Disclaimer: Forward Looking Statements

This presentation/announcement may contain forward looking statements with projections regarding, among other things, the Group’s strategy, revenues, earnings, trading profit, trading margin, finance costs, tax rate, capital expenditure, dividends, cash flow, net debt or other financial measures, the impact of foreign exchange fluctuations, the impact of raw material fluctuations and other competitive pressures. These and other forward looking statements reflect management expectations based on currently available data.

However, actual results will be influenced by, among other things, macro-economic conditions, food industry supply and demand issues, foreign exchange fluctuations, raw material and commodity fluctuations, the successful acquisition and integration of new businesses, the successful execution of business transformation programmes and other, as of today, unknown factors. Therefore actual results may differ materially from these projections.

These forward looking statements speak only as of the date they were made and the Group undertakes no obligation to publicly update any forward looking statement, whether as a result of new information, future events or otherwise.
Interim Management Report 2017

1. Review of Business
   Stan McCarthy, CEO

2. Financial Review
   Brian Mehigan, CFO

3. Outlook and Future Prospects
   Stan McCarthy, CEO
H1 2017 – Strong Organic Performance
Outperforming Our Markets

HIGHLIGHTS

• Good business volume growth in all regions
• Consumer trends driving innovation
• Solid foodservice growth
• Double digit growth in Asia
• ‘In-market’ investment winning – delivering local taste preferences

GROWTH

Adjusted* EPS
+7.5%
Strong underlying result

Volume
+3.8%
Outperforming our markets

Trading Margin
10.6%
Underlying expansion offset by currency and Kerryconnect investment

RETURNS

ROACE*
+13.2%
Ahead of target

Free Cash Flow
€357m
141% conversion

Interim Dividend
+11.9%
Dividend of 18.8 cent proposed

Note: * before brand related intangible asset amortisation and non-trading items (net of related tax)
H1 2017 Market Overview

**MARKETPLACE**
- Increasingly fragmented marketplace and consumer demand
- Clean-label, nutritional, natural and convenience driving product innovation
- ‘Out-of-home’ consumption growing
- ‘Centre of store’ branded offerings impacted by consumer trends
- Growth of premium and value propositions
- E-tail and c stores growing at expense of traditional shopping

**DEVELOPED MARKETS**
- Stable economic conditions but currency volatility and increased raw material pricing limits growth
- ‘Flexitarian’ and lifestyle/life stage consumption growing
- Growth in demand for diverse natural flavours and alternative proteins
- Channel disruption continues to drive premiumisation, local and convenient solutions

**DEVELOPING MARKETS**
- Urbanisation – growth of tier 2/3 cities
- Growth of middle class consumption
- Increased demand for trusted, safe, nutritious food and beverages
- Strong growth throughout Asia
- Strong foodservice growth driving product diversification
Strong Underlying Growth

GROUP

€3,181m
Volume +3.8%
Margin maintained

TASTE & NUTRITION

€2,543m
Volume +4.2%
Margin +20bps

CONSUMER FOODS

€677m
Volume +2.3%
Margin (70bps)
### Business Review – Taste & Nutrition

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€2,543m</td>
<td>+4.2%*</td>
</tr>
<tr>
<td>Trading profit</td>
<td>€331m</td>
<td>+8.8%</td>
</tr>
<tr>
<td>Trading margin</td>
<td>13.0%</td>
<td>+20bps</td>
</tr>
</tbody>
</table>

- Solid Kerry volume growth across global marketplace
  - Holistic business model delivering
- Good growth in Americas; improved performance in Europe; excellent results in Asia-Pacific region
- Clean label demands driving innovation across all end-use-markets and channels
- Price inflation of 1.7% reflecting customer partnership agreements
- Continued margin progression – underlying margin growth driven by enhanced product mix
- Taste and Beverage solutions deliver strong growth in foodservice channel in all regions
- Acquired businesses performing well

Note: * volume growth
REVIEW OF BUSINESS

Business Review – Taste & Nutrition

Business Growth By Region

VOLUME GROWTH BY REGION

AMERICAS
- North America delivering strong performance through meat, beverage and bakery applications
- ‘Red Arrow’ delivers strong market development
- Dairy, Culinary strong performance in LATAM but back in North America
- Brazil improved performance; Mexico and Central America weaker due to economic conditions
- Acquisition of Ben Alimentos in Brazil

