NEWS RELEASE
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Preliminary Statement of Results for the year ended 31 December 2011

Kerry, the global ingredients & flavours and consumer foods group, reports preliminary results for the year ended 31 December 2011.

Highlights

- Sales revenue increased by 6.9% (6.4% LFL) to €5.3 billion
- 3.3% increase in business volumes
- Trading profit reaches a milestone €501m level
- Ingredients & Flavours trading margin up 10 basis points to 11.9%
- Consumer Foods trading margin 30 basis points lower at 7.8%
- Adjusted EPS* up 11.1% to 213.4 cent
- Final dividend per share of 22.4 cent (Total 2011 dividend up 11.8% to 32.2 cent)
- Free cash flow of €279m (2010: €305m)
- R&D investment of €167m

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

Commenting on the results Kerry Group Chief Executive Stan McCarthy said; *"Kerry delivered good profitable growth in 2011 despite weak consumer confidence in many markets and significant raw material & input cost inflation. The Group performed well across developed and developing markets while continuing to build our capabilities and positioning for the future. Trading profit reached a milestone level of €501m in 2011. We are confident of achieving our strategic growth objectives for 2012 and expect to achieve seven to ten per cent growth in adjusted earnings per share to a range of 228 to 235 cent per share (2011: 213.4 cent)".*

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CHAIRMAN'S STATEMENT

For the year ended 31 December 2011

Kerry continued to develop successfully and maintain solid earnings growth in 2011, despite the impact of significant raw material and input cost inflation experienced during the year. The Group performed well in all key developed markets and continued to extend its market positions in developing markets. Good organic growth rates were achieved despite the inflationary environment. Raw material costs increased by over 8% year-on-year, requiring close collaboration with customers to manage cost recovery programmes. The continuing challenging economic landscape across most major economies heightened the requirement for innovation and product differentiation to meet changing consumer requirements.

The Group's ingredients & flavours businesses grew steadily in all regions benefiting from Kerry's breadth and depth of technology and 1 Kerry approach to market development providing industry-leading integrated solutions. While consumer spending remains constrained due to fiscal pressures, demands for all-natural and clean label solutions continue to grow as does the requirement for healthy reformulation, well-being and diet-specific offerings.

Cost recovery in the Group's consumer foods markets in Ireland and the UK proved more challenging due to the prevailing economic situation and level of price promotional activity in both markets. However, while Kerry Foods saw a moderation in volume growth as the year progressed, profitability in the division was maintained due to on-going business efficiency programmes and successful innovation focused on value consumer offerings.

RESULTS

Group sales revenue in 2011 on a reported basis increased by 6.9% to €5.3 billion, reflecting like-for-like (LFL) growth of 6.4% when account is taken of acquisitions and currency translation. Business volumes grew by 3.3% whilst product pricing/mix increased by 3.2%. Cost recovery proved successful in ingredients & flavours markets with residual increases in some categories secured for 2012. The lag in cost recovery in the Group's consumer foods' businesses will be overcome through continuing business efficiency projects and pricing actions.

Business intersegment trading has been realigned to reflect changes in management responsibility for some European manufacturing facilities. This does not impact Group revenue, trading profit or trading margin. The 2010 comparatives have been re-presented on a similar basis.

Q4 sales volumes in ingredients & flavours reflect good growth against a strong comparative in 2010. Overall growth in the Group's consumer foods categories was weaker in the fourth quarter but the level of trading over the holiday period was encouraging. Over the full year ingredients & flavours' business volumes increased by 4% and consumer foods achieved 1.1% business volume growth.

Group trading profit reached a milestone level of €501m, an increase of 7.1% LFL. Despite the unprecedented cost inflationary challenges, the Group maintained solid underlying business trading margin momentum. Ingredients & flavours achieved 10 basis points margin improvement to 11.9%. Consumer foods margin was back 30 basis points to 7.8% despite the successful business efficiency measures undertaken during the year. Allowing for unallocated development costs relating to the global IT ('Kerryconnect') project and the arithmetical effect which cost recovery pricing has on the margin calculation, the Group trading profit margin in 2011 was back 10 basis points to 9.4%.

Adjusted profit after tax before brand related intangible asset amortisation increased by 11.2% to €375m (2010: €337m). Adjusted earnings per share increased by 11.1% to 213.4 cent (2010: 192.1 cent). The Board recommends a final dividend of 22.4 cent per share, an increase of 12% on the 2010 final dividend. Together with the interim dividend of 9.8 cent per share, this brings the total dividend for the year to 32.2 cent, an increase of 11.8% on the prior year.

Investment in research and development increased to €167m (2010: €156m). Capital expenditure amounted to €162m (2010: €139m). The Group achieved a free cash flow of €279m (2010: €305m).

BUSINESS REVIEWS

INGREDIENTS & FLAVOURS

	2011	Like-for-like (LFL) Growth
Revenue	€3,706m	7.7%
Trading profit	€439m	9.4%
Trading margin	11.9%	+10bps

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

Kerry's 'go-to-market' strategies, capitalising on its broad global ingredients & flavours development, technology layering opportunities and end-use-market focus continued to deliver stronger customer engagement and innovation in all regions in 2011. Sales revenue increased on a reported basis by 8.5% to €3,706m, reflecting 7.7% LFL growth. Business volumes grew by 4% and pricing/mix increased by 3.8%. Trading profit increased by 9.4% LFL to €439m with the division's trading margin improved by 10 basis points to 11.9%.

Innovation continues to be driven by increasing consumer demand for 'free-from foods', reduced calorie, reduced salt, reduced fat, higher-fibre, natural flavours and ingredients, enhanced nutritional and dietary products, in addition to continuing trends towards more convenient, cost-effective solutions, healthy snacking options and affordable indulgence; favouring development through Kerry's range of ingredients, flavours, texture, nutritional and taste solutions.

In December the Group completed the acquisition of Cargill's global flavours business. The business, acquired for a total consideration of US$230m, serves a global customer base through provision of flavour ingredients and flavour systems for beverage, dairy, sweet and savoury applications. It has long standing relationships with leading global food and beverage manufacturers through its integrated flavour development and application centres in France, the UK, South Africa, India, Malaysia, China, the USA, Puerto-Rico, Mexico and Brazil – supported by a network of sales representative offices in 12 other countries.

