

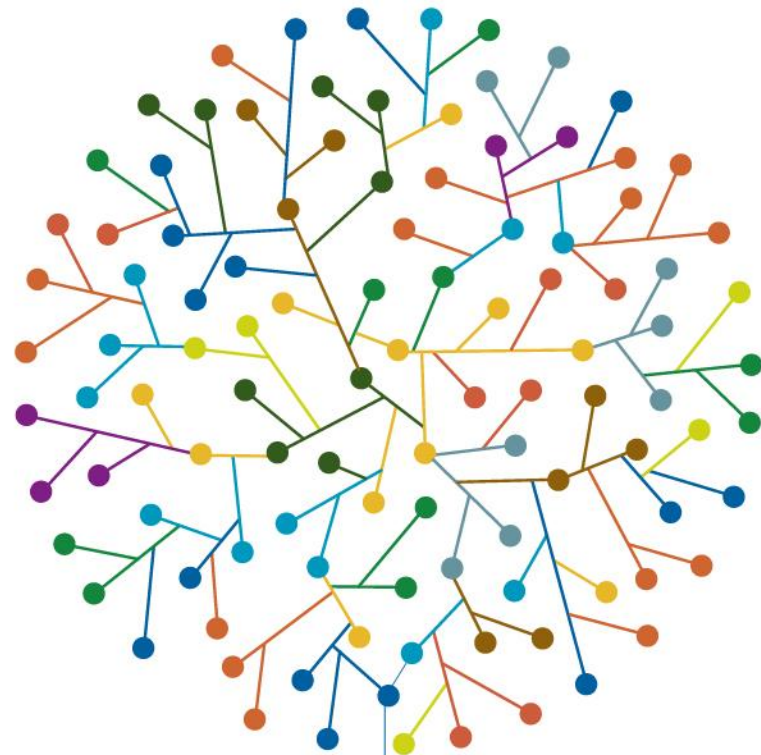
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**Glanbia Ingredients
Ireland Limited (GIIL)**

