NEWS RELEASE
03 November 2015

Kerry Group: Interim Management Statement

03 November 2015 - Kerry, the global taste & nutrition and consumer foods group, issues the following Interim Management Statement for the nine months to 30 September 2015 and reaffirms outlook for full year.

<table>
<thead>
<tr>
<th>Key Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>9 months to 30 September 2015</strong></td>
</tr>
<tr>
<td>• 3.2% increase in business volumes</td>
</tr>
<tr>
<td>➢ Taste &amp; Nutrition +3.4%</td>
</tr>
<tr>
<td>➢ Consumer Foods +2.6%</td>
</tr>
<tr>
<td>• Group trading margin up 40 basis points</td>
</tr>
<tr>
<td>➢ Taste &amp; Nutrition +40 bps</td>
</tr>
<tr>
<td>➢ Consumer Foods +20 bps</td>
</tr>
<tr>
<td>• Earnings guidance for full year in a range of 6% to 9% reaffirmed</td>
</tr>
</tbody>
</table>

**BUSINESS PERFORMANCE**

Good progress continues to be achieved in consolidating the Group’s leading global infrastructure and advancing business development through broadening channel and end-use-market application of Kerry’s Taste & Nutrition Systems. The changing marketplace coupled with health, nutrition and wellness trends continue to drive a strong pipeline of innovation. To assist future business growth and development, a significant number of strategic acquisitions were also completed.

Despite improving global economic conditions, consumer demand in developed markets remains weak. Developing markets continue to be impacted by geopolitical issues and significant currency fluctuations. Kerry maintained a solid business performance against this challenging market environment in the three month period to 30 September 2015. Taste & Nutrition delivered good growth in American markets, an improved performance in the EMEA region and solid market development in Asia-Pacific markets – notwithstanding the slowdown in some regional developing markets. Kerry Foods performed well in the changing and competitive consumer foods’ market environment in Ireland and the UK.
In the nine months to 30 September 2015, business volumes on a Groupwide basis increased by 3.2%. Pricing declined by 2.8% against a background of approximately 6% lower raw material costs. Reported revenues increased by 4.3%, reflecting the business volume growth, lower pricing, 7.7% positive currency translation impact and (3.8%) net business acquisitions / disposals impact.

The Group’s trading margin performance continued to improve in the period. Relative to the first nine months of 2014, the Group trading profit margin increased by 40 basis points reflecting a 40 basis points improvement in Taste & Nutrition and a 20 basis points improvement in Consumer Foods’ trading margin.

**BUSINESS REVIEWS**

**TASTE & NUTRITION**

Despite the changing marketplace and volatility in many geographies, the Group’s Taste & Nutrition platforms and developing market strategies continued to deliver solid growth. Taste & Nutrition achieved 3.4% volume growth in the nine months to end of September. Pricing declined by 2.9%. Divisional trading profit margin increased by 40 basis points as a result of operating leverage, improved mix and efficiency programmes.

**Americas Region** continued to achieve good growth despite sectoral issues in some North American categories and the impact of significant currency devaluation on consumer spending in Latin America. Business volumes grew by 3.5%.

Solid growth was maintained in the North American meat industry and foodservice channel through Kerry Taste technologies and systems. 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 Junior Alimentos assisted growth in the Brazilian foodservice sector despite the challenging macroeconomic 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 August, significantly strengthened Kerry’s market positioning in the culinary and snack sectors in Central America and the Caribbean.

Kerry maintained market development in the bakery sector through its clean label technologies. Snacking trends provided development opportunities in the cereals sector – compensating for volume decline in traditional RTE cereal lines. Savoury snack innovation provided good growth opportunities throughout American markets – in particular in Mexico and Central America. Beverage flavours and systems delivered continued growth through aseptic and nutritional applications. Kerry’s branded offerings recorded further progress in the foodservice sector – in particular through increased channel market extension of the Big Train, DaVinci Gourmet and Oregon Chai brands. Insight Beverages (a leading U.S. based supplier of custom beverage solutions) acquired in May performed in line with expectations.