All Group technology clusters achieved satisfactory growth in 2011. Revenue grew by 7.9% in Savoury & Dairy systems, 5.4% in Cereal & Sweet systems, 12.6% in Beverage systems, 9.1% in Pharma, Nutritional & Functional ingredients and by 11.2% in Regional Technologies.

Americas Region

Revenue in the Americas region grew by 7.1% LFL to €1,558m. Business volumes increased by 3.3% and pricing/mix increased by 3.8%.

Savoury, Dairy & Culinary systems & flavours performed well throughout the region. Good growth was achieved in the yoghurt market through innovative lines in multiple product formats including ice cream applications and smoothie kits. Progress accelerated through formed sauces, dairy systems and dairy flavours in the prepared meals and side dishes categories. Savoury snacks provided good growth opportunities through regional snack manufacturer accounts and all-natural snack product suppliers incorporating Kerry's clean label flavouring systems. Coatings systems recorded solid growth in the meat sector and successful integration of new flavours into meat systems produced excellent results in the poultry sector. Foodservice applications grew year-on-year, as growth in particular through quick-serve-restaurants rebounded to pre-recession levels. In Latin American markets the meat, dairy and snack sectors saw double digit growth in 2011 providing good opportunity for Kerry's integrated systems & flavours.

Cereal & Sweet systems & flavours' performance improved as the year progressed, assisted by Kerry's integrated solutions approach. The ice cream and frozen desserts sector provided solid Kerry innovation opportunities for bite-size snackable offerings and frozen novelty lines. Demand for improved health and clean label offerings in the bakery sector led to good growth in Kerry's complete technology offering including flavours, shelf-life extenders, bio-ingredients and functional ingredients. Demand for particulates also grew through in-store bakery and foodservice channels. Snacking trends and seasonal product introductions also provided good growth opportunities in the confectionery category. Kerry's sweet systems & flavours achieved continued strong growth in Latin American markets benefiting from the expansion of sweet inclusions process capabilities in Mexico and Brazil. Despite sectoral challenges in the RTE cereal market Kerry continued to record good progress through key accounts and the successful introduction of infant cereal lines. The bar segment also provided new development opportunities for Kerry's integrated solutions. Market development in Latin America was advanced mid-year through the acquisition of *General Cereals S.A.* in Argentina.

Beverage systems & flavours saw strong growth in the nutritional, sport drinks, weight management and clinical nutrition sectors, and in tea and coffee applications. This provided good growth for Kerry beverage flavours and fmt™ flavour technology. Syrup lines saw renewed growth through speciality coffee and foodservice outlets. In the branded segment Da Vinci Gourmet 'Origins' line was successfully introduced and a novel non-fat yoghurt smoothie was launched under the Jet brand. The acquisitions of Agilex Flavors and Caffe D'Amore completed in late 2010 significantly assisted performance in North America. Kerry's beverage systems also achieved strong growth in Latin American markets in 2011 in particular in the nutritional beverages and soft drinks categories in Mexico, Argentina and Brazil.

The Group's ***pharma ingredients*** business achieved excellent growth in 2011 and significantly extended its global market positioning. Continued investment in its manufacturing capabilities, applications facilities and technical services in the USA, Brazil and India delivered strong growth for Kerry's excipient systems and tabletting technologies. The Group also significantly expanded its cell culture media supplements product portfolio through agreement on an exclusive global sales, marketing and development alliance. Media supplements, hydrolysed proteins and yeast extracts achieved solid growth in developing markets including China, India and Brazil. Production of pharmaceutical grade emulsifiers was successfully commissioned at the Group's facility in Kuala Lumpur and the completion of the acquisition of Cargill's flavours business also strengthened Kerry's position in provision of pharmaceutical approved flavours. In September, Mumbai based *Lactose India* was acquired broadening Kerry's positioning in excipients' markets. A new tablet coating facility and application centre was also established in India. Since year-end a US$10m programme commenced to establish a new Cell Science facility at the Kerry Center in Beloit (WI) to expand the Group's media enhancement capabilities for cell culture, vaccine development, microbial fermentation and diagnostics.

EMEA Region

Revenue in the EMEA region increased by 6.9% LFL to €1,475m. Business volumes grew by 2.7% and while there was some lag in cost recovery, the increase in input costs was substantially recovered with pricing/mix increased by 4.2%.

Savoury & Dairy systems & flavours performed above industry average but performance varied across end-use-markets and regional markets due to the impact of cost recovery initiatives. Meat coating systems performed well through added value poultry applications for retail and quick-serve-restaurant markets. The momentum towards clean label solutions led to increased uptake of Kerry's SFT™ all-natural shelf-life extension technology in the meat processing industry. Savoury flavours, cheese systems and snack seasonings achieved good growth in the snack sector. Prior to year-end the Group also acquired Durban, South Africa based *FlavourCraft* – a leading developer and provider of savoury flavours and seasonings for soup, sauce, prepared meal, snack and meat applications serving EMEA markets in particular developing markets in Africa. Dairy systems & flavours, proteins and enzyme technologies experienced good growth throughout European markets in 2011. Proteins achieved solid growth in the nutrition and confectionery sectors, in particular through hypo-allergenic hydrolysed proteins for infant nutritional products and through functional proteins for confectionery applications in developing markets. Cheese systems continued to record strong growth in the foodservice sector throughout all EMEA markets. A major investment programme was completed at the Listowel plant in Ireland to expand dairy flavour production capabilities and capacity.

Cereal & Sweet technologies saw good growth in the dairy & cereal bar markets and also through foodservice applications. Sweet systems recorded strong development in the ice cream market through successful innovation in the premium segment incorporating Kerry's cluster technologies and coating capability. The acquisition of *SuCrest* in October significantly expanded the Group's sweet ingredients & flavours business in the EMEA region. With production and product development facilities located in Hochheim, Germany and Vitebsk, Belarus and a sales representative office in Moscow, SuCrest is a leading provider of sweet ingredients to the bakery, ice cream, confectionery, cereal and snack sectors in European markets.

Kerry's integrated technology approach incorporating sweet systems, dairy systems, fermented ingredients and emulsifiers continued to provide good opportunity for growth in the bakery sector. Demand for indulgence applications in the fine bakery category was adversely impacted by restrained consumer spending. Market development in the RTE cereals sector was also weaker as manufacturers reconfigured brand portfolios in response to the high level of promotional activity and changing consumption patterns.