3rd CLAL Dairy Forum

Jim Bergin
24th May 2013



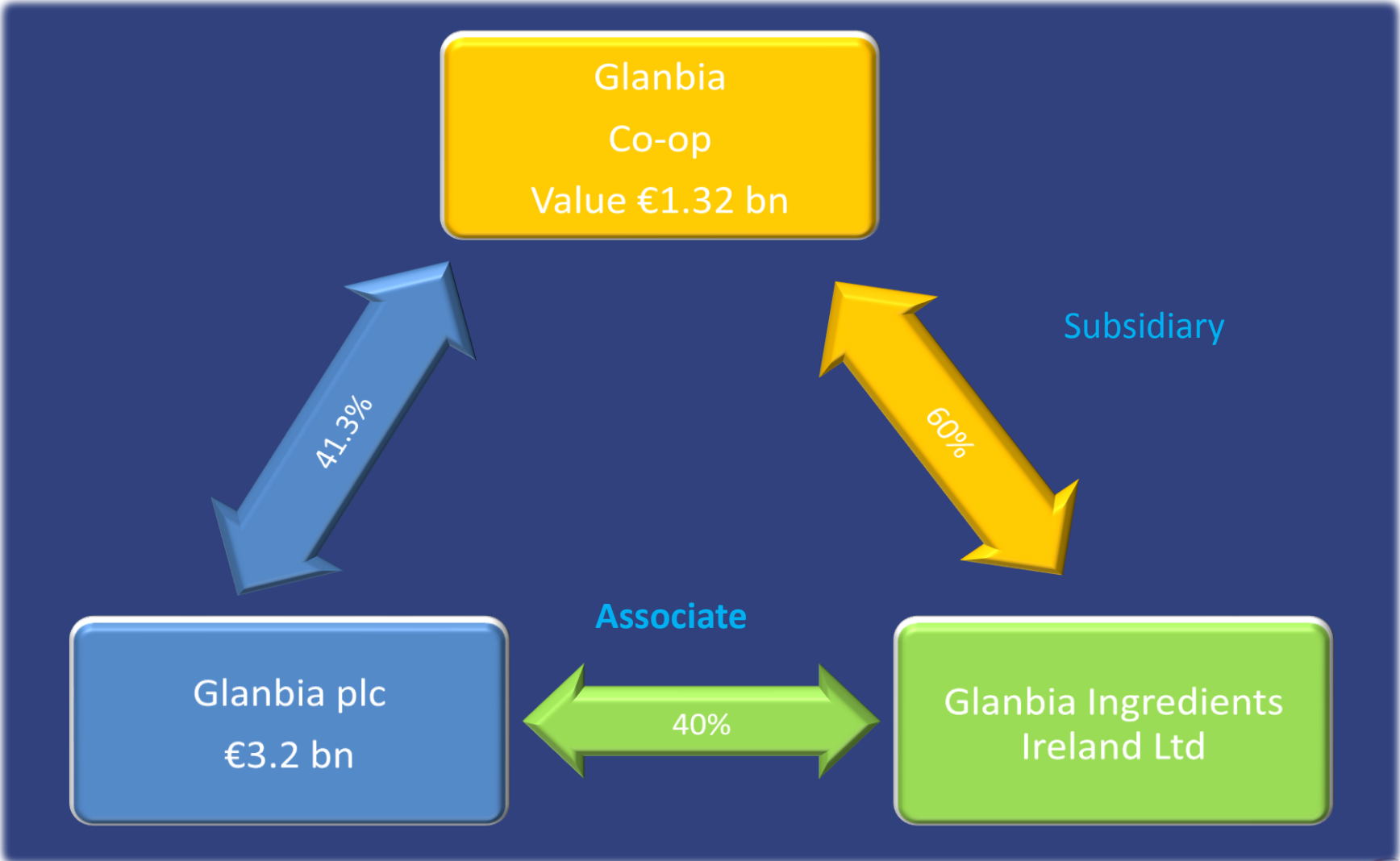
Milk Growth in Ireland Post Quota



**Introducing
Glanbia Ingredients Ireland Ltd.
(GIIL)**



GILL is a private company owned by two wealthy parents



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GILL is Ireland's leading dairy processor



