

Preliminary Statement of Results 2001

26th February 2002



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Introduction: 2001 Strategy

- To maintain earnings momentum
- To continue to grow and develop ingredients technologies portfolio and global market base
- To build consumer brand shares and expand snack and convenience offerings in Irish and UK markets
- To leverage Kerry resources and core competencies by embracing acquisition and development opportunities

// To build on Kerry's consumer understanding by providing technologies and product offerings to match evolving consumer requirements //

2001 - Achievement

- ✓ Continuation of growth record: 16th successive year
- ✓ Broadening of ingredients technology portfolio
- ✓ Development of culinary, flavours, nutrition and foodservice strategies
- ✓ Brand share growth: consumer products
- ✓ €617m acquisition programme
- ✓ €94m cap-ex and €58.7m R&D investment
- ✓ Over €100m free cash generation: 5th successive year

2001 Performance Highlights

- Sales increased by **14.5%** to €3 billion
- EBITDA* increased by **11.7%** to €331m
- Operating margin on continuing businesses up from 8.9% to **9.1%**
- Profit before tax* increased by **9.7%** to €189.4m
- Earnings per share before goodwill* increased by **10.5%** to 94.6 cent
- Dividends per share up **10.5%** to 10.0 cent
- Expenditure on acquisitions at €617m including Golden Vale plc

*Note: * before exceptional items*



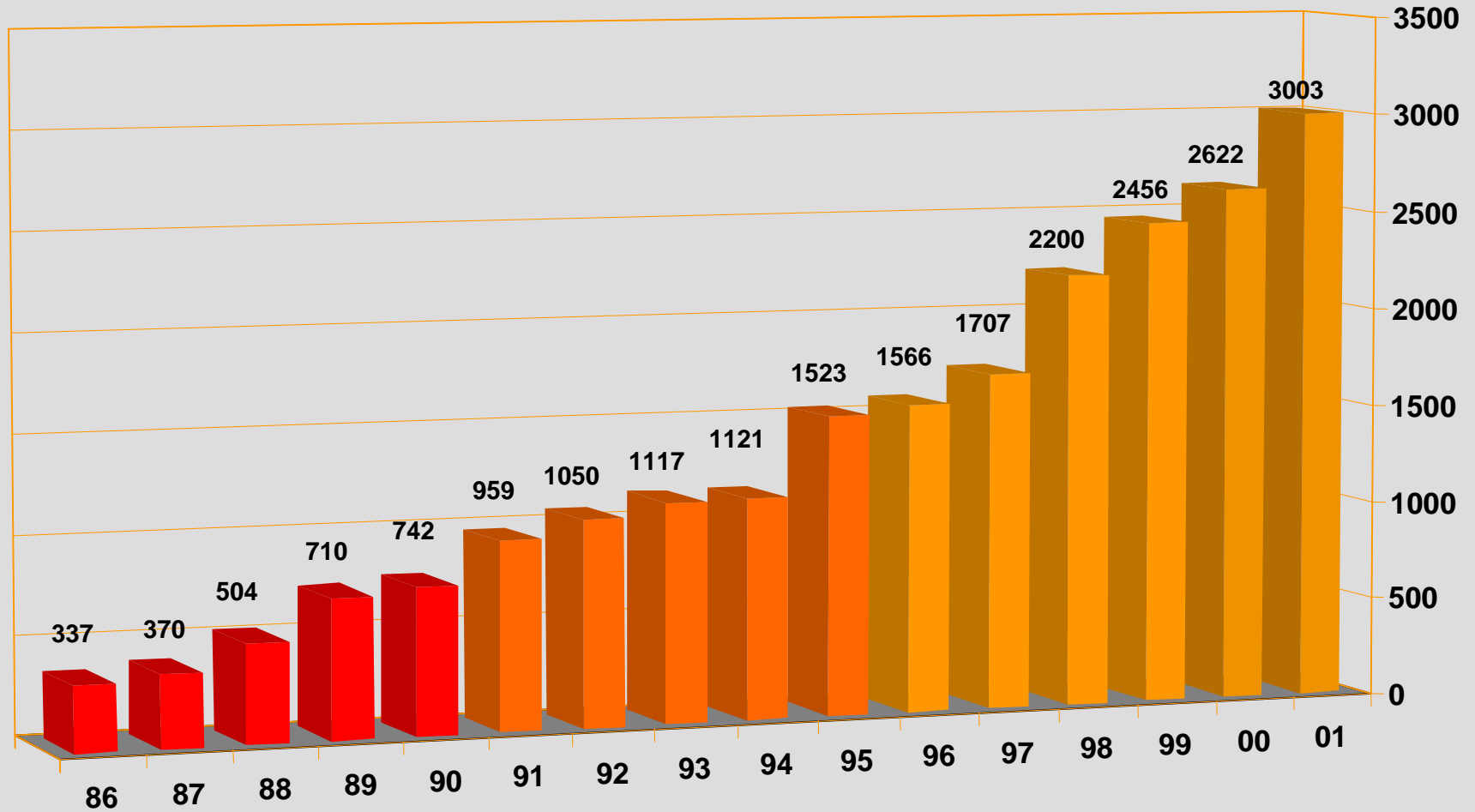
Growth Indicators 2001 (€)

