen the immune system – improving health and wellness. Kosher, Halal, non-allergenic, GMO-free, gluten-free and 'Informed Sport' certified, *Wellmune*® is formulated in a growing number of food, beverage and supplement products in more than fifty countries throughout the world.

EMEA Region

European economies continued to recover in 2015 but the overall deflationary environment continued to heighten competitiveness in food and beverage markets. Geopolitical instability continued to constrain development in regional developing markets. Kerry's performance throughout the region improved in 2015 with good growth reported in the second half of the year. Nutrition and general wellness trends continued to drive development and innovation in EMEA food and beverage markets with an increased focus on sodium, calorie and fat reduction coupled with continued growth in demand for convenient food and beverage solutions. Establishment of the Group's Global Technology & Innovation Centre in Ireland mid-year, supported by Kerry Development & Application Centres in Moscow, Dubai and Durban has led to a significant increase in customer engagement and innovation. Business volumes in 2015 increased by 0.9% and with lower raw material pricing, in particular dairy, overall net pricing reduced by 2.9%. This resulted in reported revenue of €1,546m similar to the prior year level.

Kerry dairy taste technologies and systems continued to progress development in the bakery, processed cheese and spread sectors. While dairy and culinary technologies were impacted by sectoral competiveness issues, Kerry recorded good growth and market development in the foodservice channel. Snacking trends provided good growth opportunities in the appetizers market. Demand for clean-label remains the primary driver of innovation in a comparatively flat bakery market providing increased opportunity for Kerry fermentation technology. Competitiveness in the European meat industry accelerated the requirement for more differentiated offerings including improved taste, functionality and nutritional solutions.

Kerry continued to extend its beverage and sweet taste technologies in the EMEA region into wider market sectors including the coffee segment, dairy beverages, nutritional drinks and 'beyond carbonates'. Good growth was achieved through Kerry's natural extracts range and through water and coffee enhancers. Functional beverages exhibited good growth and the energy drinks, RTD teas and coffee segments provided solid opportunities for innovation. Beverage systems maintained strong growth, in particular in the foodservice channel through Kerry's branded *'Big Train'* and *'DaVinci Gourmet'* products.

The MENAT sub-region delivered encouraging growth through beverage applications and snacks. Turkey based *PST Pastacilik Gida*, a branded provider of sweet ingredient solutions to the fine bakery, confectionery, ice cream and foodservice sectors in Turkey and the Middle East, was acquired in July. Market conditions in Sub-Saharan Africa remained highly competitive. In South Africa, an increased focus on sodium reduction has generated innovation opportunities in the bakery, snacks and meat sectors. The brewing industry in Africa saw good growth where Kerry achieved solid growth through its beverage taste technologies. Industry development in Russia continues to be impacted by the political and economic situation. While new product development remains on hold, Kerry continued to assist its Russian customers in recipe optimisation and production processes.

The European primary dairy sector has operated under extremely challenging conditions in 2015 as a substantial increase in output in exporting countries and a slowdown in import demand led to a significant fall in prices along the EU dairy supply chain.

The Group's Europe based nutritional technologies continued to advance applications across all life-stage end-use-markets in particular in the Asian infant nutrition sector. Ongoing investment at Kerry's facilities in Ireland has significantly expanded production and packaging capability to meet customer nutritional product applications. Demand for hydrolysed proteins for clinical and infant nutrition continues to grow. Enzymes delivered good growth in the bakery, beverage and nutritional sectors. The recently established Global Technology & Innovation Centre in Ireland also includes Kerry's Global Centre of Excellence for Nutrition. The Centre, which also hosts Kerry's Nutrition Discovery Centre, is the focal point for the Group's commercial, technical, nutritional science and strategic marketing teams and the Global Centre for Kerry customer engagement on nutrition and general wellness. In 2015 the *Kerry Health and Nutrition Institute* supported by a Scientific Advisory Council was also launched to bring industry–leading insight to the science and policy of health, taste, nutrition and general wellness.

Asia-Pacific Region

Kerry continued to successfully establish and consolidate a world-class operational and market development footprint throughout the Asia-Pacific region in 2015 – notwithstanding the slowdown in economic growth and currency movements in regional developing markets. Business performance remained robust throughout the region with an accelerated growth level in Q4. Localisation of taste is critical to success in individual markets which increased the demand for innovation and speed of launch. Demand for balanced life-stage nutrition, healthy snacking, convenient tasteful beverage applications and customised foodservice solutions continues to reflect strong growth. Regional business volumes grew by 10.1%. Revenues reported at €784m reflected the business volume growth, 2.1% lower pricing, currency movements and the impact of the sale of the Pinnacle Lifestyle bakery business in Australia completed in May.

Dairy Taste technologies continued to achieve strong growth in particular through cheese and butter systems in Indonesia, Vietnam, China and the Philippines. Snacking trends provided strong innovation opportunities for Kerry culinary applications in South East Asia. Completion of the new sauce systems production plant at Kerry's Plentong facility in Malaysia facilitated continued growth through premium sauce systems in Malaysia and China. Interest in Kerry's 'clean-label' technologies is growing in the region and achieved encouraging development progress in the meat and bakery sectors in Australia and New Zealand.

Demand for protein enriched foods and enhanced nutritional values across all the life-stages continues to grow in Asia. Nutritional beverage applications led to increased demand for Kerry hydrolysed proteins particularly in clinical and infant nutrition. Functional hydrolysates also grew sales in the confectionery markets in India and Indonesia. Demand for premium quality infant nutrition products in China continues to provide excellent opportunities for growth through Kerry nutritional technologies and systems. Phase 1 of a major investment programme at the Group's Nantong, China production facility was completed in 2015. The Group's recently acquired '*Wellmune'* immune-health ingredient continues to grow applications in Asia – in particular in China where results from a recently completed clinical study added to the growing body of clinical evidence of Wellmune's ability to strengthen the immune system of children.

Beverage taste technologies and systems recorded strong growth – in particular in the foodservice sector throughout Asia-Pacific markets. Kerry's branded beverage offerings including *DaVinci, Café D'Amore* and *Big Train* are successfully extending market reach into wider geographic markets and channels – including c-stores. Solid market development continues to be achieved in India through beverage flavours, emulsifiers, texturants and meat systems.