4,300
1.6bn

dedicated farmer suppliers
litres in 2 processing plants



30%
180,000

of total Irish milk production
tonnes of Dairy Ingredients



Revenue 2012
PAT

€695 m
€28.3 m



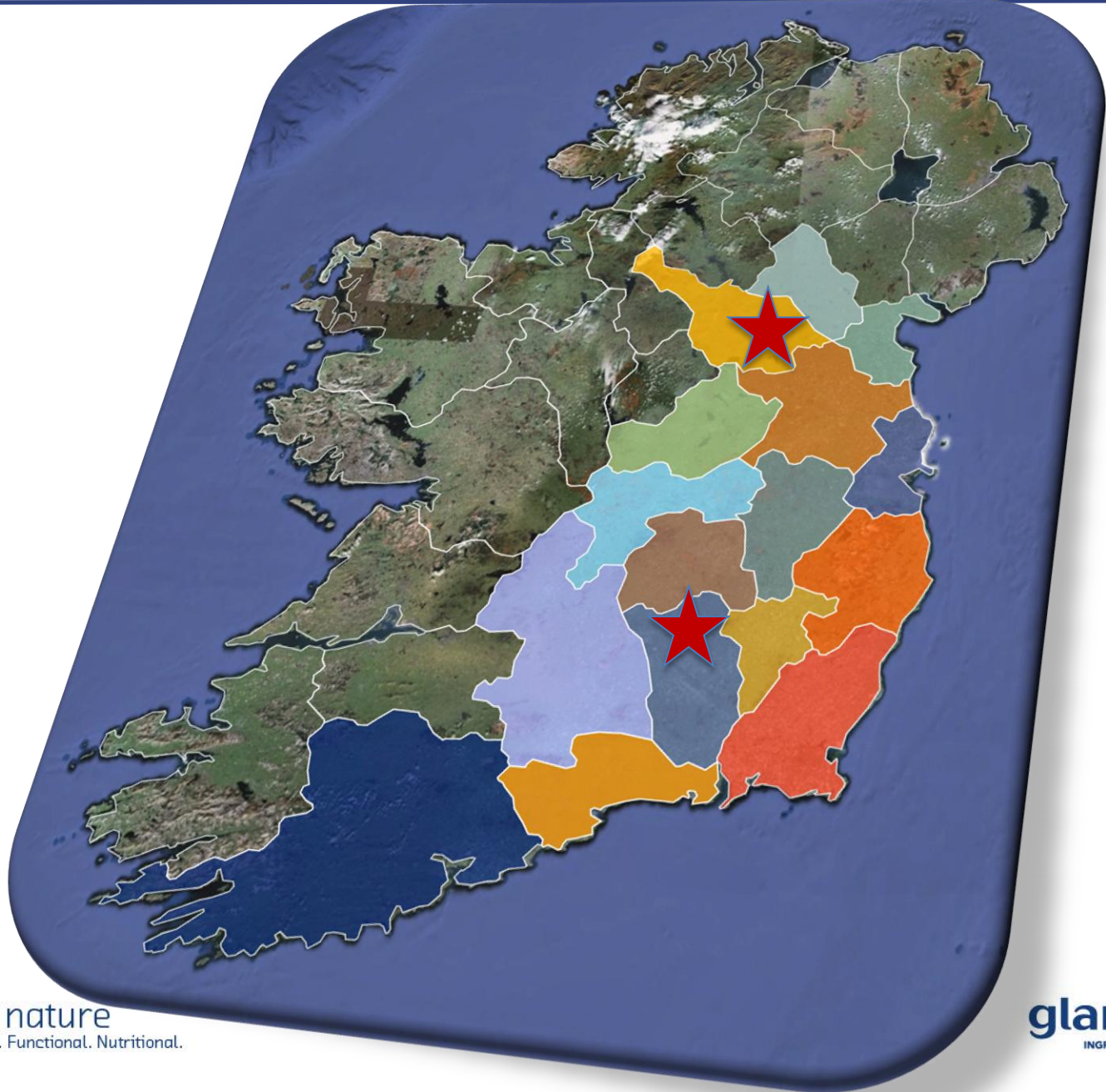
International Markets 50 countries



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GIIIL collects milk in 16 of the 26 counties in the South

