

Glanbia Co-operative Society
Annual Review 2019

Proudly delivering for rural communities

*for over
100 years*



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Highlights

5,600

Members participated in
2019 Trading Bonus Scheme

7.4%

Milk growth in
Glanbia Ireland 2019

€40.5 million

Total payments to Co-op Members in 2019

980

New Members in
past 5 years

€1.26

Total share interest/dividend
per share in past five years

€40.8 million

Dividend income received by
Glanbia Co-op in 2019



Chairman's Statement

Dear Member

At this time of national public health emergency, all citizens are being asked to play their part in preventing the spread of the Coronavirus (Covid-19). This global pandemic has created significant challenge for our businesses and our communities. We have taken the decision to postpone the Annual General Meeting of the Society and will notify you of the re-scheduled date, which will be determined by Government advice on collective gatherings.

This global pandemic has re-enforced the value of the collective rather than the individual. As highlighted on the cover of this Annual Review, Glanbia Co-operative Society (Glanbia Co-op) today represents the efforts of communities across Ireland that formed Co-operatives which are now over 100 years in existence. Challenges have been many and varied, but there is no doubt in my mind that, now, more than ever, we are stronger working together than as individuals.

As Chairman I am pleased to report that 2019 was a positive year for Glanbia Co-op, as we continued to evolve and develop on behalf of our farmer Members. We have two excellent investments, Glanbia plc and Glanbia Ireland, with strong management capability, highly committed people, great brands and well-invested assets. From a quoted share price performance point of view, 2019 was a challenging year for Glanbia plc, with a resultant negative impact on the market value of our Co-op's 31.5% shareholding. As outlined on pages 16 and 17 of this review, the Board and management of Glanbia plc have taken steps to address the challenges and regain growth momentum.

As outlined over the following pages of this review, your Co-op is an active and vibrant organisation well-placed to address and overcome the various challenges that arise. This Annual Review also provides an opportunity to reflect on a period of extremely strong growth as our Members capitalised on the abolition of milk quotas.



Member Supports

In 2019, the Co-op's financial strength was once more to the fore in responding to market challenges which impacted both our milk suppliers and grain growers. The total value of supports paid to Members during 2019 in respect of milk and grain supply as well as feed purchases was €22.5 million and was funded from support funds approved by Members at our Special General Meetings (SGMs) in May 2017 and May 2018.

Share Interest/Dividend

At its meeting on 22 April 2020, the Board of Glanbia Co-op approved the distribution of Share Interest ("Special Dividend") of 13.5 cent per share to all Members. This Share Interest was approved at a Special General Meeting (SGM) of Glanbia Co-op held on 29 May 2019 and will be paid to all Members on the Share Register on the date of that meeting.

At our forthcoming AGM to be scheduled in due course, it is the Board's intention that Members will be asked to approve the payment of Share Interest ("Ordinary Dividend"). A share interest payment of €5.6 million (15 cent per share) was paid following Member approval at the Annual General Meeting (AGM) held on 29 May 2019.

2019 Trading Bonus Scheme

On the establishment of Glanbia Ireland (GI), Members overwhelmingly voted that the dividends from GI would be ring-fenced within the Co-op for active farmer Members. The 2019 Trading Bonus Scheme was launched as a mechanism for paying the dividend from GI back to active Members. The Scheme was similar to the 2018 Scheme and represented an important departure for the Society by rewarding Members on the basis of the level of trade they undertake with the business that we majority own.

Based on the level of trade with GI and its associates during 2019, a total of €12.7 million was paid out to Members early this year. For milk supplier Members of Glanbia Co-op, the 2019 Trading Bonus was potentially worth up to 0.75 cent per litre (cpl) excluding VAT on all milk delivered in 2019, depending on the level of purchases from GI relative to milk volume supplied. I am pleased to report that two thirds of the recipients of this element of the bonus achieved the top rate of payment based on their purchase levels.