Beverage systems & flavours benefited from increased demand for more cost-effective solutions as beverage producers sought to mitigate raw material inflationary trends. Demand for lower calorie/reduced sugar provided solid growth through Kerry's fmt™ flavour technology. As consumers increasingly choose personalised beverage offerings, Da Vinci flavoured syrups recorded good growth in the European coffee chain market.

Primary Dairy markets benefited from strong demand from key importing countries in 2011. Despite higher output in major production zones pricing remained firm for most of the year buoyed by the level of international demand. Pricing weakened slightly in Q4 in line with the expansion in global supplies. The Newmarket cheese facility acquired in late 2010 was integrated into Kerry's dairy portfolio.

Asia-Pacific Region

Revenue in the Asia-Pacific region grew by 12% LFL to €605m. Business volumes increased by 10% despite a series of natural disasters which impacted the region. Pricing/mix increased by 2.8%.

Savoury & Dairy technologies recorded strong organic growth throughout Asia-Pacific markets. Dairy systems performed well in the snack and bakery markets in Malaysia and the Philippines. Cheese systems continued to grow in Japan and China, in particular for snack and biscuit applications. Lipid systems grew satisfactorily in the infant nutrition sector but the significant sectoral input cost increases adversely impacted performance in the tea & coffee end-use-market. China continued to provide a strong platform for growth in the infant nutritional sector. Culinary systems performed well throughout Asia, with good progress in the growing snack markets in Indonesia, the Philippines and Vietnam, and excellent growth through sauce applications in China.

Meat technologies grew strongly in Australia and New Zealand with good growth in the QSR sector and through added value poultry applications. The acquisition of *EBI Cremica* during the year has provided a platform for growth through coating systems in the food processing and foodservice sectors in India. A new applications centre was opened in Delhi to support savoury, culinary and beverage development. An infant nutrition spray drying facility was also commissioned at the Penang plant in Malaysia.

Beverage applications performed solidly with double digit growth in all end-use-markets supported by increased layering of the Group's beverage technologies. Successful innovation and extension of speciality beverage offerings continues to drive growth through specialist chain accounts and QSR's. Growth of the nutritional beverage market in China has continued to provide excellent opportunities for Kerry technologies including proteins, flavours and lipids. Da Vinci branded syrups and sauces again achieved solid double digit growth in the region. Brewing ingredients also recorded good progress in Australia and South East Asia. A dedicated Kerry Beverage applications centre was established in Kuala Lumpur, Malaysia to support regional market development.

Sweet technologies performed satisfactorily in the bakery sector. Good volume growth was achieved through Kerry's technologies in the bread sector in Thailand, China and the Philippines. Japan and Korea also provided increased opportunities for sweet systems, functional ingredients and bakery premix technologies. Kerry Pinnacle benefited from the Van den Bergh's and Croissant King branded bakery business acquired in late 2010 – forging closer relationships with key bakery customers in the franchise sector and bringing new frozen dough and pastry technology to the foodservice sector. The acquisition of the *IJC Fillings* business in Australia from the Windsor Farm Foods Group prior to year-end also significantly expands Kerry's sweet technology capabilities for the ice cream and bakery end-use-markets.

Functional ingredients performed well across the region. Emulsifiers & texturants recorded double digit growth with a strong performance through bakery, confectionery and tea & coffee applications.

CONSUMER FOODS

	2011	Like-for-like (LFL) Growth
Revenue	€1,674m	3.2%
Trading profit	€130m	1.0%
Trading margin	7.8%	-30bps

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

Further tightening of household budgets in Ireland and the UK has continued to drive value consumption and increased market promotional activity. This has heightened competition across branded and private label offerings and limited cost recovery pricing actions in some categories. While volume growth in Kerry Foods' business moderated during the year, a satisfactory performance was achieved in particular in the UK. Divisional profitability was maintained through an increased focus on business efficiency programmes.

Sales revenue increased to €1,674m reflecting 3.2% LFL growth. Overall business volumes grew by 1.1%, reflecting 2.6% volume growth in the UK and a decline of 2.6% in Ireland. Trading profit showed 1% LFL growth at €130m. Despite gains through business efficiency programmes, difficulties in cost recovery particularly in private label categories meant that the divisional trading margin was 30 basis points lower at 7.8%.

In the UK market Kerry Foods' ***UK Brands*** again achieved a strong performance. Richmond maintained good brand share growth in the sausage sector. While Wall's continues to establish brand leadership in sausage rolls it lost brand share in the fresh sausage market.

Mattessons continued to grow the meat snacking sector but 'Fridge Raiders' margins were adversely impacted by increased raw material costs. Mattessons 'Rippa Dippa' range introduced in late 2010 recorded good progress.

Cheestrings maintained leadership in the children's cheese snack sector despite heavy promotional activity in the category. The 'Cheestrings Spaghetti' variant launched in H2 2010 consolidated its market positioning. Low Low has repositioned its market focus to the cheese spreads and slices segments targeted towards taste and health offerings.

UK Customer Brands food categories remained highly competitive. Cost recovery proved challenging in some of Kerry's selected categories resulting in some loss of business in cooked meats and frozen meals. However Kerry Foods continued to record good growth in chilled ready meals and dairy spreads. In the chilled ready meals sector successful innovation contributed to further growth in Kerry Foods' major retailer accounts. In the frozen meals category, *Headland Foods* was acquired to consolidate Kerry's market positioning and assist in restoring stability to the frozen meals category. Due to the level of input cost increases impacting the category in 2011, the integrated Kerry Foods frozen meals business has had to forego loss making sales so as to maintain profitability in the category.

Kerry's ***Brands Ireland*** business has been realigned to reflect the current market environment as consumers remain challenged by the recessionary economic situation. The division's brands are now focussed on innovation to meet the needs of value conscious consumers without compromising on quality. Kerry Foods added value meat brands lost some market share in 2011 due to the level of promotional activity in the marketplace and low pricing from private label and discounter offerings. Since year-end Denny has brought significant product innovation to the sliced meats market with the launch of Ireland's first 100% Natural Ingredients Denny Deli Style ham. Dairygold maintained its number one brand position in the Irish spreads market. In the cheese sector brand leader Charleville grew market share in the first half of 2011 but lost share to heavily discounted offers in the second half of the year. Cheestrings continues to achieve good progress in Belgium and Holland and was successfully introduced to the German market in 2011. The Ficello brand maintained good growth in France.