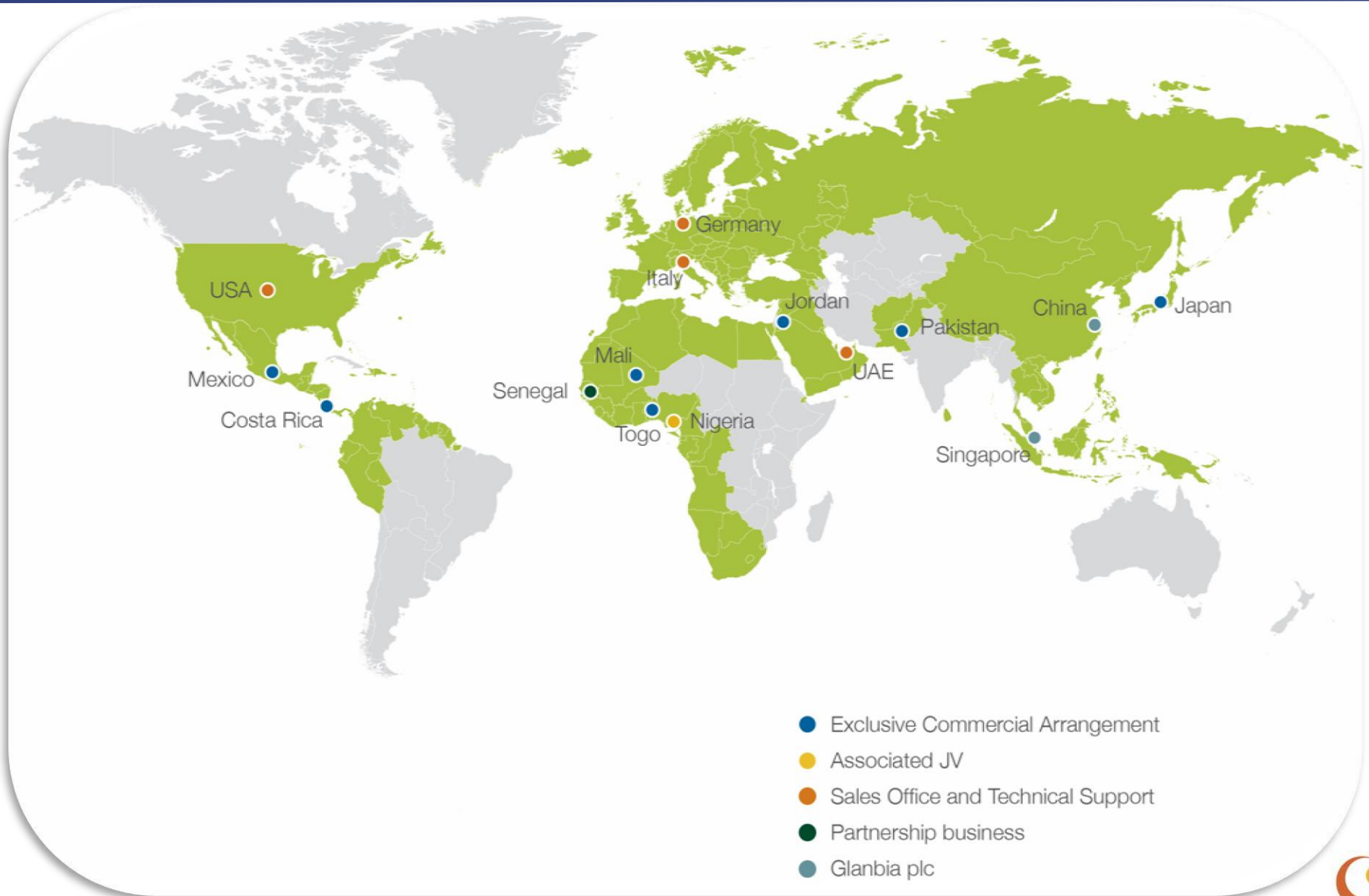


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GIIL has 16 commercial access points globally

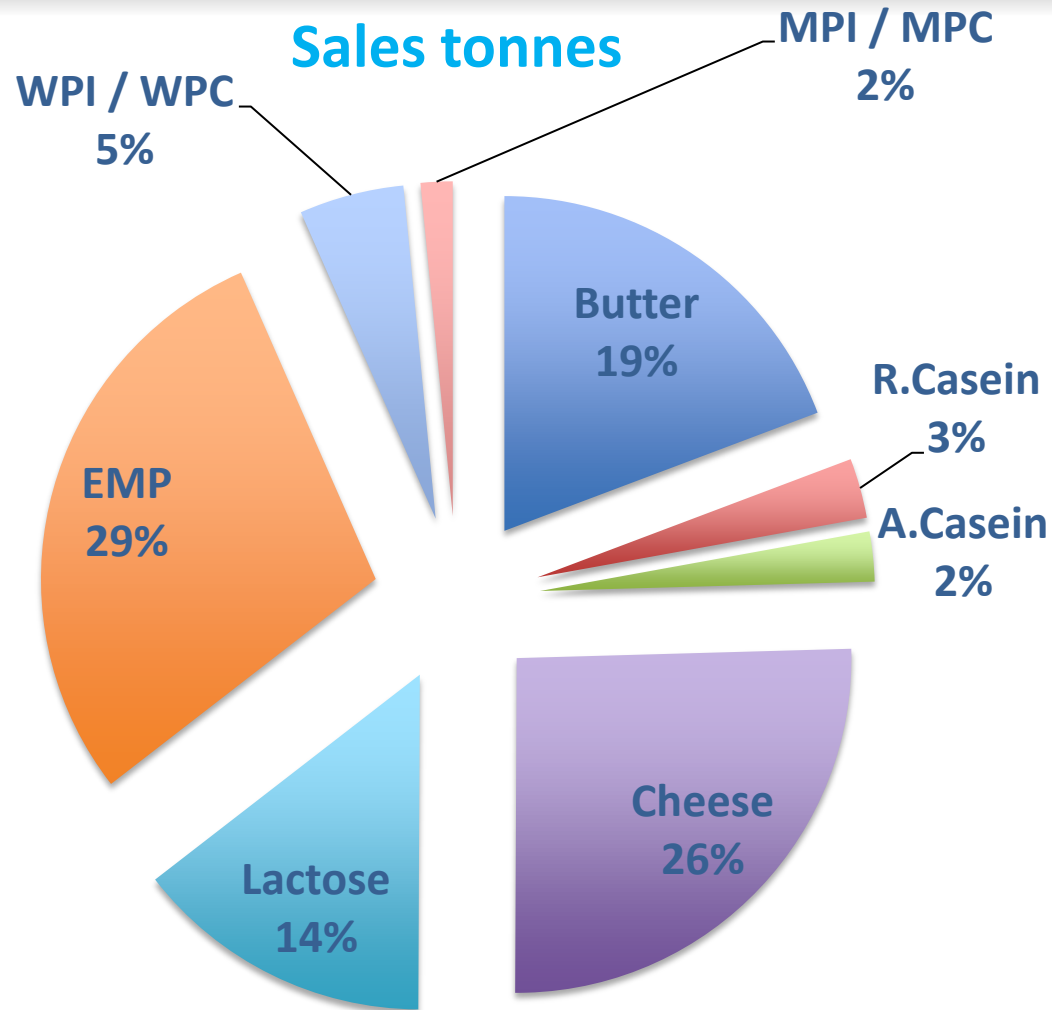


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GIL has a broad range of products



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GII's 6 strategic innovation platforms

Infant Formula



Affordable Nutrition



Cheese Ingredients



Retail



Cream Liqueurs



Clinical & Performance
Nutrition



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GIL's economic & environmental sustainability

Volatility Management

- Index linked fixed milk price scheme
- 45% of farmers with 30% cover

Accredited Carbon Footprint

- 300 farms audited under sustainability programme



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GILL's Award Winning Environmental Sustainability Programme

IS 393 & ISO
50001

- First Dairy Company in the world to achieve Energy Management Standard in 2007

Carbon Trust
Gold Standard

- Achieved in November 2011 & May 2012

Carbon Trust
Annual Awards

- Virginia win "Best in Relative Carbon Reduction 2011-12"

Carbon Trust
Water Standard

- Ballyragget first dairy processor in the world in March 2013.