2000		2001	
€2,622m	Turnover	€3,003m	+14.5%
€233.7m	Operating Profit before goodwill*	€260.4m	+11.4%
€296.2m	EBITDA*	€330.9m	+11.7%
9.05 cent	Dividends per share	10.0 cent	+10.5%
85.6 cent	EPS before goodwill*	94.6 cent	+10.5%
77.0 cent	FRS3 EPS	81.7 cent	+6.1%

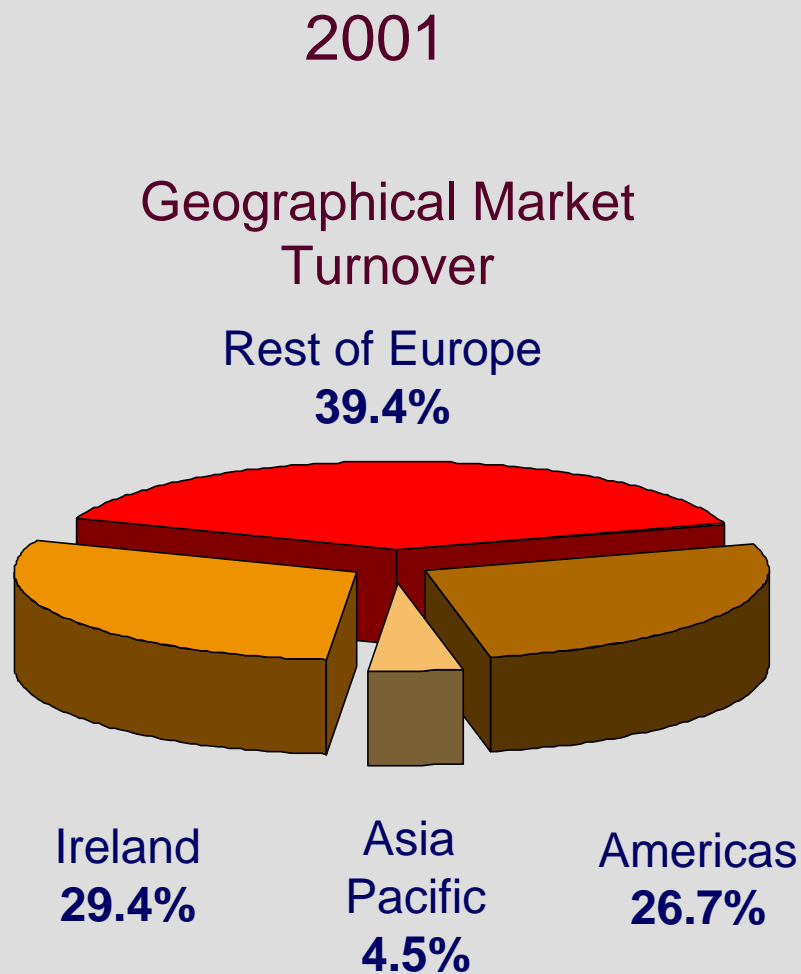
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Turnover 1986 - 2001 (€m)