Reconciliation of adjusted* earnings to profit after taxation	% Change	2011 €m	2010 €m
Continuing Operations			
Revenue	6.4% (LFL)	**5,302.2**	4,960.0
Trading profit	7.1% (LFL)	**500.5**	470.2
Trading margin		***9.4%***	*9.5%*
Computer software amortisation		**(5.4)**	(4.3)
Finance costs (net)		**(46.0)**	(60.5)
Adjusted* profit before taxation	10.8%	**449.1**	405.4
Income taxes (excluding non-trading items)		**(74.6)**	(68.7)
Adjusted* earnings after taxation	11.2%	**374.5**	336.7
Brand related intangible asset amortisation		**(13.9)**	(11.8)
Non-trading items (net of related tax)		**0.1**	(0.7)
Profit after taxation and attributable to equity shareholders	11.3%	**360.7**	324.2
		EPS Cent	EPS** Cent
Adjusted* EPS	11.1%	**213.4**	192.1
Brand related intangible asset amortisation		**(7.9)**	(6.7)
Non-trading items (net of related tax)		**-**	(0.4)
Basic EPS	11.1%	**205.5**	185.0

(LFL) Like-for-like basis excluding the impact of acquisitions, disposals and foreign exchange translation

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

*** 2010 re-presented to treat computer software amortisation as a cost in calculating adjusted EPS*

Exchange Rates

Group results are impacted by fluctuations in exchange rates versus the Euro, in particular movements in US dollar and sterling exchange rates. In 2011 movements in exchange rates negatively impacted revenue by **(1.8%)** (2010: 4.5% positive impact) and trading profit by **(1.6%)** (2010: 3.0% positive impact). The average and closing rates for US dollar and sterling used to translate reported results are detailed below.

	Average Rates		Closing Rates	
	2011	2010	2011	2010
USD	**1.40**	1.33	**1.29**	1.34
STG	**0.87**	0.86	**0.84**	0.86

Finance Costs

Finance costs for the year decreased by €14.5m to **€46.0m** (2010: €60.5m) as the impact of lower interest rates more than offset the impact of acquisition spend and capital investment. The Group's average interest rate for the year was **4.0%,** a decrease of 70 basis points from the prior year (2010: 4.7%).

Taxation

The tax charge for the year, before non-trading items, was **€74.6m** (2010: €68.7m) representing an effective tax rate of **17.1%** (2010: 17.5%).

Adjusted EPS

Adjusted EPS increased by 11.1% to **213.4 cent** (2010: 192.1 cent). Basic EPS also increased by 11.1% from 185.0 to **205.5 cent.**

From 2011 computer software amortisation is treated as a cost in calculating adjusted EPS. This represents a change in the way adjusted EPS is calculated and is due to the increase in computer software amortisation attributable to the Kerryconnect project which the Group is currently undertaking. Adjusted EPS for prior periods has been calculated and re-presented on this new basis.

Free Cash Flow

In the year under review the Group achieved a free cash flow of **€278.8m** (2010: €304.8m) having spent €162.2m on non-current assets, €3.8m on working capital, €34m on net pension plan payments, €46.6m on finance costs and €75.9m on tax.

The free cash flow of €278.8m generated during the year was utilised as follows:

- Expenditure on acquisitions net of disposals, including deferred consideration on prior year acquisitions of €359.2m (2010: €157.6m)
- Expenditure on non-trading items of €13.9m (2010: €26.4m)
- Equity dividends paid of €52.4m (2010: €45.7m).

Financial Position

Net debt at the end of the year was **€1,287.7m** (2010: €1,111.9m). In April 2011 the Group negotiated a 5 year €1bn revolving credit facility with a syndicate of banks which provides a committed line of credit until April 2016 and significantly extends the maturity profile of committed facilities to the Group. Undrawn committed and undrawn standby facilities at the end of the year were €560m (2010: €655m).

At 31 December the key financial ratios were as follows;

	Covenant	2011 TIMES	2010 TIMES
Net debt: EBITDA*	Maximum 3.5	**2.0**	1.8
EBITDA: Net interest*	Minimum 4.75	**13.5**	10.1

** Calculated in accordance with lenders facility agreements*

The Group's balance sheet is in a healthy position and with a net debt to EBITDA* ratio of 2.0 times the organisation has sufficient headroom to support its future growth plans.

Shareholders' equity increased by €218.3m to **€1,845.3m** (2010: €1,627.0m) as profits generated during the year, together with the positive impact of retranslating the Group's net investment in its foreign currency subsidiaries, more than offset the negative impact of actuarial losses on defined benefit schemes.

The Company's shares traded in the range €23.67 to €30.10 during the year. The share price at 31 December was **€28.28** (2010: €24.97) giving a market capitalisation of **€5.0 billion** (2010: €4.4 billion). Total Shareholder Return for 2011 was 14.4% and for the last 5 years was 58%.

Retirement Benefits

At the balance sheet date, the net deficit for all defined benefit schemes (after deferred tax) was **€212.5m** (2010: €144.6m). The increase year-on-year reflects higher estimated liabilities as a result of lower discount rates which is partially offset by an increase in the market value of pension schemes' assets. The net deficit expressed as a percentage of market capitalisation at 31 December was **4.3%** (2010: 3.3%). The charge to the income statement during the year, for both defined benefit and defined contribution schemes was **€34.8m** (2010: €32.8m).

Acquisitions

The Group completed a number of acquisitions during the year at a total cost of **€386.4m**. The majority of acquisitions were completed by the Ingredients and Flavours division strengthening the Group's capabilities across a range of technologies and expanding Kerry's footprint into new geographies. The most significant acquisitions in the year were Cargill's flavours business which closed in December and SuCrest acquired in October. The acquisition of Headland Foods in January by the Consumer Foods division was cleared by the UK Competition Authority prior to year end. A number of bolt on acquisitions in Ingredients & Flavours were also completed during the year.

DIVIDEND

The Board recommends a final dividend of 22.4 cent per share (an increase of 12% on the 2010 final dividend) payable on 11 May 2012 to shareholders registered on the record date 13 April 2012. When combined with the interim dividend of 9.8 cent per share this brings the total dividend for the year to 32.2 cent, an increase of 11.8% relative to the previous year.