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GILL's Platform for Expanding Milk Production



GIL's demographic and financial platform



4,300
70%

milk suppliers average age 51 years
of GIL suppliers have successors



60%
75%

without successors are under 45 years
of successors over twenty have undertaken
agricultural training



Borrowings per cow Ireland €1,000 – N. Zealand €4,806



€220 m

GIL shareholders have received in plc shares.

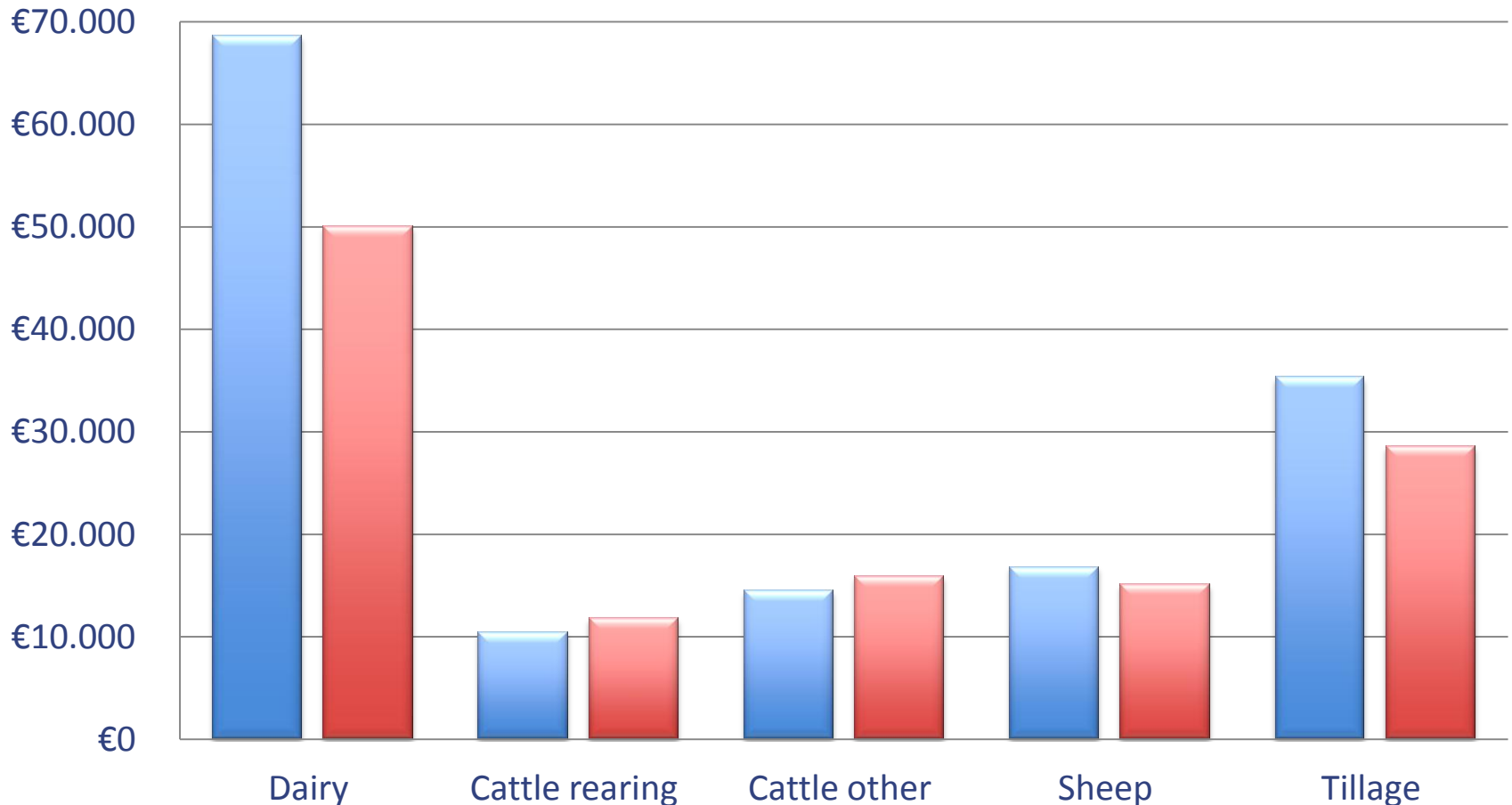


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Dairy income surpasses any other farming enterprise.