EMEA
- Improved regional business performance – driven by Taste technologies, ‘commercial effectiveness’ strategies and ‘in-market’ customer service
- Solid performance in the meat sector, assisted by regional foodservice growth
- Dairy & Culinary benefits from snacking trends
- Improved returns from primary dairy markets
- Russia, MENAT – good market development. Sub-Saharan Africa stabilised

ASIA-PACIFIC
- Strong growth across all core technologies and regional markets
- Foodservice channel providing excellent innovation opportunities
- Acquisition of:
  – Tianning Flavours, China
  – Taste Master, Australia
  – Hangman Flavours, China
- Solid growth through beverage, culinary, meat and snacking categories
- Wellmune® records good growth in nutritional beverage sector

REVENUE

€1,339m
3.6% VOLUME GROWTH

€750m
2.3% VOLUME GROWTH

€419m
10.3% VOLUME GROWTH
Business Review – Consumer Foods

Revenue
Trading profit
Trading margin

H1 2017
€677m
€51m
7.6%

GROWTH
+2.3%*
(11.1%)
(70bps)

• Good volume growth in meat and dairy snacking, and meal solutions
• Inflationary environment in the UK, with +1.9% average pricing across the period
• Underlying margin improvement of 30bps more than offset by transaction currency headwind of 100bps
• Convenience formats, discounters and e-tail growing
• Retailers focus on EDLP vs short term promotions
• Innovations performing well – Fire & Smoke sliced meats, Dairygold Softer butter and premium meal ranges

DAIRY
• Cheese snacking – ‘Cheestrings’ good growth
  – ‘Attack-A-Snack’ double digit growth
• Spreads – traditional category decline, good growth in spreadable butter technology offerings
• Go Go’s snack packs successfully launched
• Yollies continued growth

MEAT PRODUCTS
• Meat snacking – strong growth in Mattessons range
• Sausage – category remains challenged
• Fire & Smoke ranges – continued rollout and growth

MEAL SOLUTIONS
• Chilled category – solid growth through premium range
• Frozen category challenged but growth in foodservice and ‘direct-to-consumer’ channels

Note: * volume growth
Financial Highlights

- Revenue: €3,181m
- Trading Profit: €338m
- Adjusted EPS: 143.8c

Brian Mehigan, CFO
Strong Underlying Financial Performance

- Evolving our model for increasingly fragmented marketplace
- Managing inflationary input environment
- Working through currency volatility
- Strong cash generation
- Delivering growth ahead of our markets

**RAW MATERIAL PRICES**

**CURRENCY VOLATILITY**

**CASH GENERATION**

**VOLUME GROWTH**

Sources: Kerry estimates, FAO annual food price index, ECB foreign exchange rates
H1 2017 Financial Highlights

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>€3,181m</td>
<td>+3.8% volume growth</td>
</tr>
<tr>
<td>Trading Profit</td>
<td>€338m</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Trading Margin</td>
<td>10.6%</td>
<td>Good underlying performance</td>
</tr>
<tr>
<td>Adjusted EPS*</td>
<td>143.8c</td>
<td>+7.5%</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>127.6c</td>
<td>+0.9%</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>€357m</td>
<td>141% conversion**</td>
</tr>
</tbody>
</table>

Note: * before brand related intangible asset amortisation and non-trading items (net of related tax)  
** expressed as a percentage of adjusted earnings after tax
Revenue Analysis

H1 2016
€3,037m

H1 2017
€3,181m

4.8%

Volume
3.8%

Translation currency
(1.0%)

Transaction currency
(0.4%)

Price
1.8%

Acquisitions
0.6%
Revenue – Volume Growth Ahead of Markets

* Kerry estimates
Group Trading Margin – Underlying Progression

<table>
<thead>
<tr>
<th></th>
<th>H1 2016</th>
<th>Portfolio mix operating leverage/efficiencies</th>
<th>Net price</th>
<th>Kerryconnect</th>
<th>Currency</th>
<th>Acquisitions</th>
<th>H1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>10.6%</td>
<td>+0.6%</td>
<td>(0.2%)</td>
<td>(0.1%)</td>
<td>(0.3%)</td>
<td>+0.0%</td>
<td>+10.6%</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>€322m</td>
<td>☑</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>€338m</td>
</tr>
</tbody>
</table>
Trading Margin – Business Breakdown