Geographical Analysis of Turnover by Origin

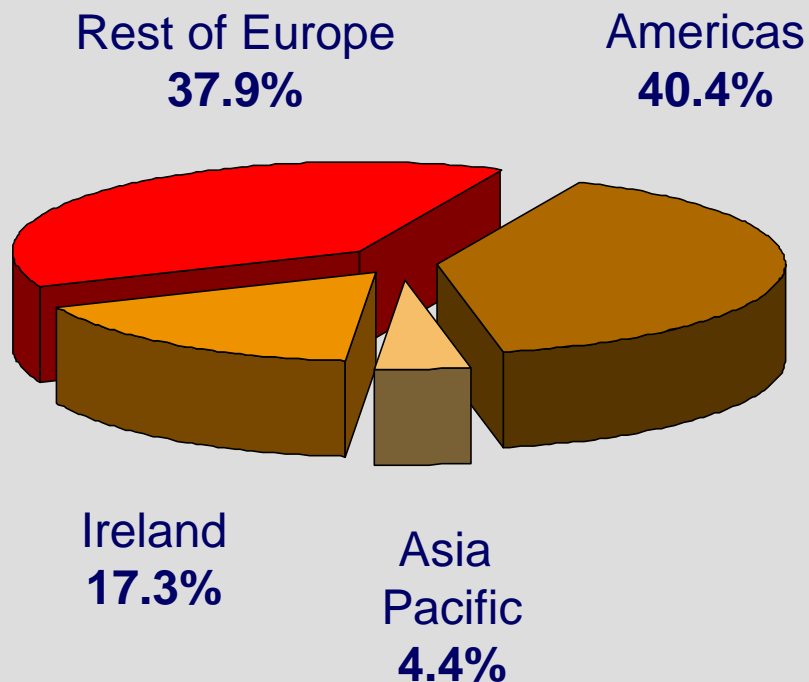


Growth

	Continuing %	Total %
Ireland	6.4	36.8
Rest of Europe	2.6	3.8
Americas	8.3	13.9
Asia Pacific	1.2	2.1
	5.0	14.5