CONSUMER FOODS

	2015	Growth
Revenue	€1,476m	3%*
Trading profit	€126m	0.2%
Trading margin	8.5%	+20bps

**volume growth*

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

Consumer confidence has continued to grow in the Irish and UK consumer foods markets in line with the improved economic conditions in both economies. Overall trading conditions remain highly competitive due to retail competitiveness arising from market polarisation and fragmentation, the growth of e-tail and deflationary trends. The deflationary environment has led to some category volume recovery. Discounters have continued to invest for growth which has led to broader retailer focus on EDLP. Changing lifestyles have also contributed to continued growth in snacking – with increased demand for healthier options. Online grocery shopping maintained a strong growth momentum where Kerry out performed category e-tail growth rates.

The repositioned Kerry Foods' portfolio performed well against this background delivering 3% volume growth in 2015. Net pricing was 1.9% lower. Following the sale of the division's pastry manufacturing assets in August 2014 and the management buy-out of the Direct-To-Store business in the UK completed at the end of February 2015, sales revenue in the repositioned Kerry Foods' portfolio was reported at €1,476m. Trading in the division's continuing businesses improved during the year, with reported trading profit similar to the prior year level at €126m despite the business disposals.

UK Brands had a mixed performance due to category specific competitiveness issues. Mattessons meat snacks continued to drive growth in the meat snacking sector delivering double digit brand growth with increased sales through the convenience channel and successful extension of the brand to the adults' snack segment. In the sausage sector, Richmond branded offerings were impacted by the changing promotional environment. Richmond and Wall's continued to bring innovative offerings to the category through convenient solutions meeting today's consumer lifestyles including 'Richmond Perfect Bake' and 'Wall's Ready Baked'.

Cheestrings performed well in the UK as the children's cheese snack sector returned to growth. 'LowLow Snack Bites' continued to grow the adult cheese snack sector. 'Pure', Kerry Foods' 'free from' brand consolidated its leadership position in the growing UK dairy-free spreads sector. *Rollover Ltd*., acquired in January 2015, extended Kerry Foods' 'hot-to-go' UK offering and channel distribution.

UK Customer Brands achieved strong growth in each of its key sectors in the meal solutions category – chilled ready meals, 'Ready-to-Cook' and frozen ready meals. The frozen meals category returned to growth where the Bisto and Sharwoods brands achieved excellent growth. The private label spreads sector lost some market share to block butter and spreadable butter but Kerry Foods' spreads volumes outperformed the market significantly. A major investment programme at Kerry Foods' Ossett production facility was significantly advanced in 2015.

Brands Ireland performed well in the Irish grocery market which returned to growth in 2015. The 'Denny Gold Medal' sausage range achieved good brand growth year-on-year. Kerry Foods 'Fire and Smoke' range of branded sliced cooked meats recorded an excellent performance – achieving a number of notable innovation awards including an international taste award at Germany's ANUGA Food Fair.

'Dairygold' maintained its brand leadership position in the Irish spreads market and LowLow consolidated its position as brand leader in the low fat cheese and spreads sectors. 'Charleville' achieved good brand growth in the cheese category and successfully launched the 'Charleville Snackfuls' range of cheese snacking products. 2015 saw 'Yollies', an innovative children's yoghurt snack range, gain increased market momentum in the Irish and UK markets.

International markets provided further growth opportunities for the Cheestrings range. Available now in eight European markets, Cheestrings saw a strong performance in France and Germany in 2015.

FINANCIAL REVIEW

Reconciliation of adjusted* earnings to profit after taxation	% Change	2015 €m	2014 €m
Revenue	6.1%	**6,104.9**	5,756.6
Trading profit	10.0%	**700.1**	636.4
Trading margin		***11.5%***	*11.1%*
Computer software amortisation		**(18.7)**	(13.6)
Finance costs (net)		**(69.3)**	(52.9)
Adjusted earnings before taxation*		**612.1**	569.9
Income taxes (excluding non-trading items)		**(81.1)**	(79.6)
Adjusted earnings after taxation*	8.3%	**531.0**	490.3
Brand related intangible asset amortisation		**(18.7)**	(14.4)
Non-trading items (net of related tax)		**13.1**	4.0
Profit after taxation		**525.4**	479.9
		EPS Cent	EPS Cent
Adjusted EPS*	8.2%	**301.9**	278.9
Brand related intangible asset amortisation		**(10.6)**	(8.2)
Non-trading items (net of related tax)		**7.4**	2.3
Basic EPS		**298.7**	273.0

Before brand related intangible asset amortisation and non-trading items (net of related tax).

Analysis of Results

On a reported basis Group revenue increased by 6.1% to €6.1 billion (2014: €5.8 billion). Volumes grew by 3.8%, product pricing decreased by 2.2% and there was a positive transaction related currency impact of 0.1%. There was a negative impact of business disposals net of acquisitions of 2.5% and a positive reporting currency impact of 6.9%.

In Taste & Nutrition, reported revenue increased by 8.7% to €4.7 billion (2014: €4.3 billion). Volumes grew by 4% and product pricing decreased by 2.3%. There was a positive impact of business acquisitions net of disposals of 0.1% and a positive reporting currency impact of 6.9%.

In Consumer Foods, reported revenue decreased by 2.2% to €1.48 billion (2014: €1.51 billion). Volumes increased by 3%, product pricing decreased by 1.9% and there was a positive transaction related currency impact of 0.4%. There was a negative impact of business disposals net of acquisitions of 10.3% and a positive reporting currency impact of 6.6%.

Trading Profit & Margin

On a reported basis, Group trading profit increased by 10% to €700m (2014: €636m). Group trading profit margin increased 40 basis points (bps) to 11.5%. The improvement in Kerry trading profit margin was attributed to operating leverage and improved product mix, coupled with the benefits accruing through the 1 Kerry Business Transformation Programme and the positive impact from exiting non-core business activities.

Trading profit margin in Taste & Nutrition increased by 40 bps to 14.1%, due to the benefits of improved product mix, operating leverage and business efficiency programmes. Trading profit margin in Consumer Foods increased by 20 bps to 8.5% due to business efficiency gains combined with the positive impact from exiting non-core business activities.

Computer Software Amortisation

Computer software amortisation increased to €18.7m (2014: €13.6m) reflecting the ongoing progression of the Kerryconnect project. The capitalised element of the cost of this project is being amortised over a 7 year period.

Finance Costs (net)

Finance costs (net) for the year increased by €16.4m to €69.3m (2014: €52.9m) primarily due to acquisition financing, foreign exchange movements and higher finance costs relating to post retirement benefit obligations, offset by cash generated in the period. The Group's average interest rate for the year was 3.6% (2014: 3.6%).

Taxation

The tax charge for the year, before non-trading items, was €81.1m (2014: €79.6m) representing an effective tax rate of 13.7% (2014: 14.3%). The decrease in the effective tax rate is primarily driven from the geographical split of profits, R&D investment mainly in Ireland and changes in country tax rates.