ANNUAL REPORT AND ANNUAL GENERAL MEETING

The Group's Annual Report will be published in early April and the Annual General Meeting will be held in Tralee on 2 May 2012.

BOARD CHANGES

The Board of Directors were deeply saddened at the passing of Board colleague Kevin Kelly whose death occurred on 4 January 2012.

On 11 January 2012, Ms Joan Garahy was appointed as a non-executive Director of the Company. Ms Garahy is Managing Director of ClearView Investments & Pensions Ltd. She is a qualified Financial Advisor and Investment Specialist.

Mr Michael J Fleming retired from the Board. On 11 January 2012, Mr Michael Teahan, a Director of Kerry Co-operative Creameries Ltd, was appointed to the Board.

On 20 February 2012, Mr Philip Toomey was appointed as a non-executive Director of the Company. Formerly a Global Chief Operating Officer at Accenture, Mr Toomey has wide ranging international consulting experience. He is a fellow of the Institute of Chartered Accountants of Ireland and a member of the Board of United Drug plc.

FUTURE PROSPECTS

In a challenging business environment, Kerry has continued to perform robustly while investing in our capabilities and positioning for the future. The Group has made significant progress in design and early implementation of 1 Kerry business transformation programmes and the 'Kerryconnect' business enablement project, embedding a culture of continuous improvement throughout the global Kerry organisation. The Group will continue to invest towards achieving business excellence across all its operations and functional areas – leveraging Kerry's global expertise and capabilities, whilst optimising manufacturing, scale and efficiency benefits.

We are well focused on capitalising on the layering opportunities across Kerry's global technology portfolio – delivering industry-leading innovative ingredient & taste solutions and pharma, nutritional and functional ingredients for food, beverage and pharmaceutical markets. Our consumer foods business has strong branded and customer branded positions in the UK and Irish markets, which coupled with Kerry Foods' ongoing business efficiency programmes and product differentiation through innovation, will sustain the profitable growth of the business.

The Group is confident of achieving its strategic growth objectives in 2012 and expects to achieve seven to ten per cent growth in adjusted earnings per share to a range of 228 to 235 cent per share (2011: 213.4 cent).

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

Kerry Group plc

Consolidated Income Statement
for the year ended 31 December 2011

	Notes	**2011 €'m**	2010 €'m
Continuing operations			
Revenue	1	**5,302.2**	4,960.0
Trading profit	1	**500.5**	470.2
Intangible asset amortisation		**(19.3)**	(16.1)
Non-trading items	2	**(1.8)**	(0.8)
Operating profit		**479.4**	453.3
Finance income		**0.9**	0.9
Finance costs		**(46.9)**	(61.4)
Profit before taxation		**433.4**	392.8
Income taxes		**(72.7)**	(68.6)
Profit after taxation and attributable to equity shareholders		**360.7**	324.2
Earnings per A ordinary share		**Cent**	Cent
- basic	3	**205.5**	185.0
- diluted	3	**205.4**	184.7

Kerry Group plc

Consolidated Statement of Recognised Income and Expense

for the year ended 31 December 2011

	2011	2010
	€'m	€'m
Profit for the year after taxation	**360.7**	324.2
Other comprehensive (expense) / income:		
Fair value movements on cash flow hedges	**(7.1)**	22.0
Exchange difference on translation of foreign operations	**11.5**	57.3
Actuarial losses on defined benefit post-retirement schemes	**(112.5)**	(30.3)
Deferred tax on items taken directly to reserves	**18.6**	2.0
Net (expense) / income recognised directly in other comprehensive income	**(89.5)**	51.0
Reclassification to profit or loss from equity:		
Cash flow hedges	**(2.5)**	1.2
Available-for-sale investments	**-**	7.4
Total comprehensive income	**268.7**	383.8

Kerry Group plc

Consolidated Balance Sheet

as at 31 December 2011

	2011	2010
	€'m	€'m
Non-current assets		
Property, plant and equipment	**1,208.7**	1,107.2
Intangible assets	**2,294.6**	1,998.9
Financial asset investments	**19.3**	8.2
Non-current financial instruments	**84.0**	42.7
Deferred tax assets	**10.2**	8.9
	3,616.8	3,165.9
Current assets		
Inventories	**658.5**	531.6
Trade and other receivables	**709.8**	618.7
Cash and cash equivalents	**237.9**	159.3
Other current financial instruments	**1.4**	4.7
Assets classified as held for sale	**5.6**	5.4
	1,613.2	1,319.7
Total assets	**5,230.0**	4,485.6
Current liabilities		
Trade and other payables	**1,136.9**	1,017.9
Borrowings and overdrafts	**39.0**	181.3
Other current financial instruments	**16.5**	12.2
Tax liabilities	**25.2**	34.4
Provisions	**26.1**	18.3
Deferred income	**2.3**	2.5
	1,246.0	1,266.6
Non-current liabilities		
Borrowings	**1,559.9**	1,123.2
Other non-current financial instruments	**10.7**	-
Retirement benefits obligation	**277.5**	194.7
Other non-current liabilities	**63.1**	55.3
Deferred tax liabilities	**173.0**	166.4
Provisions	**33.1**	30.7
Deferred income	**21.4**	21.7
	2,138.7	1,592.0
Total liabilities	**3,384.7**	2,858.6
Net assets	**1,845.3**	1,627.0
Issued capital and reserves attributable to equity holders of the parent		
Share capital	**21.9**	21.9
Share premium account	**398.7**	398.7
Other reserves	**(94.3)**	(98.2)
Retained earnings	**1,519.0**	1,304.6
Shareholders' equity	**1,845.3**	1,627.0

Kerry Group plc

Consolidated Statement of Changes in Equity
for the year ended 31 December 2011

	Notes	Share Capital €'m	Share Premium €'m	Other Reserves €'m	Retained Earnings €'m	Total €'m
At 1 January 2010		21.8	395.2	(187.4)	1,054.4	1,284.0
Total comprehensive income		-	-	87.9	295.9	383.8
Dividends paid	4	-	-	-	(45.7)	(45.7)
Long term incentive plan expense		-	-	1.3	-	1.3
Shares issued during year		0.1	3.5	-	-	3.6
At 31 December 2010		21.9	398.7	(98.2)	1,304.6	1,627.0
Total comprehensive income		**-**	**-**	**1.9**	**266.8**	**268.7**
Dividends paid	4	**-**	**-**	**-**	**(52.4)**	**(52.4)**
Long term incentive plan expense		**-**	**-**	**2.0**	**-**	**2.0**
Shares issued during year		**-**	**-**	**-**	**-**	**-**
At 31 December 2011		**21.9**	**398.7**	**(94.3)**	**1,519.0**	**1,845.3**