Geographical Analysis of Operating Profit

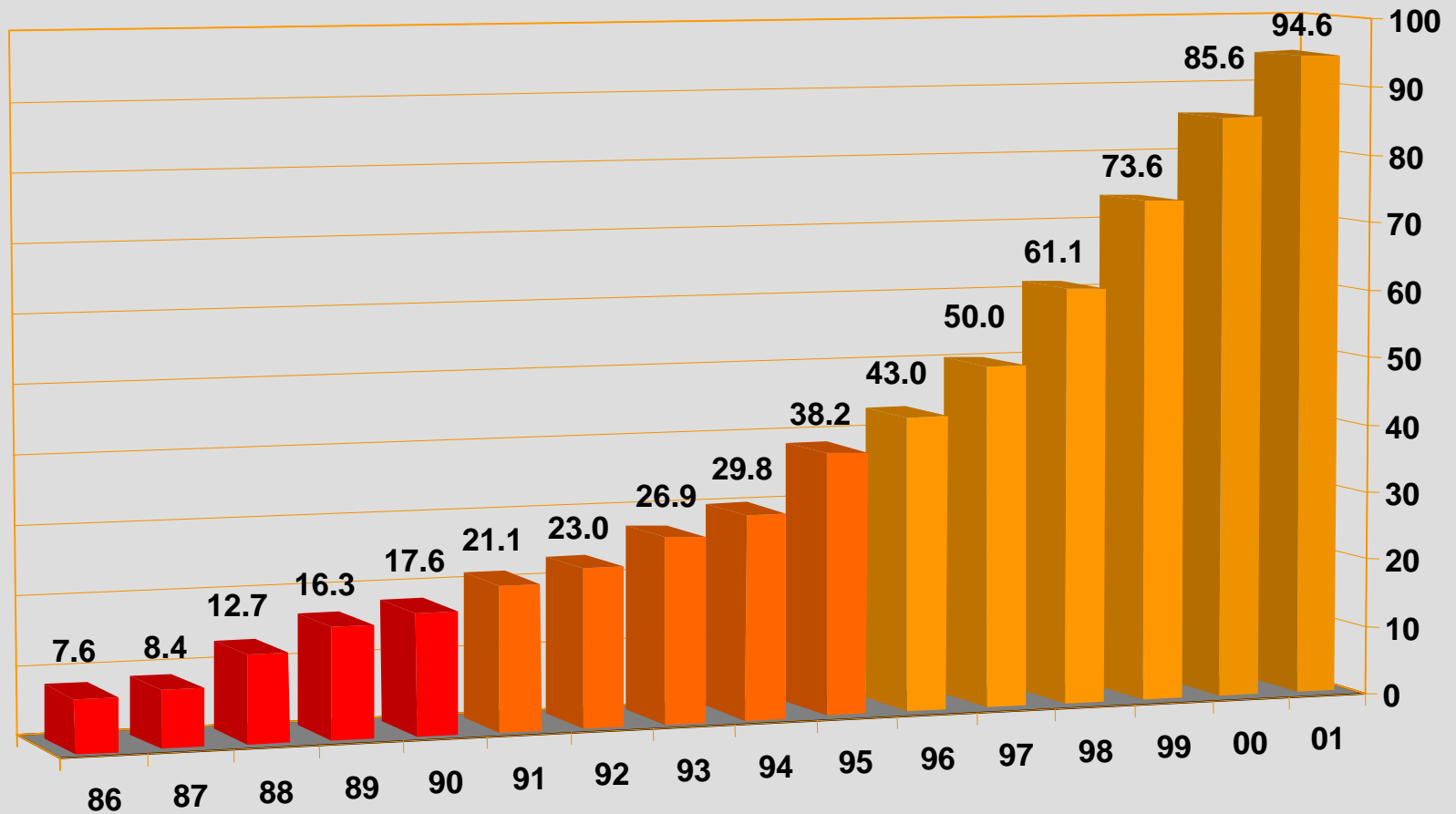
2001



Growth

	Continuing %	Total %
Ireland	8.4	20.8
Rest of Europe	5.6	7.2
Americas	8.8	14.0
Asia Pacific	(6.1)	(4.9)
	<hr/> 6.7	<hr/> 11.4

EPS Before Goodwill* (€ cent)



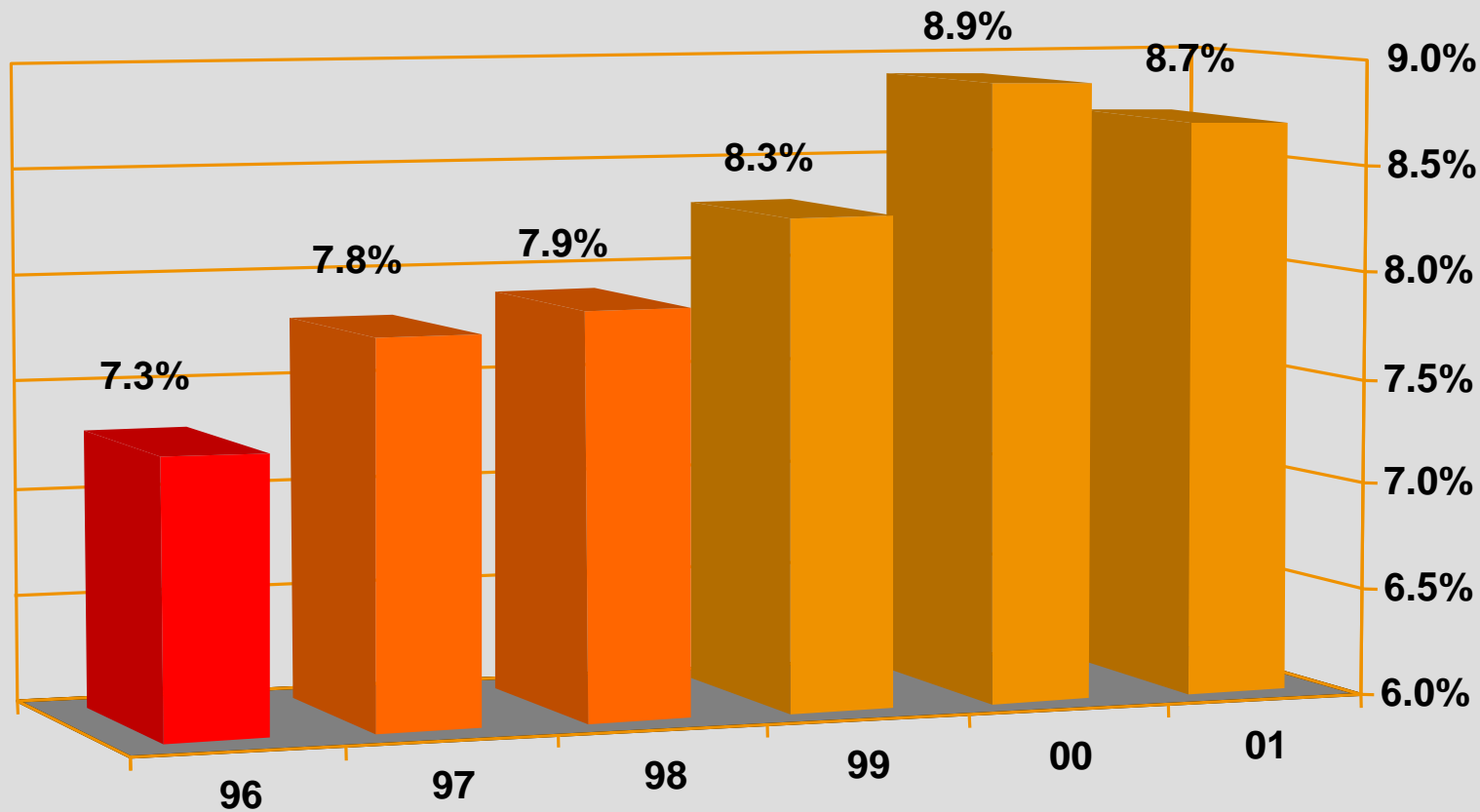
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Quality Indicators 2001 (€)