Acquisitions and Disposals

During the year, the Group completed 10 acquisitions at a net cost of €888m. The Group also disposed of the Pinnacle lifestyle bakery business in Australia and the Consumer Foods Direct-To-Store business in the UK. The total consideration was €154m before disposal related costs.

Non-Trading Items

Non-trading items totalling to an income of €13.1m net of tax (2014: €4.0m) were recorded in 2015. The Group realised a profit of €26.7m on the disposal of the Pinnacle Lifestyle Bakery and Direct-to-Store businesses and a loss of €4.2m on the disposal of miscellaneous property, plant and equipment. In addition the Group incurred €7.8m of acquisition transaction and integration costs relating to the acquisitions completed during the year and a €5.3m loss relating to the impairment of assets held for sale. A tax credit of €3.7m was recognised on these non-trading items.

Exchange Rates

Group results are impacted by fluctuations in exchange rates year on year versus the euro. The average rates below are the principal rates used for the translation of revenues. The closing rates below are used to translate assets and liabilities at year end.

	Average Rates		Closing Rates	
	2015	**2014**	**2015**	**2014**
Australian Dollar	**1.46**	1.46	**1.49**	1.48
Brazilian Real	**3.72**	3.14	**4.25**	3.22
British Pound Sterling	**0.73**	0.81	**0.73**	0.78
Canadian Dollar	**1.41**	1.47	**1.51**	1.41
Malaysian Ringgit	**4.30**	4.33	**4.69**	4.25
Mexican Peso	**17.46**	17.54	**18.73**	17.87
Russian Ruble	**68.07**	50.95	**79.70**	68.34
South African Rand	**13.90**	14.28	**16.95**	14.04
US Dollar	**1.12**	1.33	**1.09**	1.21

Balance Sheet

A summary balance sheet as at 31 December is presented below:

Balance Sheet	2015 €'m	2014 €'m
Property, plant & equipment	**1,431.5**	1,283.4
Intangible assets	**3,449.3**	2,629.0
Other non-current assets	**290.5**	228.6
Current assets	**1,841.7**	1,826.8
Total assets	**7,013.0**	5,967.8
Current liabilities	**1,477.8**	1,633.7
Non-current liabilities	**2,745.1**	2,098.5
Total liabilities	**4,222.9**	3,732.2
Net assets	**2,790.1**	2,235.6
Shareholders' equity	**2,790.1**	2,235.6

Intangible Assets & Acquisitions

Intangible assets increased by €820m to €3,449m (2014: €2,629m). Intangible assets of €787m were recorded in the year relating to acquisitions completed by the Group, with an additional increase of €66m due to year-end exchange rates used to translate intangible assets other than those denominated in euro.

Retirement Benefits

At the balance sheet date, the net deficit for defined benefit schemes (after deferred tax) was €253m (2014: €393m). The decrease is due to an increase in the discount rates in the UK, Eurozone and the US, together with cash contributions during the year. The net deficit expressed as a percentage of market capitalisation at 31 December was 1.9% (2014: 3.9%). The charge to the income statement during the year, for both defined benefit and defined contribution schemes was €54.3m (2014: €50.4m).

Financing

In April, following a limited syndication process, the Group agreed a new €1.1bn revolving credit facility replacing the existing arrangements. The syndication was more than two times oversubscribed.

In September, the Group announced its debut Eurobond issuing €750m 10 year notes at an annual coupon of 2.375%. The bonds, which were over 3.5 times oversubscribed, are listed on the Irish Stock Exchange and provide Kerry with an additional source of debt finance. These new facilities significantly increase the amount of committed debt available. They extend the maturity profile of Group debt and were used to retire existing debt, fund acquisitions and for general corporate purposes.

Free cash flow is seen as an important indicator of the strength and quality of the business and of the availability of funds to the Group for reinvestment or for return to the shareholder. In 2015 the Group achieved a free cash flow of €452.6m (2014: €302.9m) analysed below with a free cash flow to adjusted earnings after tax* conversion rate of 85.2% (2014: 61.8%).

Free Cash Flow	**2015 €'m**	**2014 €'m**
Trading profit	**700.1**	636.4
Depreciation (net)	**125.9**	103.5
Movement in average working capital	**(1.6)**	(59.2)
Pension contributions paid less pension expense	**(57.5)**	(48.0)
Cash inflow from operations	**766.9**	632.7
Finance costs paid (net)	**(46.6)**	(41.8)
Income taxes paid	**(38.3)**	(30.6)
Purchase of non-current assets	**(229.4)**	(257.4)
Free cash flow	**452.6**	302.9

**Before brand related intangible asset amortisation and non-trading items (net of related tax)*

Net Debt

Net debt at the end of the year was €1,650.1m (2014: €1,195.3m).

Key Financial Covenants

The majority of Group borrowings are subject to financial covenants 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 1.9 times, the organisation has sufficient headroom to support its future growth plans. Group Treasury monitors compliance with all financial covenants and at 31 December the key covenants were as follows:

	Covenant	2015 TIMES	2014 TIMES
Net debt: EBITDA*	Maximum 3.5	**1.9**	1.6
EBITDA: Net interest*	Minimum 4.75	**17.3**	17.2

*Calculated in accordance with lenders facility agreements which take account of adjustments as outlined in Financial Definitions.

Share Price and Market Capitalisation

The Company's shares traded in the range €56.50 to €77.70 during the year. The share price at 31 December was €76.31 (2014: €57.07) giving a market capitalisation of €13.4 billion (2014: €10.0 billion). Total Shareholder Return for 2015 was 35% (2014: 14%).

DIVIDEND

The Board recommends a final dividend of 35 cent per share (an increase of 11.1% on the 2014 final dividend) payable on 13 May 2016 to shareholders registered on the record date 15 April 2016. When combined with the interim dividend of 15 cent per share, this brings the total dividend for the year to 50 cent per share, an increase of 11.1% on 2014.

ANNUAL REPORT AND ANNUAL GENERAL MEETING

The Group's Annual Report will be published at the end of March and the Annual General Meeting will be held in Tralee on 27 April 2016.

FUTURE PROSPECTS

Combining Kerry's industry-leading taste capability and our unique nutrition & general wellness enabling technology platforms will continue to drive innovation and growth throughout the Group's food, beverage and foodservice international markets. Following record acquisition investment in 2015, the Group will invest in extending and broadening the newly acquired technologies into wider taste & nutrition markets throughout all geographic regions and markets.