Other Reserves comprise the following:

	Capital Redemption Reserve €'m	Capital Conversion Reserve Fund €'m	Long Term Incentive Plan Reserve €'m	Available-for-sale Investment Reserve €'m	Translation Reserve €'m	Hedging Reserve €'m	Total €'m
At 1 January 2010	1.7	0.3	2.1	(7.4)	(158.0)	(26.1)	(187.4)
Total comprehensive income	-	-	-	7.4	57.3	23.2	87.9
Long term incentive plan expense	-	-	1.3	-	-	-	1.3
At 31 December 2010	1.7	0.3	3.4	-	(100.7)	(2.9)	(98.2)
Total comprehensive income/(expense)	**-**	**-**	**-**	**-**	**11.5**	**(9.6)**	**1.9**
Long term incentive plan expense	**-**	**-**	**2.0**	**-**	**-**	**-**	**2.0**
At 31 December 2011	**1.7**	**0.3**	**5.4**	**-**	**(89.2)**	**(12.5)**	**(94.3)**

Kerry Group plc

Consolidated Cash Flow Statement

for the year ended 31 December 2011

	Notes	2011 €'m	2010 €'m
Operating activities			
Trading profit		**500.5**	470.2
Adjustments for:			
Depreciation (net) and impairment		**100.8**	148.4
Change in working capital		**(3.8)**	(21.5)
Pension contributions paid less pension expense		**(34.0)**	(41.1)
Expenditure on non-trading items		**(13.9)**	(26.4)
Exchange translation adjustment		**(2.8)**	(1.5)
Cash generated from operations		**546.8**	528.1
Income taxes paid		**(75.9)**	(54.2)
Finance income received		**0.9**	0.9
Finance costs paid		**(47.5)**	(58.5)
Net cash from operating activities		**424.3**	416.3
Investing activities			
Purchase of property, plant and equipment		**(144.3)**	(149.2)
Purchase of intangible assets		**(29.7)**	(1.8)
Proceeds from the sale of property, plant and equipment		**9.9**	7.2
Capital grants received		**1.9**	4.4
Purchase of subsidiary undertakings (net of cash acquired)	5	**(361.6)**	(150.7)
Proceeds/(payments) due to disposal of businesses (net of related tax)		**5.6**	(2.7)
Payment of deferred consideration on acquisition of subsidiaries		**(4.3)**	(7.8)
Consideration adjustment on previous acquisitions		**1.1**	3.6
Net cash used in investing activities		**(521.4)**	(297.0)
Financing activities			
Dividends paid	4	**(52.4)**	(45.7)
Issue of share capital		**-**	3.6
Net movement on bank borrowings		**233.0**	(201.8)
Net cash movement due to financing activities*		**180.6**	(243.9)
Net increase / (decrease) in cash and cash equivalents		**83.5**	(124.6)
Cash and cash equivalents at beginning of year*		152.1	268.1
Exchange translation adjustment on cash and cash equivalents		**1.4**	8.6
Cash and cash equivalents at end of year		**237.0**	152.1
Reconciliation of Net Cash Flow to Movement in Net Debt			
Net increase/(decrease) in cash and cash equivalents		**83.5**	(124.6)
Cash (inflow)/outflow from debt financing		**(233.0)**	201.8
Changes in net debt resulting from cash flows		**(149.5)**	77.2
Fair value movement on interest rate swaps recognised in shareholders' equity		**(4.6)**	19.4
Exchange translation adjustment on net debt		**(21.7)**	(49.1)
Movement in net debt in the year		**(175.8)**	47.5
Net debt at beginning of year		(1,111.9)	(1,159.4)
Net debt at end of year		**(1,287.7)**	(1,111.9)

*The 2010 cash and cash equivalents balances have been re-presented to include bank overdrafts of €7.2m in the Consolidated Cash Flow Statement which continue to be included in borrowings and overdrafts in the Consolidated Balance Sheet.

Kerry Group plc

Notes to the Financial Statements
for the year ended 31 December 2011

1. Analysis of results

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.

	Ingredients & Flavours 2011 €'m	**Consumer Foods 2011 €'m**	**Group Eliminations and Unallocated 2011 €'m**	**Total 2011 €'m**	Ingredients & Flavours 2010* €'m	Consumer Foods 2010* €'m	Group Eliminations and Unallocated 2010* €'m	Total 2010* €'m
External revenue	**3,638.1**	**1,664.1**	**-**	**5,302.2**	3,351.7	1,608.3	-	4,960.0
Inter-segment revenue	**68.3**	**9.4**	**(77.7)**	**-**	64.7	14.9	(79.6)	-
Revenue	**3,706.4**	**1,673.5**	**(77.7)**	**5,302.2**	3,416.4	1,623.2	(79.6)	4,960.0
Trading profit	**439.3**	**130.4**	**(69.2)**	**500.5**	402.4	130.9	(63.1)	470.2
Intangible asset amortisation	**(13.6)**	**(1.4)**	**(4.3)**	**(19.3)**	(12.0)	(1.6)	(2.5)	(16.1)
Non-trading items	**6.2**	**(8.0)**	**-**	**(1.8)**	(0.5)	(0.3)	-	(0.8)
Operating profit	**431.9**	**121.0**	**(73.5)**	**479.4**	389.9	129.0	(65.6)	453.3
Finance income				**0.9**				0.9
Finance costs				**(46.9)**				(61.4)
Profit before taxation				**433.4**				392.8
Income taxes				**(72.7)**				(68.6)
Profit after taxation and attributable to equity shareholders				**360.7**				324.2

Segment assets and liabilities

	Ingredients & Flavours 2011 €'m	**Consumer Foods 2011 €'m**	**Group Eliminations and Unallocated 2011 €'m**	**Total 2011 €'m**	Ingredients & Flavours 2010* €'m	Consumer Foods 2010* €'m	Group Eliminations and Unallocated 2010* €'m	Total 2010* €'m
Segment assets	**3,267.7**	**1,114.3**	**848.0**	**5,230.0**	2,738.2	1,107.5	639.9	4,485.6
Segment liabilities	**(820.4)**	**(472.4)**	**(2,091.9)**	**(3,384.7)**	(671.5)	(440.3)	(1,746.8)	(2,858.6)
Net assets	**2,447.3**	**641.9**	**(1,243.9)**	**1,845.3**	2,066.7	667.2	(1,106.9)	1,627.0