**Group**
- €338
- Margin: 10.6%

**Taste & Nutrition**
- €331
- Margin: 13.0%

**Consumer Foods**
- Margin: 7.6%
- Margin progression: +20 bps

**H1 2017 Margin**
- Underlying: €58m
- FX: -100 bps
- H1 2017: €51m

**H1 2016 Margin**
- Underlying: €51m

**Graph Notes**
- Margin progression
- Trading margin %
# Free Cash Flow – Strong Performance

<table>
<thead>
<tr>
<th></th>
<th>H1 2017 (€m)</th>
<th>H1 2016 (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading profit</td>
<td>338</td>
<td>322</td>
</tr>
<tr>
<td>Depreciation (net)</td>
<td>69</td>
<td>67</td>
</tr>
<tr>
<td>Movement in average working capital</td>
<td>118</td>
<td>120</td>
</tr>
<tr>
<td>Pension contributions paid less pension expense</td>
<td>(23)</td>
<td>(20)</td>
</tr>
<tr>
<td>Cash inflow from operations</td>
<td>502</td>
<td>489</td>
</tr>
<tr>
<td>Finance costs (net)</td>
<td>(21)</td>
<td>(24)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(22)</td>
<td>(23)</td>
</tr>
<tr>
<td>Capital expenditure (net)</td>
<td>(102)</td>
<td>(63)</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td><strong>357</strong></td>
<td><strong>379</strong></td>
</tr>
</tbody>
</table>

*Cash conversion* 141% 161%

Note: * free cash flow as a % of adjusted earnings after tax
## Financial Ratios – Disciplined Growth

<table>
<thead>
<tr>
<th>Banking Ratios</th>
<th>Covenant</th>
<th>H1 2017</th>
<th>H1 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt: EBITDA*</td>
<td>Max 3.5x</td>
<td>1.3x</td>
<td>1.7x</td>
</tr>
<tr>
<td>EBITDA: net interest*</td>
<td>Min 4.75x</td>
<td>14.9x</td>
<td>15.7x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Return Ratios</th>
<th>Target</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ROACE**</td>
<td>12%</td>
<td>13.2%</td>
<td>13.1%</td>
</tr>
<tr>
<td>ROAE**</td>
<td>15%</td>
<td>16.3%</td>
<td>16.8%</td>
</tr>
<tr>
<td>CFROI</td>
<td>12%</td>
<td>12.2%</td>
<td>14.5%</td>
</tr>
</tbody>
</table>

*Note: * calculated in accordance with lender covenants | ** before brand related intangible asset amortisation and non-trading items (net of related tax)*
## Other Financial Matters

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance Costs</td>
<td>Decrease of €4.7m to €34.4m principally due to strong cash generation in the period</td>
</tr>
<tr>
<td>Pension</td>
<td>Deficit €186m – down €106m from year end position due to good investment returns, favourable discount and inflation rates and a liability management programme implemented in 2017</td>
</tr>
<tr>
<td>Non-trading Items</td>
<td>Charge of €17.8m (net of tax) driven primarily by the cost of integrating businesses acquired in 2015 &amp; 2016. Acquisition integration progressing well</td>
</tr>
<tr>
<td>Kerryconnect</td>
<td>Focus on Americas – initial LATAM go-live in 2018 and North America in 2019</td>
</tr>
<tr>
<td>Raw Materials</td>
<td>Inflation – increases in dairy, protein, oils, naturals and vanilla</td>
</tr>
<tr>
<td>FX</td>
<td>Translation and transaction currency affecting reported numbers</td>
</tr>
</tbody>
</table>

### Other Matters

- **Translation and transaction currency:**
  - Affecting reported numbers

- **Inflation:**
  - Increases in dairy, protein, oils, naturals and vanilla

- **Deficit:** €186m, down €106m from year end position due to:
  - Good investment returns
  - Favourable discount and inflation rates
  - Liability management programme implemented in 2017

- **Decrease:** €4.7m to €34.4m, principally due to strong cash generation in the period

- **Focus on Americas:**
  - Initial LATAM go-live in 2018
  - North America in 2019

- **Finance Costs:**
  - Pension
  - Non-trading Items
  - Kerryconnect
  - Raw Materials
  - FX

- **Kerryconnect:**
  - Focus on Americas – initial LATAM go-live in 2018 and North America in 2019
Translation Currency – Significant Volatility