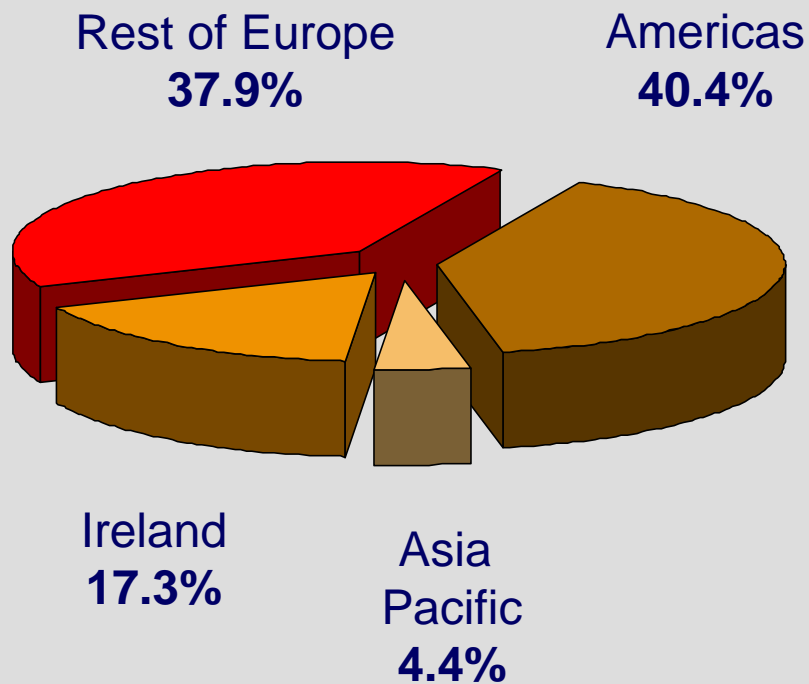
2000		2001	
8.9%	Operating profit margin (continuing)	9.1%	+20bps
172.0 cent	EBITDA per share	188.4 cent	+9.5%
€109.4m	Free cash flow	€101.3m	
17.1%	Return on average capital employed	15.5%	

Operating Profit %



Geographical Analysis of Operating Profit

2001



Margin

	Continuing 2001 %	Total 2000 %
Ireland	5.9	5.8
Rest of Europe	8.3	8.1
Americas	13.2	13.1
Asia Pacific	8.6	9.2
	<hr/> 9.1	<hr/> 8.9