Other segmental information

	Ingredients & Flavours 2011 €'m	**Consumer Foods 2011 €'m**	**Group Eliminations and Unallocated 2011 €'m**	**Total 2011 €'m**	Ingredients & Flavours 2010* €'m	Consumer Foods 2010* €'m	Group Eliminations and Unallocated 2010* €'m	Total 2010* €'m
Property, plant and equipment additions	**111.4**	**31.0**	**-**	**142.4**	127.5	24.9	-	152.4
Depreciation (net) and impairment	**71.0**	**29.8**	**-**	**100.8**	87.4	39.3	21.7	148.4
Intangible asset additions	**0.5**	**0.1**	**29.1**	**29.7**	0.3	0.1	1.4	1.8

Notes to the Financial Statements (continued)
for the year ended 31 December 2011

1. Analysis of results (continued)

Information about geographical areas

	EMEA 2011 €'m	**Americas 2011 €'m**	**Asia Pacific 2011 €'m**	**Total 2011 €'m**	EMEA 2010 €'m	Americas 2010 €'m	Asia Pacific 2010 €'m	Total 2010 €'m
Revenue by location of external customers	**3,139.2**	**1,557.7**	**605.3**	**5,302.2**	2,972.2	1,479.0	508.8	4,960.0
Segment assets by location	**3,329.7**	**1,494.9**	**405.4**	**5,230.0**	2,882.7	1,251.9	351.0	4,485.6
Property, plant and equipment additions	**70.6**	**56.6**	**15.2**	**142.4**	58.8	76.3	17.3	152.4
Intangible asset additions	**29.3**	**0.3**	**0.1**	**29.7**	1.7	0.1	-	1.8

Kerry Group plc is domiciled in the Republic of Ireland and the revenues from external customers in the Republic of Ireland were **€548.3m** (2010: €581.5m). The segment assets located in the Republic of Ireland are **€1,309.0m** (2010: €1,206.0m).

Revenues from external customers include **€1,706.0m** (2010: €1,606.0m) in the United Kingdom and **€1,202.0m** (2010: €1,143.0m) in the USA.

*The 2010 segmental analysis has been re-presented to reflect the change in management responsibility during the year.

2. Non-trading items

	2011 €'m	2010 €'m
(Loss)/profit on disposal of non-current assets	**(8.4)**	0.2
Profit/(loss) on acquisition/disposal of businesses	**17.3**	(1.0)
Acquisition related costs	**(10.7)**	-
	(1.8)	(0.8)
Tax	**1.9**	0.1
	0.1	(0.7)

Loss on disposal of non-current assets
This loss relates primarily to the disposal of property, plant & equipment in the US, UK and Brazil.

Profit / (loss) on acquisition / disposal of businesses
The Group acquired the controlling interest of previously held investments and as required under IFRS 3 (2008) 'Business Combinations', these were fair valued with the resulting gain of **€22.5m** taken to the Consolidated Income Statement. This has been partially offset by losses on the sale of the Dawn Dairies business in Co. Limerick, Ireland and other non-core businesses in the US and Ireland.

Acquisition related costs
Acquisition related costs include transaction expenses incurred in completing the 2011 acquisitions such as professional service fees and due diligence. In addition, the Group incurred costs in integrating the acquisitions into the Group's operations and structure.

2010 Non-trading items
The loss on disposal of businesses relates primarily to the sale of the non-core Kerry Spring business in Co. Kerry, Ireland and the sale of the Dawn Dairies business in Co. Galway, Ireland.

Notes to the Financial Statements (continued)
for the year ended 31 December 2011

3. Earnings per A ordinary share

	Notes	**EPS cent**	**2011 €'m**	EPS cent	2010** €'m
Basic earnings per share					
Profit after taxation and attributable to equity shareholders		**205.5**	**360.7**	185.0	324.2
Brand related intangible asset amortisation		**7.9**	**13.9**	6.7	11.8
Non-trading items (net of related tax)	2	**-**	**(0.1)**	0.4	0.7
Adjusted earnings*		**213.4**	**374.5**	192.1	336.7
Diluted earnings per share					
Profit after taxation and attributable to equity shareholders		**205.4**	**360.7**	184.7	324.2
Adjusted earnings*		**213.3**	**374.5**	191.8	336.7

*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.

**In previous years the Group had calculated adjusted earnings per share after adding back all intangible asset amortisation including computer software amortisation. However from 2011, with 2010 re-presented, computer software amortisation is being treated as a cost in arriving at adjusted earnings per share. This is due to the significance of the Kerryconnect programme the Group is currently undertaking.

	Number of Shares 2011 m's	Number of Shares 2010 m's
Basic weighted average number of shares for the year	**175.5**	175.3
Impact of share options outstanding	**0.1**	0.2
Diluted weighted average number of shares for the year	**175.6**	175.5
Actual number of shares in issue as at 31 December	**175.5**	175.5

4. Dividends

	2011 €'m	2010 €'m
Amounts recognised as distributions to equity shareholders in the year		
Final 2010 dividend of **20.00 cent** per A ordinary share paid 13 May 2011 (Final 2009 dividend of 17.30 cent per A ordinary share paid 14 May 2010)	**35.2**	30.3
Interim 2011 dividend of **9.80 cent** per A ordinary share paid 11 November 2011 (Interim 2010 dividend of 8.80 cent per A ordinary share paid 12 November 2010)	**17.2**	15.4
	52.4	45.7

Since the year end the Board has proposed a final 2011 dividend of 22.40 cent per A ordinary share. The payment date for the final dividend will be 11 May 2012 to shareholders registered on the record date as at 13 April 2012. These consolidated financial statements do not reflect this dividend.

5. Business combinations

During 2011, the Group completed 14 bolt on acquisitions, all of which are 100% owned by the Group.