TRANSLATION CURRENCIES: MOVE SINCE FEB 2017

<table>
<thead>
<tr>
<th>Currency</th>
<th>Movement 2017</th>
<th>Movement 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUD</td>
<td>(8%)</td>
<td>(13%)</td>
</tr>
<tr>
<td>BRL</td>
<td>(7%)</td>
<td></td>
</tr>
<tr>
<td>STG</td>
<td>(8%)</td>
<td></td>
</tr>
<tr>
<td>CAD</td>
<td>(8%)</td>
<td></td>
</tr>
<tr>
<td>MYR</td>
<td>(12%)</td>
<td></td>
</tr>
<tr>
<td>MXN</td>
<td>(12%)</td>
<td></td>
</tr>
<tr>
<td>RUB</td>
<td></td>
<td>(17%)</td>
</tr>
<tr>
<td>ZAR</td>
<td></td>
<td>(2%)</td>
</tr>
<tr>
<td>USD</td>
<td></td>
<td>(0%)</td>
</tr>
</tbody>
</table>

C. 4% EPS headwind
Outlook and Future Prospects

Stan McCarthy, CEO
Holistic Kerry Business Model: Well Positioned for Growth

- Globally connected Taste & Nutrition business
  - delivering superior customer service
  - delivering consumer-preferred local taste
- Focused on Developed and Developing growth markets
- Responding to market fragmentation and channel diversification
- Speed of innovation delivering in dynamic global foodservice markets
- Kerry Foods: well positioned in growing dairy and meat snacking, and meal solutions’ categories
Kerry Foods: Growth Through Snacking & Meal Solutions

MEAT SNACKING

DAIRY SNACKING

MEAL SOLUTIONS

+ Channel Delivery: E-tail +13% in H1 2017
Kerry Strategic Advantage

**Technology Leader**
- Unrivalled technology breadth
- Fundamental science and research capability
- Food science and process expertise
- Unique taste & nutrition positioning
- Application & culinary leadership
- Global Technology & Innovation Centre platform

**Market Leader**
- #1 in America, Europe and ROW for Savoury, Dairy & Beverage
- #1 in America, Europe for Cereal & Sweet
- #1 in specialty proteins globally
- Top 5 in flavours globally
- In 5 of the top 10 blockbuster drugs
- A leader in chilled food in UK and Ireland

**Proven Success**
- Consistent delivery of targets since 1986
- 10% CAGR for revenue
- 14% CAGR for trading profit
- 13% CAGR for adjusted EPS
- 16% CAGR on share price
- 17% CAGR on dividends

**Growth Potential**
- Unique customer intimacy model
- Unrivalled Taste & Nutrition capabilities
- Established and growing developing market position
- Proven consolidator
- Strong balance sheet
- 1 Kerry & global footprint platform

**People**
- Proven leadership and management capability
- Results driven culture
- Talent management – Kerry Learning Academy
- Personal growth opportunities
- Mobility
- Diversity

**Sustainable**
- Natural heritage
- Investing for sustainable future
- Milestone linked to performance management
- 1 Kerry Sustainability Programme
- Commitment to targets
- Company-wide initiatives
Capital Markets Day

11 October 2017,
Global Technology & Innovation Centre, Naas, Ireland
Future Prospects: Sustained Underlying Growth

- Challenging currency headwinds and raw material price increases
- Unique Taste & Nutrition model delivering solid innovation
  - responding to consumer trends
  - delivering across channels
  - speedy differentiated innovation for ‘out-of-home’ consumption trends
- Developing market strategies – strong platforms for growth
- Kerry Foods well positioned in consumer growth categories

Significant organic and acquisition growth opportunities

Taking into account increased currency translation headwinds of 4% and a 2% improvement in underlying performance at constant currency rates, we now expect to achieve growth in adjusted* earnings per share of 3% to 7% on a reported basis

Note: * before brand related intangible asset amortisation and non-trading items (net of related tax)
Additional Information
## Revenue Growth Components H1 2017

<table>
<thead>
<tr>
<th></th>
<th>Volumes</th>
<th>Price</th>
<th>Transaction Currency</th>
<th>Translation Currency</th>
<th>Acquisitions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taste &amp; Nutrition</td>
<td>4.2%</td>
<td>1.7%</td>
<td>(0.1%)</td>
<td>0.4%</td>
<td>0.7%</td>
<td>6.9%</td>
</tr>
<tr>
<td>Consumer Foods</td>
<td>2.3%</td>
<td>1.9%</td>
<td>(1.4%)</td>
<td>(5.6%)</td>
<td>0.0%</td>
<td>(2.8%)</td>
</tr>
<tr>
<td>Group</td>
<td>3.8%</td>
<td>1.8%</td>
<td>(0.4%)</td>
<td>(1.0%)</td>
<td>0.6%</td>
<td>4.8%</td>
</tr>
</tbody>
</table>
## Trading Margin by Business