Pharma ingredients maintained solid growth throughout global markets through excipient applications. Nutritional systems performed well in medical nutrition lines.

**EMEA Region** developed markets proved more stable in Q3 but geopolitical instability continues to impact industry development in regional developing markets. Kerry achieved an improved regional performance with business volumes increased by 0.8% compared to the
first nine months of 2014. Snacking and wellness trends provided continued innovation opportunities across Kerry’s taste & nutrition technology platforms. Establishment of the Group’s Global Technology & Innovation Centre in Ireland was completed during the period. Emulsifiers and texturants recorded good volume growth. Dairy and culinary technologies were impacted by overall market competitiveness issues. Sweet systems achieved good progress in the ice cream sector. Beverage systems & flavours maintained satisfactory growth throughout the region, in particular through branded foodservice offerings including ‘DaVinci Gourmet’ and ‘Big Train’.

Business development continues in Russia but performance in the quarter was impacted by the continuing political and currency related issues. While MENAT market conditions proved more stable, performance in the zone’s cereal and sweet sectors was weaker. Good growth was maintained in the foodservice channel in the Middle East. PST Pastacilik Gida – a Turkey based branded foodservice provider of sweet ingredient solutions to the fine bakery, confectionery, ice cream and foodservice sectors in Turkey and the Middle East acquired in July, performed to expectation. Market conditions in Sub-Saharan Africa remain highly competitive impacting growth.

The investment programme to upgrade and expand production of nutritional lines at the Group’s facilities in Ireland assisted ongoing development of all life-stage end-use-market applications particularly in Asian markets. Establishment of the Kerry IOI Loders Croklaan joint venture company to develop and market the nutrition lipid Betapol® business was completed in September. International primary dairy market price returns continued to be impacted by increased output in exporting countries.

Kerry maintained solid growth through its Taste & Nutrition technology platforms in Asia Pacific markets despite the slowdown in regional economic growth compared to the first nine months of 2014. Business volumes increased by 7.9%. ‘Dairy Complete’ systems achieved strong growth in Indonesia, Vietnam, China and the Philippines. Culinary systems continued to grow throughout South East Asia in particular in Thailand and the Philippines. Increased market competitiveness in Australia and New Zealand continued to impact dairy and culinary applications. Japan and Korea presented encouraging market development opportunities. Nutritional systems maintained strong regional development. Beverage systems recorded good growth particularly in the foodservice sector throughout Asia-Pacific markets. Progressive extension of Kerry’s branded beverage offerings into new channels and regional markets also achieved excellent results. In South West Asia market development is progressing well, in particular in India. In Australia, the sale of the Pinnacle lifestyle bakery business was completed in May.

CONSUMER FOODS

While the Irish and UK consumer foods’ markets remain highly competitive with increased retailer focus on EDLP, the repositioned Kerry Foods portfolio performed well against this background. Business improvement was broad-based through the division’s snacking and meal solution categories – with strong growth through e-tail. In the nine months to end of September 2015, business volumes increased by 2.6%. Pricing was 2.4% lower. Divisional trading profit margin improved by 20 basis points reflecting the improved product mix and business efficiency programmes.

In the UK, Mattessons maintained good growth in the meat snacking sector. Richmond branded offerings were impacted by the changing promotional environment. Cheestrings
performed ahead of market growth rates, boosted by a successful back-to-school campaign in the period. International growth of Cheestrings continues with new listings in Germany, Austria and Poland. Growth in meal solutions continued. Kerry Foods achieved solid growth in chilled ready meals and the frozen meals category also returned to growth where the Sharwood’s and Bisto branded offerings performed well. Rollover Ltd, acquired in January 2015, also recorded good growth, extending Kerry Foods’ ‘hot-to-go’ offering and channel distribution in the UK market. The Kerry Foods’ Direct-to-Store business in the UK was disposed of at the end of February 2015.