In consumer foods' markets, the restructured Kerry Foods portfolio is well positioned to capitalise on today's snacking, convenience and food-to-go trends. Kerry Foods is now focused on expanding its footprint into new growth categories and channels, and into selected international markets.

The Group's holistic partnership approach, facilitated by the Kerry business model and 1 Kerry strategies, is central to supporting the continued growth of Kerry's global and regional customers in developed and developing markets. Capital resources will continue to be invested in organic development of the Group's technology growth platforms and manufacturing footprint in developing markets - supporting customer initiatives in advancing continued food safety improvements. The Group expects to achieve 6% to 10% growth in adjusted earnings per share to a range of 320 to 332 cent per share in 2016 (2015: 301.9 cent per share) taking into account a 3% currency headwind at current exchange rates.

Kerry Group plc

Consolidated Income Statement
for the financial year ended 31 December 2015

	Notes	**Before Non-Trading Items 2015 €'m**	**Non-Trading Items 2015 €'m**	**Total 2015 €'m**	Before Non-Trading Items 2014 €'m	Non-Trading Items 2014 €'m	Total 2014 €'m
Continuing operations							
Revenue	2	**6,104.9**	**-**	**6,104.9**	5,756.6	-	5,756.6
Trading profit	2	**700.1**	**-**	**700.1**	636.4	-	636.4
Intangible asset amortisation		**(37.4)**	**-**	**(37.4)**	(28.0)	-	(28.0)
Non-trading items	3	**-**	**9.4**	**9.4**	-	0.1	0.1
Operating profit		**662.7**	**9.4**	**672.1**	608.4	0.1	608.5
Finance income		**1.8**	**-**	**1.8**	1.1	-	1.1
Finance costs		**(71.1)**	**-**	**(71.1)**	(54.0)	-	(54.0)
Profit before taxation		**593.4**	**9.4**	**602.8**	555.5	0.1	555.6
Income taxes		**(81.1)**	**3.7**	**(77.4)**	(79.6)	3.9	(75.7)
Profit after taxation and attributable to owners of the parent		**512.3**	**13.1**	**525.4**	475.9	4.0	479.9

Earnings per A ordinary share				**Cent**			Cent
- basic	4			**298.7**			273.0
- diluted	4			**298.4**			272.7

Kerry Group plc

Consolidated Statement of Comprehensive Income

for the financial year ended 31 December 2015

	2015 **€'m**	2014 €'m
Profit after taxation and attributable to owners of the parent	**525.4**	479.9
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit or loss:		
Fair value movements on cash flow hedges	**10.3**	(8.3)
Cash flow hedges - reclassified to profit or loss from equity	**2.9**	3.0
Deferred tax effect of fair value movements on cash flow hedges	**(1.4)**	4.2
Exchange difference on translation and disposal of foreign operations	**(25.5)**	68.3
Deferred tax effect of exchange difference on translation of foreign operations	**(0.3)**	0.7
Items that will not be reclassified subsequently to profit or loss:		
Re-measurement on retirement benefits obligation	**141.1**	(246.1)
Deferred tax effect of re-measurement on retirement benefits obligation	**(25.2)**	30.5
Net income/(expense) recognised directly in other comprehensive income	**101.9**	(147.7)
Total comprehensive income	**627.3**	332.2

Kerry Group plc

Consolidated Balance Sheet

as at 31 December 2015

	31 December 2015 €'m	31 December 2014 €'m
Non-current assets		
Property, plant and equipment	**1,431.5**	1,283.4
Intangible assets	**3,449.3**	2,629.0
Financial asset investments	**34.0**	27.9
Investment in associate	**38.9**	40.2
Non-current financial instruments	**174.4**	104.7
Deferred tax assets	**43.2**	55.8
	5,171.3	4,141.0
Current assets		
Inventories	**734.2**	702.0
Trade and other receivables	**833.9**	801.1
Cash at bank and in hand	**236.4**	283.7
Other current financial instruments	**15.7**	9.4
Assets classified as held for sale	**21.5**	30.6
	1,841.7	1,826.8
Total assets	**7,013.0**	5,967.8
Current liabilities		
Trade and other payables	**1,285.8**	1,194.1
Borrowings and overdrafts	**38.4**	303.1
Other current financial instruments	**25.1**	21.8
Tax liabilities	**94.1**	62.4
Provisions	**31.7**	49.8
Deferred income	**2.7**	2.5
	1,477.8	1,633.7
Non-current liabilities		
Borrowings	**2,011.5**	1,270.6
Other non-current financial instruments	**6.5**	8.4
Retirement benefits obligation	**305.7**	472.8
Other non-current liabilities	**93.9**	76.8
Deferred tax liabilities	**243.8**	191.1
Provisions	**59.1**	55.7
Deferred income	**24.6**	23.1
	2,745.1	2,098.5
Total liabilities	**4,222.9**	3,732.2
Net assets	**2,790.1**	2,235.6
Issued capital and reserves attributable to owners of the parent		
Share capital	**22.0**	22.0
Share premium	**398.7**	398.7
Other reserves	**(103.9)**	(100.6)
Retained earnings	**2,473.3**	1,915.5
Shareholders' equity	**2,790.1**	2,235.6

Kerry Group plc

Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2015

	Note	Share Capital €'m	Share Premium €'m	Other Reserves €'m	Retained Earnings €'m	Total €'m
At 1 January 2014		22.0	398.7	(172.5)	1,719.3	1,967.5
Total comprehensive income		-	-	63.0	269.2	332.2
Dividends paid	5	-	-	-	(73.0)	(73.0)
Share-based payment expense		-	-	8.9	-	8.9
At 31 December 2014		22.0	398.7	(100.6)	1,915.5	2,235.6
Total comprehensive (expense)/income		**-**	**-**	**(12.3)**	**639.6**	**627.3**
Dividends paid	5	**-**	**-**	**-**	**(81.8)**	**(81.8)**
Share-based payment expense		**-**	**-**	**9.0**	**-**	**9.0**
At 31 December 2015		**22.0**	**398.7**	**(103.9)**	**2,473.3**	**2,790.1**

Other Reserves comprise the following:

	Capital Redemption Reserve €'m	Other Undenominated Capital €'m	Share-Based Payment Reserve €'m	Translation Reserve €'m	Hedging Reserve €'m	Total €'m
At 1 January 2014	1.7	0.3	12.6	(171.9)	(15.2)	(172.5)
Total comprehensive income/(expense)	-	-	-	68.3	(5.3)	63.0
Share-based payment expense	-	-	8.9	-	-	8.9
At 31 December 2014	1.7	0.3	21.5	(103.6)	(20.5)	(100.6)
Total comprehensive (expense)/income	**-**	**-**	**-**	**(25.5)**	**13.2**	**(12.3)**
Share-based payment expense	**-**	**-**	**9.0**	**-**	**-**	**9.0**
At 31 December 2015	**1.7**	**0.3**	**30.5**	**(129.1)**	**(7.3)**	**(103.9)**

Kerry Group plc

Consolidated Statement of Cash Flows
for the financial year ended 31 December 2015

	Notes	2015 €'m	2014 €'m
Operating activities			
Trading profit		**700.1**	636.4
Adjustments for:			
Depreciation (net)		**125.9**	103.5
Change in working capital		**64.8**	(79.3)
Pension contributions paid less pension expense		**(57.5)**	(48.0)
Payments on acquisition integration and restructuring costs		**(26.4)**	(74.5)
Exchange translation adjustment		**(0.7)**	3.3
Cash generated from operations		**806.2**	541.4
Income taxes paid		**(38.3)**	(30.6)
Finance income received		**1.8**	1.1
Finance costs paid		**(48.4)**	(42.9)
Net cash from operating activities		**721.3**	469.0
Investing activities			
Purchase of assets		**(252.2)**	(274.1)
Proceeds from the sale of assets		**12.7**	15.9
Capital grants received		**10.1**	0.8
Purchase of businesses (net of cash acquired)	6	**(888.1)**	(133.5)
Disposal of businesses (net of related tax)		**115.7**	(13.4)
Payments relating to previous acquisitions		**(0.8)**	(9.6)
Net cash used in investing activities		**(1,002.6)**	(413.9)
Financing activities			
Dividends paid	5	**(81.8)**	(73.0)
Issue of share capital		**-**	-
Repayment of long term borrowings		**(1,273.8)**	(13.4)
Net increase in other borrowings		**1,589.5**	55.8
Net cash movement due to financing activities		**233.9**	(30.6)
Net (decrease)/increase in cash and cash equivalents		**(47.4)**	24.5
Cash and cash equivalents at beginning of the financial year		278.1	245.8
Exchange translation adjustment on cash and cash equivalents		**0.5**	7.8
Cash and cash equivalents at end of the financial year		**231.2**	278.1

Reconciliation of Net Cash Flow to Movement in Net Debt		
Net (decrease)/increase in cash and cash equivalents	**(47.4)**	24.5
Cash inflow from debt financing	**(315.7)**	(42.4)
Changes in net debt resulting from cash flows	**(363.1)**	(17.9)
Fair value movement on interest rate swaps (net of adjustment to borrowings)	**0.2**	(5.5)
Exchange translation adjustment on net debt	**(91.9)**	(88.8)
Movement in net debt in the financial year	**(454.8)**	(112.2)
Net debt at beginning of the financial year	(1,195.3)	(1,083.1)
Net debt at end of the financial year	**(1,650.1)**	(1,195.3)

Kerry Group plc

Notes to the Financial Statements
for the financial year ended 31 December 2015

1. Accounting policies

The financial information included within this statement has been extracted from the audited financial statements of Kerry Group plc for the financial year ended 31 December 2015, the auditor's report was unqualified. The financial information set out in this document does not constitute full statutory financial statements for the financial years ended 31 December 2015 or 2014 but is derived from same. The consolidated financial statements of Kerry Group plc have been prepared in accordance with International Financial Reporting Standards ('IFRS'), International Financial Reporting Interpretations Committee ('IFRIC') interpretations and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The Group's financial statements have also been prepared in accordance with IFRSs adopted by the European Union ('EU') which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'). The Group financial statements comply with Article 4 of the EU IAS Regulation. IFRS adopted by the EU differs in certain respects from IFRS issued by the IASB. References to IFRS hereafter refer to IFRS adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments), retirement benefits obligation and financial asset investments which are held at fair value. Assets classified as held for sale are stated at the lower of carrying value and fair value less costs to sell. The investment in associate is accounted for using the equity method.

The Group's accounting policies will be included in the 2015 Annual Report & Accounts, which will be published at the end of March and are consistent with those described in the 2014 Annual Report & Accounts.

New standards and interpretations
Certain new and revised accounting standards and new International Financial Reporting Interpretations Committee ('IFRIC') interpretations have been issued and the Group's assessment of the impact of these new standards and interpretations is set out below.

Standards and Interpretations effective for Kerry Group in 2015 but not material to the results and financial position of the Group:		***Effective Date***
- IFRS 1 (amendment)	First-time adoption of International Financial Reporting Standards	1 July 2014
- IFRS 2 (amendment)	Share-based Payment	1 July 2014
- IFRS 3 (amendments)	Business Combinations	1 July 2014
- IFRS 8 (amendment)	Operating Segments	1 July 2014
- IFRS 13 (amendments)	Fair Value Measurement	1 July 2014
- IAS 16 (amendment)	Property, Plant and Equipment	1 July 2014
- IAS 19 (amendment)	Employee Benefits	1 July 2014
- IAS 24 (amendment)	Related Party Disclosures	1 July 2014
- IAS 38 (amendment)	Intangible Assets	1 July 2014
- IAS 40 (amendment)	Investment Property	1 July 2014

Standards and Interpretations which are not yet effective for Kerry Group and are not expected to have a material effect on the results or the financial position of the Group:		***Effective Date***
- IFRS 5 (amendment)	Non-current Assets Held for Sale and Discontinued Operations	1 January 2016
- IFRS 7 (amendment)	Financial Instruments: Disclosures	1 January 2016
- IFRS 10 (amendments)	Consolidated Financial Statements	1 January 2016
- IFRS 11 (amendment)	Joint Arrangements	1 January 2016
- IFRS 12 (amendment)	Disclosure of Interests in Other Entities	1 January 2016
- IFRS 14	Regulatory Deferral Accounts	1 January 2016
- IAS 1 (amendment)	Presentation of Financial Statements	1 January 2016
- IAS 7 (amendments)	Statement of cash flows	1 January 2017
- IAS 12 (amendments)	Income taxes	1 January 2017
- IAS 16 (amendments)	Property, Plant and Equipment	1 January 2016
- IAS 19 (amendment)	Employee Benefits	1 January 2016
- IAS 27 (amendment)	Consolidated and Separate Financial Statements	1 January 2016
- IAS 28 (amendments)	Investments in Associates	1 January 2016
- IAS 34 (amendment)	Interim Financial Reporting	1 January 2016
- IAS 38 (amendment)	Intangible Assets	1 January 2016
- IAS 41 (amendment)	Agriculture	1 January 2016

The following revised standards are not yet effective and the impact on Kerry Group is currently under review:		***Effective Date***
- IFRS 9	Financial Instruments IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.	1 January 2018
- IFRS 15	Revenue from Contracts with Customers IFRS 15 was issued to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.	1 January 2018
- IFRS 16	Leases IFRS 16, published in January 2016, replaces the existing guidance in IAS 17 'Leases'. IFRS 16 eliminates the classification of leases as either operating leases or finance leases. It introduces a single lessee accounting model, which requires a lessee to recognise: assets and liabilities for all leases with a term of more than 12 months and depreciation of lease assets separately from interest on lease liabilities in the income statement. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 16.	1 January 2019

2. Analysis of results

The Group has two operating segments: Taste & Nutrition and Consumer Foods. The Taste & Nutrition 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 primarily to the Irish and UK markets.