Irish Family Farm Income 2011 & 2012



■ 2011 Ave Income ■ 2012 Ave income

Source: Teagasc, 2012

FFI includes both market returns and direct payments from which living expenses and debt servicing must be paid.

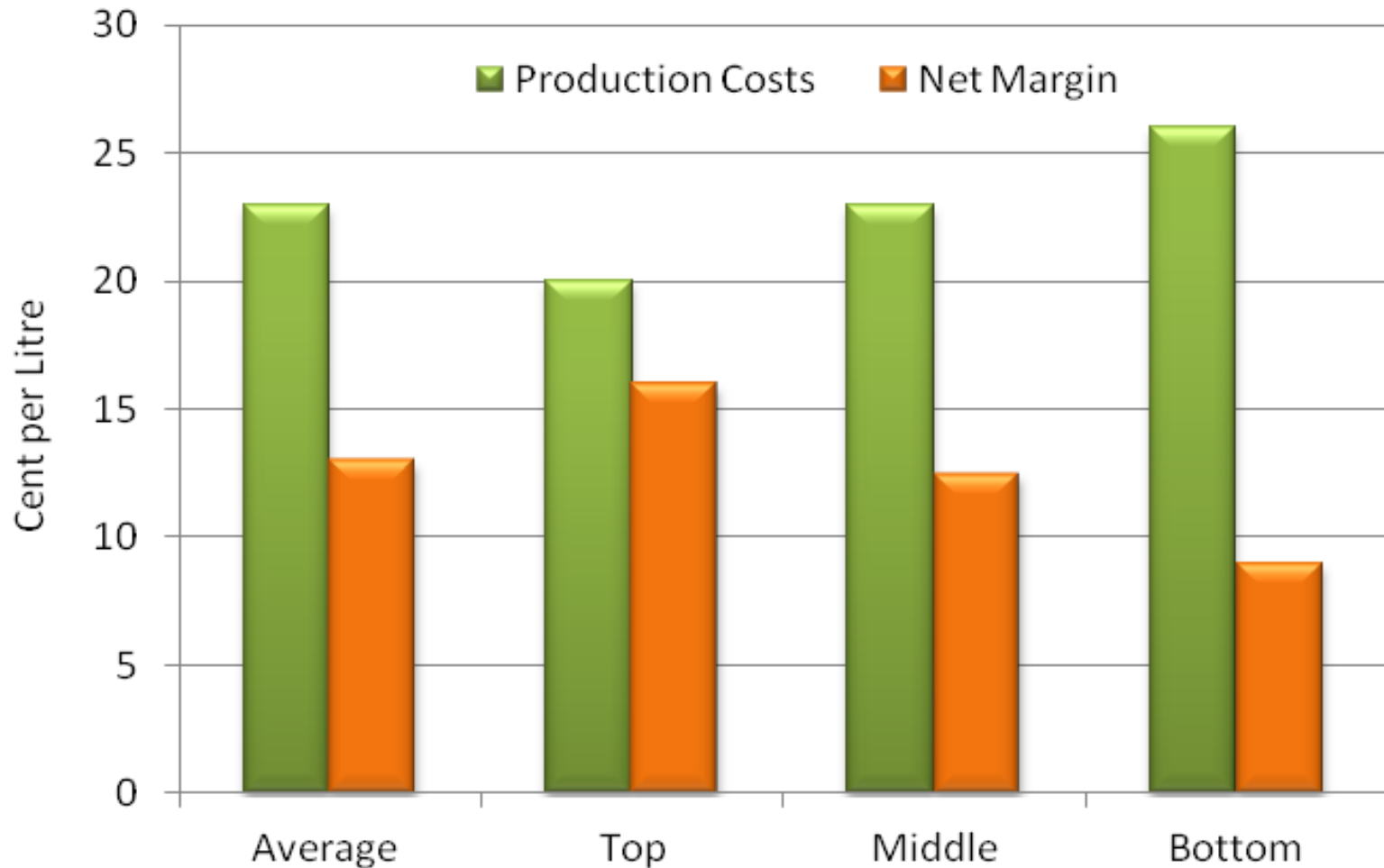


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Average net margin 2011 is 13 cpl