In Ireland, Denny achieved a good brand performance in the breakfast category. Dairygold held brand market share in the dairy spreads sector and Charleville continued to grow brand share in cheese.

**FINANCIAL REVIEW**

At the end of September net debt stood at €1.4 billion, compared to a level of €1.3 billion reported at the half year stage. The increase reflects the impact of acquisitions completed during the period, offset by cash generated by the business. The Group’s consolidated balance sheet remains strong which will facilitate the continued organic and acquisitive growth of Group businesses.

In September, the Group issued its debut Eurobond, issuing €750m 10 year notes at an annual coupon of 2.375%. The bonds which are listed on the Irish Stock Exchange provide Kerry with an additional source of debt finance and significantly extend the maturity profile of Group debt. Proceeds from the issue will be used to retire existing debt and to fund acquisitions.

**STRATEGIC DEVELOPMENT**

On 15 October, the Group announced the acquisitions of U.S. based Red Arrow Products, Island Oasis and Biothera Inc’s Wellmune® business, significantly expanding the Group’s industry-leading portfolio of innovative taste and nutrition solutions for global food, beverage and pharmaceutical applications. Total consideration for the three businesses amounts to US$735m. In the financial year 2014, the businesses being acquired had annual revenues of US$301m and earnings before interest, taxation, depreciation and amortisation (EBITDA) of US$59m.

**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. Headquartered in Manitowoc (WI), Red Arrow operates from manufacturing facilities in Manitowoc (WI) and Rhinelander (WI) supported by Application & Development Centres in Germany and Sweden. Combined with Kerry’s recent acquisition of Wynnstarr Flavors and KFI Savory (the U.S. based savoury business of Kraft Food Ingredients), the acquisition of Red Arrow will further strengthen Kerry’s taste, technology and savoury flavour industry leadership. The acquisition, subject to regulatory approval, is expected to complete in early December.

**Island Oasis** is 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). The acquired business market-leading brands, including Island Oasis, Fuel and Barista Fria, complement Kerry’s existing branded foodservice offerings (including DaVinci Gourmet, Big Train, Oregon Chai, Golden Dipt and Gold Ladle), broadening the Group’s market reach and service in fast growing segments of the foodservice channel.

Biothera Inc.’s Wellmune® business 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. The acquired business broadens Kerry’s functional nutritional ingredients and wellness portfolio and complements the Group’s market-leading taste solutions for food, beverage and supplement applications.

BOARD CHANGES

On 29 September, the Board appointed Mr Tom Moran as a non-executive Director of the Company. Tom Moran was Secretary General of the Department of Agriculture, Food and the Marine from 2005 to end of 2014. Throughout his public sector career he held a number of international policy and international trade negotiation leadership roles. Mr Moran also formerly served as Ireland’s Agriculture Attaché to France and to the OECD.

FUTURE PROSPECTS

The Board is confident of delivering 6% to 9% full year earnings growth as guided at the half year stage.

ENDS

For further information please contact:

<table>
<thead>
<tr>
<th>Media</th>
<th>Investor Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank Hayes, Director of Corporate Affairs&lt;br&gt;Tel: +353 66 718 2304&lt;br&gt;Email: <a href="mailto:corpaffairs@kerry.ie">corpaffairs@kerry.ie</a>&lt;br&gt;Kerry Web Site: <a href="http://www.kerrygroup.com">www.kerrygroup.com</a></td>
<td>Brian Mehigan, Chief Financial Officer&lt;br&gt;Ronan Deasy, Group Financial Controller&lt;br&gt;William Lynch, Head of Investor Relations&lt;br&gt;Tel: +353 66 718 2253&lt;br&gt;Email: <a href="mailto:investorrelations@kerry.ie">investorrelations@kerry.ie</a></td>
</tr>
</tbody>
</table>

DISCLAIMER: FORWARD LOOKING STATEMENTS

This Announcement contains forward looking statements which reflect management expectations based on currently available data. However actual results may differ materially from those expressed or implied by these forward looking statements.

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