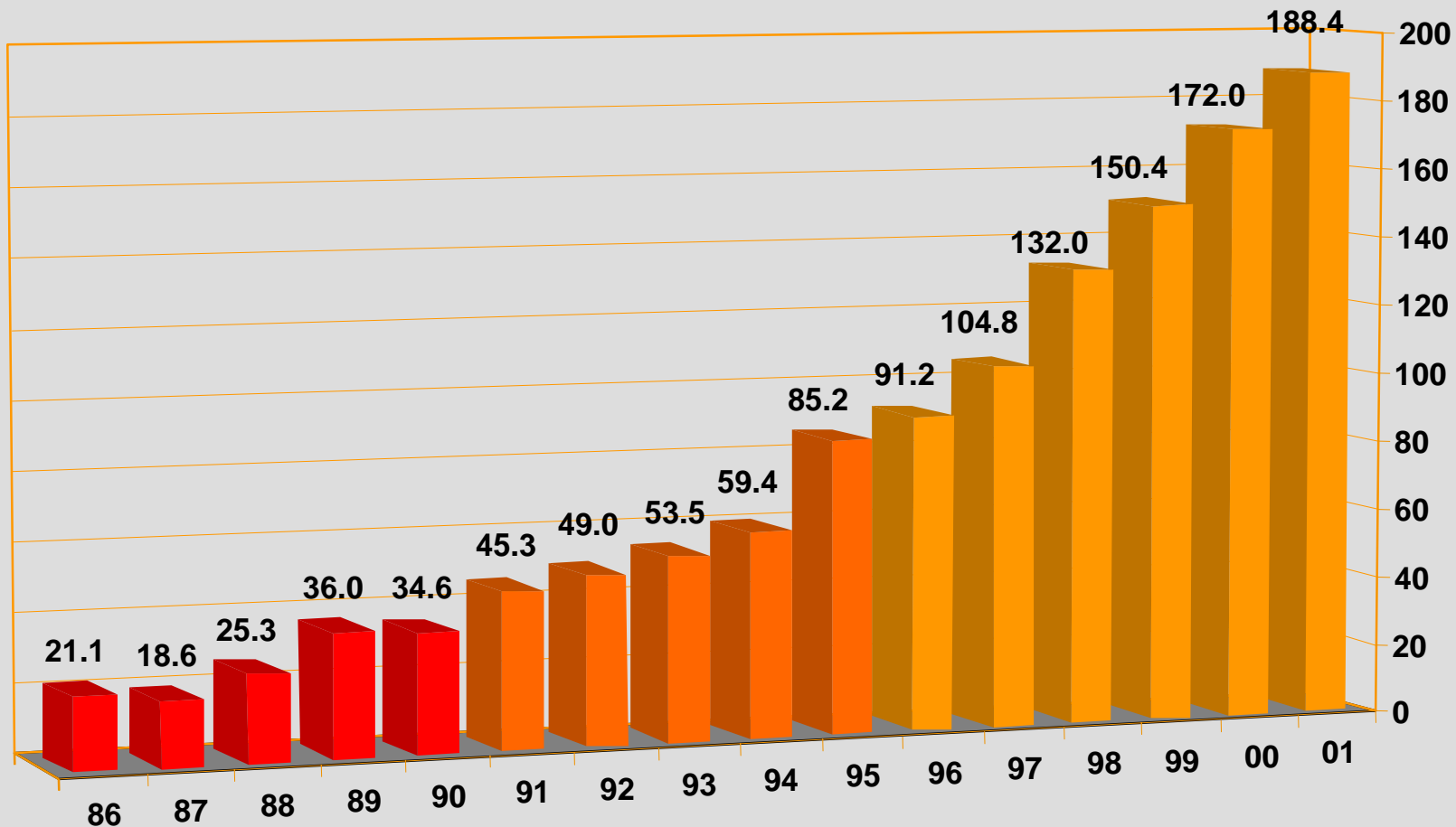
Five Year Free Cash Flow (€m)

	1997	1998	1999	2000	2001
Cash flow from EBITDA*	171.7	225.6	258.7	296.2	330.9
Movement in working capital	19.5	41.5	3.6	12.8	(34.0)
Capital expenditure (net)	(30.3)	(65.1)	(79.4)	(95.7)	(89.0)
Interest	(33.4)	(44.7)	(39.5)	(47.6)	(45.7)
Taxation	(9.5)	(26.6)	(28.1)	(42.1)	(44.3)
Dividends	(8.4)	(10.1)	(12.0)	(14.2)	(16.6)
Free Cash Flow	109.6	120.6	103.3	109.4	101.3

Note: * before exceptional items



Cash (EBITDA*) Per Share (€cent)