	Taste & Nutrition 2015 €'m	**Consumer Foods 2015 €'m**	**Group Eliminations and Unallocated 2015 €'m**	**Total 2015 €'m**	Taste & Nutrition 2014 €'m	Consumer Foods 2014 €'m	Group Eliminations and Unallocated 2014 €'m	Total 2014 €'m
External revenue	**4,637.5**	**1,467.4**	**-**	**6,104.9**	4,257.1	1,499.5	-	5,756.6
Inter-segment revenue	**78.4**	**8.3**	**(86.7)**	**-**	79.8	9.8	(89.6)	-
Revenue	**4,715.9**	**1,475.7**	**(86.7)**	**6,104.9**	4,336.9	1,509.3	(89.6)	5,756.6
Trading profit	**662.9**	**125.7**	**(88.5)**	**700.1**	592.5	125.4	(81.5)	636.4
Intangible asset amortisation				**(37.4)**				(28.0)
Non-trading items				**9.4**				0.1
Operating profit				**672.1**				608.5
Finance income				**1.8**				1.1
Finance costs				**(71.1)**				(54.0)
Profit before taxation				**602.8**				555.6
Income taxes				**(77.4)**				(75.7)
Profit after taxation and attributable to owners of the parent				**525.4**				479.9
Segment assets and liabilities								
Segment assets	**4,374.1**	**984.1**	**1,654.8**	**7,013.0**	3,814.8	925.1	1,227.9	5,967.8
Segment liabilities	**(1,049.2)**	**(436.0)**	**(2,737.7)**	**(4,222.9)**	(909.0)	(507.7)	(2,315.5)	(3,732.2)
Net assets	**3,324.9**	**548.1**	**(1,082.9)**	**2,790.1**	2,905.8	417.4	(1,087.6)	2,235.6
Other segmental information								
Property, plant and equipment additions	**176.0**	**36.7**	**3.7**	**216.4**	209.8	15.5	4.5	229.8
Depreciation (net)	**104.0**	**17.7**	**4.3**	**126.0**	83.7	16.4	3.4	103.5
Intangible asset additions	**1.0**	**0.6**	**30.0**	**31.6**	1.4	-	34.2	35.6
Intangible asset amortisation	**14.0**	**6.0**	**17.4**	**37.4**	9.5	5.7	12.8	28.0

Information about geographical areas

	EMEA 2015 €'m	**Americas 2015 €'m**	**Asia Pacific 2015 €'m**	**Total 2015 €'m**	EMEA 2014 €'m	Americas 2014 €'m	Asia Pacific 2014 €'m	Total 2014 €'m
Revenue by location of external customers	**3,013.3**	**2,307.9**	**783.7**	**6,104.9**	3,048.7	1,901.2	806.7	5,756.6
Segment assets by location	**4,282.1**	**2,234.9**	**496.0**	**7,013.0**	3,601.4	1,770.3	596.1	5,967.8
Property, plant and equipment additions	**109.1**	**66.7**	**40.6**	**216.4**	138.8	53.1	37.9	229.8
Intangible asset additions	**30.9**	**0.6**	**0.1**	**31.6**	34.3	1.3	-	35.6

Kerry Group plc is domiciled in the Republic of Ireland and the revenues from external customers in the Republic of Ireland were **€455.0m** (2014: €505.4m). The non-current assets located in the Republic of Ireland are **€931.9m** (2014: €905.5m).

Revenues from external customers include **€1,710.5m** (2014: €1,686.2m) in the UK and **€1,789.2m** (2014: €1,491.4m) in the US. The non-current assets in the UK are **€786.7m** (2014: €715.1m) and in the US are **€1,327.4m** (2014: €991.8m). The Taste & Nutrition and Consumer Foods business reviews, provides a description of the types of products from which these segments derive their revenues. During the financial year, the Group renamed its Ingredients & Flavours operating segment to Taste & Nutrition. This did not result in a change in the composition of the Group's reportable segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies as outlined in the Statement of Accounting Policies.

3. Non-trading items

	Notes	2015 €'m	2014 €'m
Profit/(loss) on disposal of businesses and assets	(i)	**22.5**	0.1
Acquisition integration and restructuring costs	(ii)	**(7.8)**	-
Impairment of assets held for sale	(iii)	**(5.3)**	-
		9.4	0.1
Tax		**3.7**	3.9
		13.1	4.0

(i) Profit/(loss) on disposal of businesses and assets

	Businesses 2015 €'m	*Assets 2015 €'m	Total 2015 €'m
Assets			
Property, plant and equipment	**(29.9)**	**(12.5)**	**(42.4)**
Assets classified as held for sale	**(4.0)**	**(4.4)**	**(8.4)**
Brand related intangible assets	**(12.7)**	**-**	**(12.7)**
Goodwill	**(24.8)**	**-**	**(24.8)**
Inventory	**(13.3)**	**-**	**(13.3)**
Accounts receivable	**(27.9)**	**-**	**(27.9)**
Accounts payable	**24.4**	**-**	**24.4**
Net assets disposed	**(88.2)**	**(16.9)**	**(105.1)**
Consideration			
Cash received	**153.8**	**12.7**	**166.5**
Disposal related costs	**(38.1)**	**-**	**(38.1)**
Total consideration received	**115.7**	**12.7**	**128.4**
Cumulative exchange difference on translation recycled on disposal	**(0.8)**	**-**	**(0.8)**
Profit/(loss) on disposal of businesses and assets	**26.7**	**(4.2)**	**22.5**

Net cash inflow on disposal:

	Total 2015 €'m
Cash	**166.5**
Less: cash at bank and in hand balance disposed of	**-**
Less: disposal related costs	**(38.1)**
	128.4

*Assets represent non-current assets and assets classified as held for sale

During the financial year, the Group disposed of the Pinnacle lifestyle bakery business in Australia from the Taste & Nutrition division and two businesses in the Consumer Foods division in the UK. The Consumer Foods businesses were classified as held for sale in 2014. Additionally, the Group disposed of property, plant and equipment and assets classified as held for sale, primarily in the US and Ireland.