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Trading Profit</th>
<th>%</th>
<th>Revenue</th>
<th>Trading Profit</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taste &amp; Nutrition</td>
<td>2,543</td>
<td>331</td>
<td>13.0%</td>
<td>2,379</td>
<td>304</td>
<td>12.8%</td>
</tr>
<tr>
<td>Consumer Foods</td>
<td>677</td>
<td>51</td>
<td>7.6%</td>
<td>697</td>
<td>58</td>
<td>8.3%</td>
</tr>
<tr>
<td>Eliminations/unallocated</td>
<td>(39)</td>
<td>(44)</td>
<td></td>
<td>(39)</td>
<td>(40)</td>
<td></td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>3,181</td>
<td>338</td>
<td>10.6%</td>
<td>3,037</td>
<td>322</td>
<td>10.6%</td>
</tr>
</tbody>
</table>
## EPS Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>H1 2017</th>
<th>H1 2016</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ cent</td>
<td>€ cent</td>
<td>%</td>
</tr>
<tr>
<td>Adjusted EPS*</td>
<td>143.8</td>
<td>133.8</td>
<td>7.5%</td>
</tr>
<tr>
<td>Brand related intangible asset amortisation</td>
<td>(6.1)</td>
<td>(5.8)</td>
<td></td>
</tr>
<tr>
<td>Non-trading items (net of related tax)</td>
<td>(10.1)</td>
<td>(1.6)</td>
<td></td>
</tr>
<tr>
<td>Basic EPS</td>
<td>127.6</td>
<td>126.4</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Note: * before brand related intangible asset amortisation and non-trading items (net of related tax)
Maturity Profile of Net Debt

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(450)</td>
<td></td>
<td></td>
<td></td>
<td>145</td>
<td></td>
<td>86</td>
<td>649</td>
<td></td>
<td>792</td>
</tr>
</tbody>
</table>

- **H1 2017**: 6.5 years
- **H1 2016**: 7.0 years
### Net Debt (€m) as at 30 June 2017

<table>
<thead>
<tr>
<th>Currency</th>
<th>Debt</th>
<th>@ Floating Rates</th>
<th>@ Fixed Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Euro</strong></td>
<td>1,066</td>
<td>272</td>
<td>794</td>
</tr>
<tr>
<td><strong>Sterling</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>US Dollar</strong></td>
<td>606</td>
<td>387</td>
<td>219</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>7</td>
<td>7</td>
<td>–</td>
</tr>
<tr>
<td><strong>Gross Debt</strong></td>
<td>1,679</td>
<td>666</td>
<td>1,013</td>
</tr>
<tr>
<td><strong>Cash</strong></td>
<td>(457)</td>
<td>(457)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net debt</strong></td>
<td>1,222</td>
<td>209</td>
<td>1,013</td>
</tr>
</tbody>
</table>

**Gross Debt**
- 100% @ Floating Rates
- 40% @ Fixed Rates
- 60% 100%

**Net Debt**
- 100% @ Floating Rates
- 17% @ Fixed Rates
- 83% 100%

Weighted average period for which rate is fixed: 7.2 years
Group Long Term Targets (5 Years 2013-2017)

GROWTH

<table>
<thead>
<tr>
<th>Volume Growth</th>
<th>Margin Expansion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer Foods</td>
<td>2% to 3% p.a.</td>
</tr>
<tr>
<td>Group</td>
<td>3% to 5% p.a.</td>
</tr>
</tbody>
</table>

(assumes market growth rate of 2% to 3% p.a.)

(plus an additional 100 bps from the Kerryconnect project)

RETURN

<table>
<thead>
<tr>
<th>ROACE* 12%+</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFROI 12%+</td>
</tr>
</tbody>
</table>

Note: *before brand related intangible asset amortisation and non-trading items (net of related tax) | Targets assume neutral currency and raw materials
Shareholder Analysis

INSTITUTIONAL ANALYSIS

- North America 20%
- UK 16%
- Europe (excluding UK & Ireland) 15%
- Rest of World 5%
- Ireland 3%

INSTITUTIONAL ANALYSIS

- Institutions 59%
- Kerry Co-operative 14%
- Retail 27%
Interim Management Report 2017
August 2017