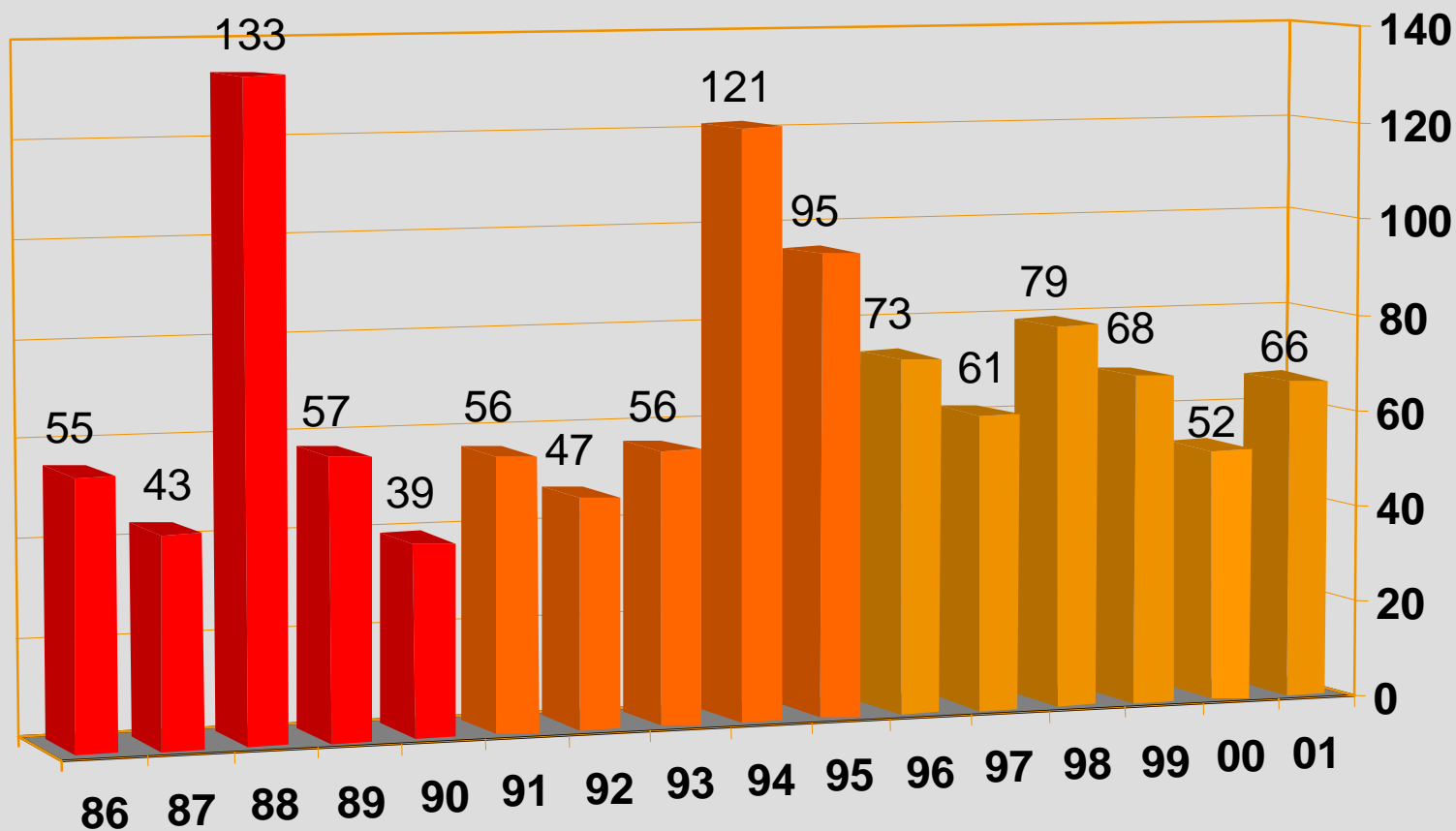


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Financial Health Indicators 2001 (€)

2000		2001
52%	Debt : Equity Ratio	66%
6.5x	EBITDA : Interest Cover	7.0x
1.6x	Debt : EBITDA	2.5x

Historical Debt Equity Ratio % 1986 - 2001



Business Reviews

Analysis of Results by Region (€m)

Group	2001			2000		
	Turnover	Operating Profit	%	Turnover	Operating Profit	%
Ireland	€883.3	€45.1	5.1%	€645.9	€37.3	5.8%
Rest of Europe	€1,183.8	€98.5	8.3%	€1,140.9	€91.9	8.1%
Americas	€801.7	€105.3	13.1%	€703.9	€92.4	13.1%
Asia Pacific	€134.0	€11.5	8.6%	€131.2	€12.1	9.2%
Total	€3,002.8	€260.4	8.7%	€2,621.9	€233.7	8.9%

Divisional Review - Ireland (€m)

Ireland	Turnover	2001			2000		
		Operating Profit	%	Turnover	Operating Profit	%	
Existing	€687.0	€40.5	5.9%	€645.9	€37.3	5.8%	
Acquisitions	€196.3	€4.6	2.4%	-	-	-	

- 6.4% growth in existing business with margin increase to 5.9%
- Value growth driven by brands
- Brand share gains in sausage, premium meats, juices and mineral water
- Growing snack, convenience and prepared meals market
- Launch of Denny Microwaveable product range
- Extension of chilled distribution to foodservice sector
- Consolidation in 'home market' through Golden Vale acquisition
- Golden Vale integration plan progressing