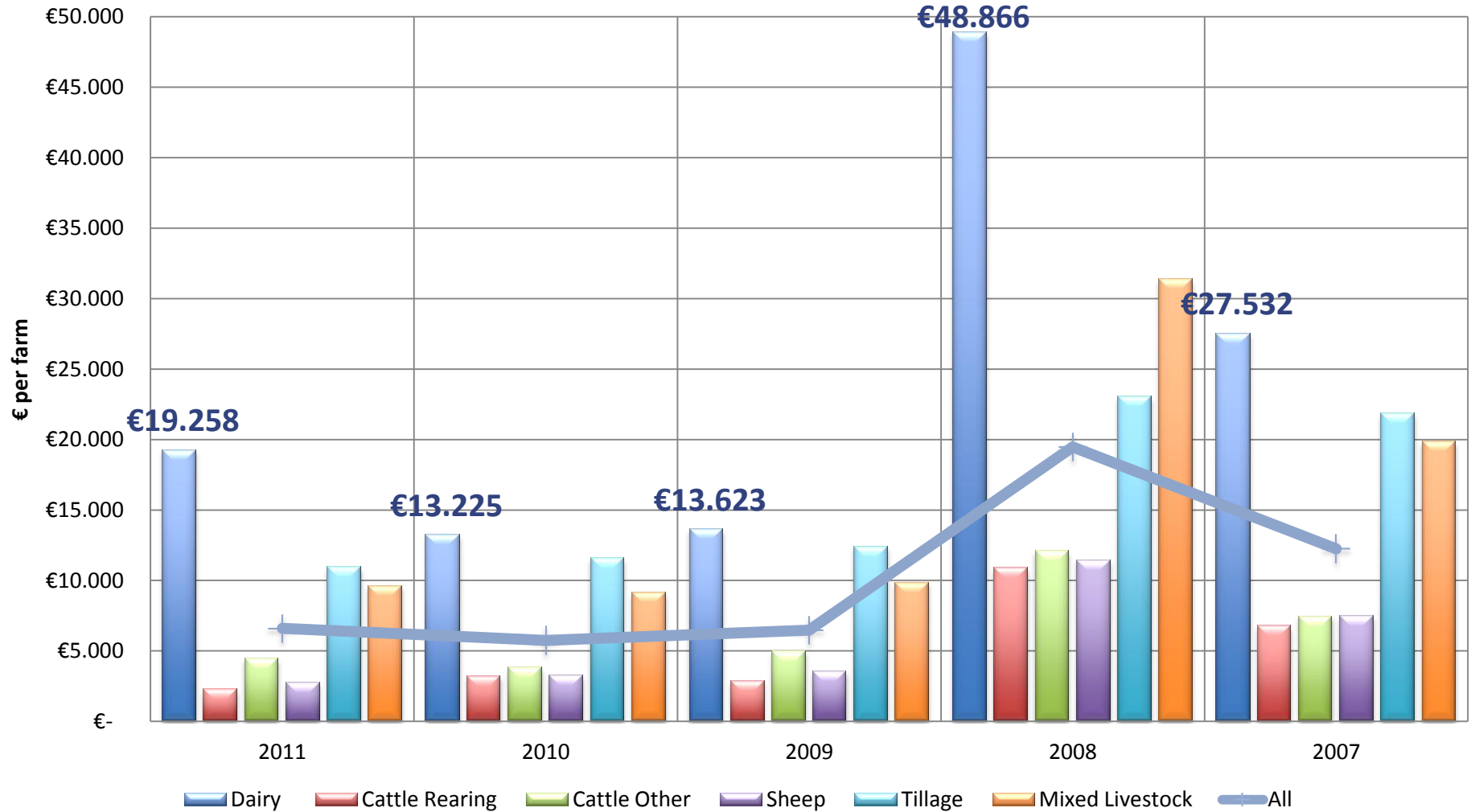


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Source: Teagasc National Farm Survey's 2007 to 2011