	Acquirees' Carrying Amount before Combination			Fair Value Adjustments		
	Cargill Flavour Systems 2011 €'m	**Other 2011 €'m**	**Total 2011 €'m**	**Revaluations 2011 €'m**	**Alignment of Accounting Policies 2011 €'m**	**Total 2011 €'m**
Recognised amounts of identifiable assets acquired and liabilities assumed:						
Non-current assets						
Property, plant and equipment	**31.7**	**37.3**	**69.0**	**(0.7)**	**-**	**68.3**
Brand related intangibles	**-**	**-**	**-**	**123.2**	**-**	**123.2**
Computer software	**0.3**	**0.3**	**0.6**	**(0.2)**	**-**	**0.4**
Current assets						
Inventories	**25.3**	**17.1**	**42.4**	**-**	**(2.5)**	**39.9**
Trade and other receivables	**22.4**	**16.7**	**39.1**	**-**	**-**	**39.1**
Current liabilities						
Trade and other payables	**(26.9)**	**(5.2)**	**(32.1)**	**9.1**	**(1.0)**	**(24.0)**
Non-current liabilities						
Deferred tax liabilities	**-**	**-**	**-**	**(5.6)**	**-**	**(5.6)**
Other non-current liabilities	**-**	**(8.1)**	**(8.1)**	**8.1**	**-**	**-**
Total identifiable assets	**52.8**	**58.1**	**110.9**	**133.9**	**(3.5)**	**241.3**
Goodwill						**145.1**
Total consideration						**386.4**
Satisfied by:						
Cash	**172.6**	**189.0**	**361.6**	**-**	**-**	**361.6**
Contingent consideration	**-**	**1.2**	**1.2**	**-**	**-**	**1.2**
Deferred payment	**-**	**1.1**	**1.1**	**-**	**-**	**1.1**
Fair value gain on previously held interest	**-**	**22.5**	**22.5**	**-**	**-**	**22.5**
	172.6	**213.8**	**386.4**	**-**	**-**	**386.4**

The acquisition method of accounting has been used to consolidate the businesses acquired in the Group's 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. There have been no material revisions of the provisional fair value adjustments since the initial values were established for each of the acquisitions completed in 2010. The cash discharged figure above includes **€5.3m** of net debt taken over at the date of acquisition.

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. **€24.1m** of goodwill recognised is expected to be deductible for income tax purposes.

Transaction expenses related to acquisitions of **€3.9m** were charged against non-trading items in the Group's Consolidated Income Statement during the year.

The contingent consideration arrangements require specific contractual obligations to be met before a settlement is made. These contractual obligations vary in relation to the acquisitions to which they relate. The estimated fair value of these obligations at the acquisition date was €1.2m. The potential amount of all future payments which the Group could be required to make under these arrangements is approximately between €1.2m and €2.3m.

The fair value of the financial assets includes trade and other receivables with a fair value of €39.1m and a gross contractual value of €41.2m.

Notes to the Financial Statements (continued)
for the year ended 31 December 2011

5. Business combinations (continued)

The principal acquisitions completed during 2011 are summarised as follows:

In January 2011, the Group acquired the following:
- the Unilever Frozen Savory Foodservice business based in Texas and North Carolina USA, which develops and markets a variety of frozen soups, frozen sauces and meal solutions;
- the business and assets of UK based Headland Foods. Headland Foods is a leading manufacturer of frozen customer branded ready meals supplying major retailers in the UK. The Competition Commission in the UK formally cleared the completed acquisition of Headland Foods in December 2011; and
- EBI Cremica, a provider of food coating systems to the food processor and foodservice sectors in India.

The Group acquired General Cereals S.A. in June 2011, based in Argentina the acquired company manufactures extruded cereals for a range of customers.

The Group acquired the business and assets of Lactose India in September 2011, which manufactures lactose based products for the pharmaceutical market.

In October 2011 the Group acquired SuCrest GmbH, a leading provider of sweet ingredients to the bakery, ice-cream, confectionery, cereal and snack sectors in European markets. Production and product development facilities are located in Germany and Belarus.

In December 2011, the Group acquired the following:
- the Cargill Flavour Systems business (CFS). This business has well-established flavour technology development expertise serving a global customer base from its integrated flavour development centres in France, the UK, South Africa, India, Malaysia, China, the USA, Puerto Rico, Mexico and Brazil;
- the business and assets of FlavourCraft, the acquired business based in South Africa, is a provider of flavourings and food formulations to regional savoury and food markets; and
- the business and assets of IJC, which was part of the Australian Windsor Farms Foods sweet ingredients business. The business supplies sweet ingredients to the bakery and confectionery end-use markets.

In addition, the Group acquired the remaining controlling interest in Esterol Sdn. Bhd which is a manufacturer of food emulsifiers. The initial investment was acquired by the Group as part of a previous business combination. The interest not controlled was not material and was held in non-current liabilities. On acquiring control the Group, as required under IFRS 3 (2008) 'Business Combinations', re-measured its existing interest at fair value with the resulting gain recognised in the Consolidated Income Statement. The Group also completed a number of smaller acquisitions in the UK, Canada and Central America.

The main acquisitions contributed revenue of €56.6m to the Group in 2011. If these acquisitions had been completed on 1 January 2011, total Group revenue for the year would have been €5,507.1m.

During 2011 after allowing for acquisition related costs the main acquisitions contributed a loss after tax of €10.8m. If these acquisitions had been completed on 1 January 2011, the Group profit after tax would have been €370.6m.

Due to the fact CFS was acquired near the end of 2011, the revenue included in the Group's reported revenue is not material and loss after tax and acquisition related costs included in the Group results was €3.5m. In a full year CFS is expected to contribute revenue of €142.9m.

6. Events after the balance sheet date

Since the year end, the Group has proposed a final dividend of 22.40 cent per A ordinary share (note 4).

There have been no other significant events, outside the ordinary course of business, affecting the Group since 31 December 2011.

Notes to the Financial Statements (continued)
for the year ended 31 December 2011

7. General information and accounting policies

The financial information set out in this document does not constitute full statutory financial statements for the years ended 31 December 2011 or 2010 but is derived from same. The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), applicable Irish law and the Listing Rules of the Irish and London Stock Exchanges. The Group's financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The 2011 and 2010 financial statements have been audited and received unqualified audit reports. The 2011 financial statements were approved by the Board of Directors on 20 February 2012.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial asset investments and financial liabilities (including derivative financial instruments), which are held at fair value. The Group's accounting policies will be included in the Annual Report & Accounts to be published in April 2012.