In 2014, the profit of €0.1m related primarily to the disposal of a business in the Consumer Foods division in the UK, a subsidiary in Argentina, and the sale of property, plant and equipment and assets classified as held for sale in the US, UK and Ireland. In addition the cumulative exchange difference on translation recycled on disposal of a subsidiary in 2014 was a loss of €0.4m.

A net tax credit of **€1.7m** (2014: €3.9m) arose on the disposal of businesses and assets.

(ii) Acquisition integration and restructuring costs

The 2015 acquisition integration and restructuring costs of **€7.8m** related primarily to transaction expenses incurred in completing acquisitions as well as initial costs in integrating these acquisitions into the Group's operations. Details of the acquisitions completed in 2015 are disclosed in Note 6. In 2015, a tax credit of **€2.0m** arose due to tax deductions available on acquisition integration and restructuring costs. There were no acquisition integration and restructuring costs recorded in non-trading items in 2014.

(iii) Impairment of assets held for sale

In 2015, assets classified as held for sale were impaired to their fair value less costs to sell by **€5.3m**. There were no impairments of assets held for sale recorded in 2014.

4. Earnings per A ordinary share

	EPS cent	**2015 €'m**	EPS cent	2014 €'m
Basic earnings per share				
Profit after taxation and attributable to owners of the parent	**298.7**	**525.4**	273.0	479.9
Brand related intangible asset amortisation	**10.6**	**18.7**	8.2	14.4
Non-trading items (net of related tax)	**(7.4)**	**(13.1)**	(2.3)	(4.0)
Adjusted earnings	**301.9**	**531.0**	278.9	490.3
Diluted earnings per share				
Profit after taxation and attributable to owners of the parent	**298.4**	**525.4**	272.7	479.9
Adjusted earnings	**301.5**	**531.0**	278.6	490.3

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	**2015 m's**	2014 m's
Basic weighted average number of shares	**175.9**	175.8
Impact of share options outstanding	**0.2**	0.2
Diluted weighted average number of shares	**176.1**	176.0
Actual number of shares in issue as at 31 December	**175.9**	175.8

5. Dividends

	2015 €'m	2014 €'m
Amounts recognised as distributions to equity shareholders in the financial year		
Final 2014 dividend of **31.50 cent** per A ordinary share paid 15 May 2015 (Final 2013 dividend of 28.00 cent per A ordinary share paid 9 May 2014)	**55.4**	49.2
Interim 2015 dividend of **15.00 cent** per A ordinary share paid 13 November 2015 (Interim 2014 dividend of 13.50 cent per A ordinary share paid 14 November 2014)	**26.4**	23.8
	81.8	73.0

Since the financial year end the Board has proposed a final 2015 dividend of **35.00** cent per A ordinary share. The payment date for the final dividend will be 13 May 2016 to shareholders registered on the record date as at 15 April 2016. These consolidated financial statements do not reflect this dividend.

6. Business combinations

During 2015, the Group completed a total of 10 acquisitions, all of which are 100% owned by the Group.

	Red Arrow Products 2015 €'m	Other Acquisitions 2015 €'m	Total 2015 €'m
Recognised amounts of identifiable assets acquired and liabilities assumed:			
Non-current assets			
Property, plant and equipment	**16.2**	**45.0**	**61.2**
Brand related intangibles	**199.0**	**178.3**	**377.3**
Current assets			
Cash at bank and in hand	**0.5**	**9.8**	**10.3**
Inventories	**11.5**	**49.7**	**61.2**
Trade and other receivables	**14.7**	**31.9**	**46.6**
Current liabilities			
Trade and other payables	**(6.7)**	**(32.1)**	**(38.8)**
Non-current liabilities			
Other non-current liabilities	**-**	**(33.9)**	**(33.9)**
Total identifiable assets	**235.2**	**248.7**	**483.9**
Goodwill	**201.7**	**207.6**	**409.3**
Total consideration	**436.9**	**456.3**	**893.2**

Satisfied by:	
Cash	**892.0**
Deferred payment	**1.2**
	893.2

Net cash outflow on acquisition:

	Total 2015 €'m
Cash	**892.0**
Less: cash and cash equivalents acquired	**(10.3)**
Plus: debt acquired	**6.4**
	888.1

The acquisition method of accounting has been used to consolidate the businesses acquired in the Group's financial statements. Given that 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 2014, 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. **€279.5m** of goodwill recognised is expected to be deductible for income tax purposes.

Transaction expenses related to these acquisitions of **€6.2m** were charged in the Group's Consolidated Income Statement during the financial year. The fair value of the financial assets includes trade and other receivables with a fair value of **€46.6m** and a gross contractual value of **€51.3m.**

The following acquisitions were completed by the Group during 2015:

Acquisition	Acquired	Principal activity
Rollover	January	Rollover operates in the UK 'hot-to-go' market with a strong position in the foodservice channel in consumer foods.
Insight Beverages	May	Insight Beverages is a leading supplier of custom beverage solutions to the foodservice and convenience store channels in North American markets.
KFI Savory	June	KFI Savory, the former U.S. based savoury flavour business of Kraft Food Ingredients, an industry leader in grilled flavours including authentic savoury flavours with natural and specialty grill flavours.
Baltimore Spice	July	Baltimore Spice is a Costa Rican based spices, seasonings and condiments producer strengthening Kerry's market positioning in the culinary and snack sectors in Central America.
Wellmune	September	Biothera Inc's business produces and markets the unique Wellmune® branded natural food, beverage and supplement ingredient clinically proven to strengthen the immune system.
Island Oasis	September	Island Oasis is a leading provider of all-natural premium cocktail mixes and customised beverage solutions serving 'on-premise', restaurant, leisure and hospitality segments of the U.S. market.
Red Arrow Products	December	Red Arrow Products is a leading supplier of natural smoke flavours and authentic natural savoury grill flavours serving meat, culinary and food industry markets worldwide.
Other acquisitions	Various	The Group also acquired three smaller acquisitions in the European taste and nutrition market.