Divisional Review - Rest of Europe (€m)

		2001			2000		
		Operating Profit	%	Turnover	Operating Profit	%	Turnover
Rest of Europe	Turnover						
Existing	€1170.9	€97.1	8.3%	€1140.9	€91.9	8.1%	
Acquisitions	€12.9	€1.5	11.2%	-	-	-	

- Solid growth in existing businesses including margin expansion
- Efficiency improvements in UK and Germany and good recovery in France
- Continued development in seasonings and coating businesses in both UK and mainland Europe
- Continuing growth in prepared meals and snacks
- Good performance through Wall's, Richmond and Mattessons in the UK
- Key business acquisitions in culinary, flavours and foodservice
- Acquisition integration commenced in Q4 (Voyager, Corol, San Giorgio, and Aromont)

Divisional Review - Americas (€m)

Americas	Turnover	2001		2000		%
		Operating Profit		Operating Profit		
Existing	€762.3	€100.5	13.2%	€703.9	€92.4	13.1%
Acquisitions	€39.4	€4.8	12.1%	-	-	-

- Good second half performance
- Growth through traditional seasonings and coatings sectors
- Addition of meat seasonings businesses in the US
- Strong performance from speciality business in both US and Canada
- Integration of Armour Food Ingredients
- Good performance in foodservice and quick-serve restaurants
- Continued market development in Mexico and Central America
- Added value poultry and convenience sectors growing in Brazil
- Integration of Geneva, Hickory, Alferi, Nutrir, Siber and SPI acquisitions has commenced
- Proposed acquisition of Stearns & Lehman

Divisional Review - Asia Pacific (€m)

Asia Pacific		2001			2000		
		Turnover	Operating Profit	%	Turnover	Operating Profit	%
Existing	€132.9	€11.4	8.6%	€131.2	€12.1	9.2%	
Acquisitions	€1.2	€0.1	12.5%	-	-	-	

- Turnover static year-on-year with margin contraction due to new factory start up issues
- Weak economic environment
- Operations now fully aligned to business requirements
- In Australia, encouraging progress through coatings and savoury flavours
- Kerry Pinnacle focus on major retail chains
- Continued growth in New Zealand through QSR's
- In Asia, market development continues - good progress towards sustained profit growth

Golden Vale

- 4% top line growth
- Difficult trading year in 2001
- A number of one off costs
- Product and market positions very strong and complementary to Kerry
- Sale of Bailieboro and Artigarvan
- Detailed integration plan agreed
- Good prospects on integration

Prospects

- Kerry is a quality business - well diversified sectorally and geographically
- Quality organisation - core competencies of the Group
- Strategy
 - ingredients markets
 - flavour markets
 - consumer foods
- Constant focus on consumer - embrace trends through scope of Kerry technologies and continued investment in new technologies
- Maximising potential through Kerry's well established broad customer and broad market base
- Strong cash generation - augurs well for the future business development
- Comfortable with '02 consensus

Ingredients - Strategy

- Organic growth through core technologies
- Development
 - culinary systems
 - nutrition *Nutriant™ Division*
- Expansion in foodservice markets through application of existing technologies and acquisitions - including proposed acquisition of Stearns & Lehman
- Integration of '01 acquisitions - growth and development through Kerry Global operations
- On-going acquisitions programme - capitalise on industry consolidation

Flavours - Strategy

- Advance Global Flavours strategy
- Build global flavours solutions capability through:
 - Mastertaste (UK based)
 - Former Burns Philp flavour business (Australian based)
 - San Giorgio (Italy)
 - The Geneva Group (US based)
 - Hickory Specialties (US based)
- Capitalise on Kerry customer base
- Flavours acquisition programme

Foods - Strategy

- Existing brands - positive growth outlook
- Encouraging market growth
 - snacking and convenience products
 - prepared meals
 - ready-to-cook
 - microwaveable solutions
 - speciality poultry products
- Strong NPD programme
- New growth categories
 - cheese snacks (Cheestrings)
 - ready-to-go snacks
 - cream liqueurs (St. Brendan's)
 - ready-to-drink cocktails
 - frozen ready meals
- Further development of Kerry's chilled distribution service
 - extension to retail foodservice operators
- Industry consolidation continues apace - further development opportunities



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