For grain growers, a Trading Bonus of up to €10 per tonne of grain supplied was available for 2019, again dependent on the level of purchases from GI relative to grain supplied. €1.4 million has already been paid out to grain suppliers with a further €1 million to be paid out when the dried grain supply season is completed. Farmer customers of GI that do not supply milk and are Co-op Members also qualified for a Feed Bonus as part of the Scheme.

Utilisation of Glanbia Ireland Dividend in 2020

Based on discussions with Members, the Board has decided to make some modifications to the manner in which the GI dividend is returned to active farmers in 2020. Specifically, milk supplier Members of Glanbia Co-op will receive a new payment of 0.4 cent per litre (plus VAT) each month on all milk supplied. This payment will be adjusted to reflect the actual constituents of milk delivered and will enable Members to benefit from the GI dividend on a more immediate basis.

Additionally, Members will have the opportunity to take part in the 2020 Trading Bonus Scheme. This will include a payment based on the level of trade for milk and grain suppliers. In addition, beef, sheep and pig farmer customers that are Glanbia Co-op Members can qualify for a Feed Bonus on tonnes purchased.

Review of Member Admission Criteria:

An extensive review of the Society's membership admission criteria was undertaken during 2019, with input provided by the entire membership representative structure. A key objective of the process was to facilitate a greater level of Society involvement by the emerging generation of farmers. A number of significant changes have been implemented including:

Required shareholding for a new Member reduced to 1,000 shares;

Required shareholding for a Committee Member reduced to 1,000 shares;

Society will issue shares in certain cases to facilitate inter-generational transfers of family farm enterprises; and

Society will issue shares in certain cases to encourage greater involvement from the Young Farmer category.

These changes are significant and reflect the Board's continued commitment to maintaining a vibrant Co-op that is readily accessible to our active farmers.

New Members

The Board remains committed to making membership widely available. While 97% of milk that is supplied to Glanbia Ireland is supplied by Society Members, the Board has decided that a membership invitation will be issued to certain eligible milk suppliers during 2020. A total of 38 farmers who commenced milk supply during 2018 were admitted as Society Members in 2019.

Board Responsibility and Composition

The Glanbia Co-operative Society (The Society) is strongly represented on the boards of the three key group entities: the Society itself, Glanbia plc and Glanbia Ireland.

The Society Board has overall responsibility for the strategic direction and management of the Society and is comprised of 15 Directors: the Group Managing Director and 14 Members appointed through the Representative Structure. All 14 Member-nominated directors also serve on the Board of GI together with six nominees from Glanbia plc and Members of the executive team of GI. Under current agreements the composition of the Board of Glanbia plc reduced from 10 nominees from the Society to eight in 2018. It will reduce to seven in 2020 and six nominees in 2022. This reflects the reduction in the Society's shareholding in Glanbia plc from 54.4% in 2012 to a current level of 31.5%.

Representative Structure

The Members of our Representative Structure play a key role in the development of the Society. They form a key point of contact between Society Members and management and the Board of the Society and its subsidiaries. Participation in Area and Regional Committees also serves as a training forum for potential Council and Board Members. In response to the evolution and growth of the organisation the Board has committed to providing relevant training and development opportunities for Committee Members.

I am pleased to report that, in partnership with ICOS, two separate and intensive training programmes were provided to Committee Members during 2019. In excess of 60 Committee Members took part in these programmes.

The Society remains the largest investor in Glanbia plc and the strong dividend income flows from that investment are important in funding Society initiatives on behalf of Members. During 2019 the Council spent a week visiting business operations of Glanbia plc in three USA locations. It is important that, as senior representatives of the largest investor in Glanbia plc, Council Members gained a first hand picture of the operations, opportunities and challenges encountered in its key business operations.

(See page 25 for more details on the Representative Structure).

Board Retirements

At our forthcoming Society AGM, Jer Doherty, Diarmuid Lally and Eamonn Power will retire as Directors from the Board of the Society. I would like to thank all three retiring Directors for the energy and commitment they brought to their roles. The Board vacancies arising will be filled by Robert Barron, Denis O'Sullivan and John Regan. I would like to wish the incoming Board Members every success in their new roles.