Irish on Farm Gross New Investment

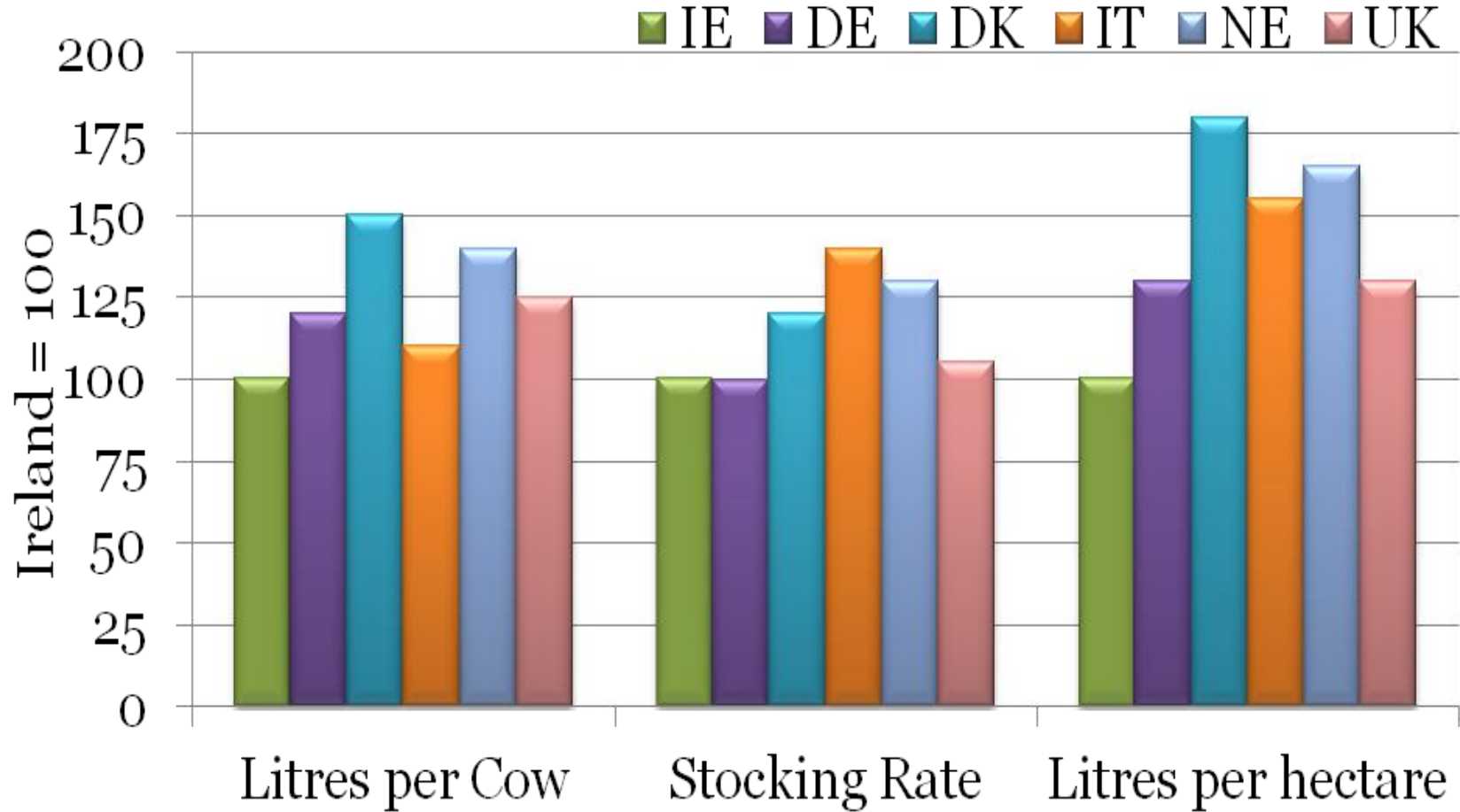


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Source: Teagasc National Farm Survey's 2007 to 2011



Ireland has significant capacity to grow



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Source: Teagasc National Farm Survey's 2007 to 2011



Signposts for the future



Ireland's expansion in perspective

- A 50% increase in Irish production is 2.75 bn litres over 5 years.
- 100% will be exported
- Ireland has become strategically interesting to Global Procurement Directors:
 - Significant Growth Potential
 - Empirical evidence of food quality and safety – 15% / 20% of global IMF
 - Perceived over-dependence on Southern Hemisphere
 - Grass-based production will become more competitive versus grain based production.
- Agriculture and food is strategically important to the Irish Economy



GILL's new greenfield processing facility



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Conclusions

- **GIIIL as Ireland's leading processor will increase by 50%**
- **GIIIL is very strong in nutritional and functional ingredients**
- **The new facility will provide very high quality ingredients**
- **Believe Ingredient supply chains are recombining at the supply end.**
- **Proven Volatility Management for suppliers and customers**
- **Independently audited sustainability programme at farm and plant level.**





Come visit us and see!

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