From the date of acquisition, the acquired businesses have contributed **€133.0m** of revenue and **€5.8m** of profit after taxation and attributable to owners of the parent to the Group. If the acquisition dates had been on the first day of the financial year, the acquired businesses would have contributed **€403.0m** of revenue and **€23.3m** of profit after taxation and attributable to owners of the parent to the Group.

7. Events after the balance sheet date

Since the financial year end, the Group has proposed a final dividend of **35.00** cent per A ordinary share (note 5).

There have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2015.

8. General information

The statutory financial statements of Kerry Group plc for the the financial year ended 31 December 2015 were approved by the Board of Directors and authorised for issue on the 22 February 2016 and will be filed with the Registrar of Companies following the annual general meeting. The statutory financial statements of Kerry Group plc for the financial year ended 31 December 2014, to which an unqualified audit opinion was received, were annexed to the annual return and filed with the Registrar of Companies.

Kerry Group plc

SUPPLEMENTARY INFORMATION

FINANCIAL DEFINITIONS

1. Revenue

Volume growth

This represents the sales volume growth year-on-year from ongoing business, excluding volumes from acquisitions net of disposals. A full reconciliation to reported revenue growth is detailed in the revenue reconciliation below.

Revenue Reconciliation

	Volume growth	*Price*	*Transaction currency*	*Translation currency*	*Acquisitions / Disposals*	*Reported revenue growth*
Taste & Nutrition	4.0%	(2.3%)	0.0%	6.9%	0.1%	**8.7%**
Consumer Foods	3.0%	(1.9%)	0.4%	6.6%	(10.3%)	**(2.2%)**
Group	3.8%	(2.2%)	0.1%	6.9%	(2.5%)	**6.1%**

2. EBITDA

EBITDA represents profit after taxation and attributable to owners of the parent before finance income and costs, income taxes, depreciation (net), intangible asset amortisation and non-trading items.

	2015 €'m	2014 €'m
Profit after taxation and attributable to owners of the parent	**525.4**	479.9
Finance income	**(1.8)**	(1.1)
Finance costs	**71.1**	54.0
Income taxes	**77.4**	75.7
Non-trading items	**(9.4)**	(0.1)
Intangible asset amortisation	**37.4**	28.0
Depreciation (including impairment)	**128.4**	105.8
EBITDA	**828.5**	742.2

3. Trading Profit

Trading Profit refers to the operating profit generated by the businesses before intangible asset amortisation and gains or losses generated from non-trading items. Trading Profit represents operating profit before specific items that are considered to hinder comparison of the trading performance of the Group's businesses, either year-on-year or with other businesses.

4. Trading Margin

Trading Margin represents annual trading profit, expressed as a percentage of revenue.

5. Non-trading Items

Non-trading items refers to gains or losses on the disposal of businesses, disposal of assets (non-current assets and assets classified as held for sale), costs in preparation of disposal of assets, material acquisition transaction costs and material acquisition integration and restructuring costs. It is determined by management that each of these items relate to events or circumstances that are non-recurring in nature.

6. Operating profit

Operating profit is profit before income taxes, finance income and finance costs.

7. Other external charges

Other external charges primarily refers to selling, general and administrative expenses.

8. Other operating charges

Other operating charges primarily refers to manufacturing and warehousing costs.

9. Adjusted Earnings Per Share

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 and attributable to owners of the parent 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.

	2015 EPS cent	2014 EPS cent
Basic earnings per share	**298.7**	273.0
Brand related intangible asset amortisation	**10.6**	8.2
Non-trading items (net of related tax)	**(7.4)**	(2.3)
Adjusted earnings per share	**301.9**	278.9

Kerry Group plc

SUPPLEMENTARY INFORMATION (continued)

FINANCIAL DEFINITIONS (continued)

10. Free Cash Flow

Free Cash Flow is trading profit plus depreciation, movement in average working capital, capital expenditure, pensions costs less pension expense, finance costs paid (net) and income taxes paid.

Free Cash Flow is seen as an important indicator of the strength and quality of the business and of the availability to the Group of funds for reinvestment or for return to shareholders. Movement in average working capital is used when management believes this provides a more accurate measure of the increase or decrease in working capital needed to support the business over the course of the year rather than at two distinct points in time. Movement in average working capital measures more accurately fluctuations caused by seasonality and other timing factors. Below is a reconciliation of free cash flow to the nearest IFRS measure, which is "Net cash from operating activities".

	2015	2014
	€'m	*€'m*
Net cash from operating activities	**721.3**	469.0
Difference between movement in average working capital and movement in the financial year end working capital	**(66.4)**	20.1
Expenditure on acquisition integration and restructuring costs	**26.4**	74.5
Purchase of assets	**(252.2)**	(274.1)
Proceeds from the sale of property, plant and equipment	**12.7**	15.9
Capital grants received	**10.1**	0.8
Exchange translation adjustment	**0.7**	(3.3)
Free cash flow	**452.6**	302.9

11. Financial Ratios

The Net debt: EBITDA and EBITDA: Net interest ratios disclosed are calculated in accordance with lender's facility agreements using an adjusted EBITDA, adjusted finance costs (net of finance income) and an adjusted net debt value to adjust for the impact of non-trading items, acquisitions net of disposals and deferred payments in relation to acquisitions. These ratios are calculated in accordance with lender's facility agreements and these agreements specifically exclude these items from the calculation.

12. Return on Average Equity (ROAE)

This measure is defined as profit after tax and attributable to owners of the parent before non-trading items (net of tax) and brand related intangible asset amortisation expressed as a percentage of average equity. Average equity is calculated by taking the average shareholders' funds over a 12 month period plus an additional €528m relating to goodwill written off to reserves pre conversion to IFRS.

13. Return on Average Capital Employed (ROACE)

This measure is defined as profit after tax and attributable to owners of the parent before non-trading items (net of tax), brand related intangible asset amortisation and finance income and costs / Average Capital Employed. Average capital employed is calculated by taking the average shareholders' funds and net debt over a 12 month period plus an additional €528m relating to goodwill written off to reserves pre conversion to IFRS.

14. Cash Flow Return on Investment (CFROI)

CFROI is calculated as free cash flow before finance costs (net) expressed as a percentage of average capital employed. Average capital employed for the CFROI calculation is the same as that used for ROACE.

15. Total Shareholder Return (TSR)

Total shareholder return (TSR) represents the change in the capital value of Kerry Group shares plus dividends reinvested in the year.

16. Market Capitalisation

Market Capitalisation is calculated as the share price times the number of shares issued.

17. Enterprise Value

Enterprise Value is calculated as per external market sources. It is market capitalisation plus reported borrowings less total cash and cash equivalents.