The next stage evolution of our on-farm knowledge transfer programme, the Open Source Future Farms, operated in conjunction with Teagasc, was launched during 2019. It aims to provide family farms with the skills and technologies to operate efficient and sustainable farming systems and showcase the benefits of optimum soil nutrition programmes. There has been

strong interest from farmers in the learnings and social media activity from the 11 participants in the Future Farm Programme who are spread across our catchment area and farming in a variety of different systems and partnerships. In addition, the programme will also measure biodiversity on a number of farms to show the strong benefits that can be delivered through small steps on farms.



Society Resources

Members will be pleased to note from the financial summary on pages 32 to 35 that the Society remains in a healthy financial position. At the end of 2019, the Society had cash and related balances of €24.5 million.

Accounts

Compared to the previous year, the accounts show an increase in the cost associated with the representative structure. The majority of the increase is due to the costs incurred in the trip visiting Glanbia facilities in the United States undertaken by 78 Members of our representative Council in October.

During 2019, the Board of the Society also decided to allocate the sum of €2 million to support long-term innovation and market development by Glanbia Ireland on behalf of our Members. This Market Development Fund was allocated to a small number of new products and new international routes-to-market that the Board believes have the potential to generate a long-term return for our Members. This Market Development Fund is over and above the normal commercial activity undertaken by Glanbia Ireland in bringing new products to market.

Outlook and Conclusion

As highlighted over the previous pages, Glanbia Co-op continues to evolve and develop on behalf of Members. As an organisation with over 100 years of history, we are following in the footsteps of the generations that have gone before. We can and should take pride in our Co-op, in the legacy it has created and play our part in strengthening it for future challenges.

In that context, it is important that the next generation embrace their Co-op and take up the reins to ensure the structures that have served us so well are preserved for the future. Transferring shares to the next generation of farmers is essential if we are to maintain a vibrant Co-op. I am confident that the changes that we have made to Member admission criteria should help facilitate that process.

The Glanbia model itself is both unique and transparent. With the support of our farmers and customers we have continued to make significant progress, both here in Ireland and internationally. We encountered challenges in parts of the business in 2019; we are committed to addressing those issues with energy and determination.

At the time of writing, the Glanbia community, and indeed the global community, are striving to overcome the challenge of Coronavirus. Farming and food production are classified as 'essential' industries. We take this responsibility very seriously. I want to pay tribute to our 7,000 employees across the globe who are working hard each day to maintain the services essential for our suppliers, customers and consumers. A special word of gratitude should also be extended to members of our families in the health service - the "heroes" in the frontline. We will come through it together, by showing the same spirit and commitment displayed by our forefathers over 100 years ago.



Martin Keane

Group Chairman



Tom and David Fennelly on their farm in Co. Laois.

Case Study

Tom and David Fennelly, Portarlington, Co. Laois.

"Married to Florence, I'm farming with my youngest son David near Portarlington, Co. Laois. We are milking 200 cows and have one full time employee. It is encouraging for me that the next generation is interested in farming. This year David will graduate from U.C.D. having studied Dairy Business.

Sustainability is a very important part of farming now and rightly so. While farming efficiently, we have to be conscious of the environment. We are involved in Glanbia / Teagasc's Open Source Future Farm Programme and therefore we monitor the farm's usage of grass, water, energy, slurry and fertiliser. Farming is coming under the spotlight in terms of sustainability so it is important to be able to prove that you can grow the business while protecting the environment.

We are also involved in the "Twenty20 Beef Club" scheme and this year we sold all of our Friesian bull calves through the scheme. It's a very good initiative that is proving to be a useful link between buyer and seller. Hopefully it will prove to be a successful model for both enterprises.

Like many others, we have increased cow numbers and invested in farm infrastructure during the recent phase of expansion. It is important for us that we are supplying a stable organisation like Glanbia that has the resources to grow with us, and can market and sell the supply of milk that will be produced.

In terms of milk price we are hoping it will hold-up this year. As the outbreak of the Coronavirus has shown, we can't predict the future, but once we are paid a fair price and we have a decent margin, we're happy enough. I think this is where the Co-op structure can deliver for the farmers, when it maximises what can be done to support us."

Glanbia Ireland

Growing the Business Through Partnerships and Innovation

Glanbia Co-op, with over 100 years of history, understands the importance of strong strategic partnerships and best-in-class innovation in achieving long-term success. The Co-op, through its investments in Glanbia plc and Glanbia Ireland is proud to see both organisations constantly evolving and growing through R&D and commercial activities. It is important this growth is achieved in a sustainable manner and delivers results that continue to support our farmer Members on the ground.

Glanbia Ireland Announce FarmGen Solar PV Solution

Glanbia Ireland, in partnership with SSE Airtricity and Activ8 Solar Energies, is proud to bring this bespoke renewable solar energy solution to Irish farmers through the FarmGen initiative.

Pictured at the announcement: Klair Neenan, Managing Director, SSE Airtricity; Michael Creed, Minister for Agriculture, Food & the Marine; Jim Bergin, CEO, Glanbia Ireland; and Ciaran Marron, CEO, Activ8 Solar Energies



François Morgan,
Chief R&D Officer, Glanbia Ireland

Glanbia Ireland's planned new €15 million Innovation Centre at our Ballyragget location is a key element of our future ambitions to grow our portfolio of value-added products. The blueprint is for a new 2,000 sq. ft. two-storey facility adjacent to our existing R&D structure, which will be also fully renovated. The new facility will include a processing area with a pilot plant which will enable us to have a high throughput prototyping for new products and solutions.

The processing area will allow us develop our cross-functional work on the optimisation of manufacturing processes with the operations team and it will allow us to assess new technologies.

Our customers, and especially those who do not have their own R&D capabilities, will be welcomed in the area dedicated to 'Open Innovation' where we will connect with them to build on our innovations and co-create products and solutions that fit their needs. These will be brought to life and tested in our new application labs.

This new facility will be an Innovation Hub, where all our creative and passionate food technologists, nutritionists and scientists will collaborate and bring ideas to life, and it will be a competitive asset to attract new talent in the future.

There has already been a strong focus on growing Glanbia Ireland's R&D capabilities ahead of the new facility with 50 people now working on new innovations and value-add solutions with our high quality dairy and grains portfolios.

We hold high ambitions for our new facility and believe it will help us to unlock the opportunities from our high quality traceable produce in the years ahead.



Glanbia Ireland Schemes and Initiatives for 2019

**JAN
29
2019**

Milk Planning Census 2019

Thank you for your cooperation in completing and returning this very important document.



Glanbia Co-op 2019 Trading Bonus Scheme

The 2019 Glanbia Co-op Trading Bonus Scheme rewarded Members for trading with Glanbia Ireland.

**FEB
14
2019**

Glanbia Loyalty Scheme payments

Participants in the Glanbia Loyalty Scheme (GLS) were paid their Loyalty Reward with their February milk payment.



**APR
03
2019**

Glanbia Ireland and Kepak Group launch innovative new Twenty20 Beef Club

Glanbia Ireland and Kepak Group announced an ambitious and innovative new calf-to-beef programme.



**JUN
12
2019**

Fixed Milk Price Scheme (Phase 13)

The May milk payment included retrospective top-up payments for milk volumes allocated to Fixed Milk Price Scheme (Phase 13).



**JUL
08
2019**

Glanbia Ireland announce FarmGen Solar PV solution

Glanbia Ireland announced FarmGen Solar PV solution with SSE Airtricity and Activ8 Solar Energies.



**SEP
06
2019**



Glanbia Ireland and Teagasc unveil the new Open Source Future Farm Programme

11 farmers will demonstrate best practices in delivering efficiencies and environmental improvements on their farms over the next five-years.

**OCT
03
2019**

New Avonmore Ready-To-Eat Porridge

Glanbia Ireland launched Avonmore ready to eat porridge using the best of Irish dairy and Irish Gluten Free Oats.



**NOV
13
2019**

Glanbia Ireland confirms new Fixed Milk Price Scheme

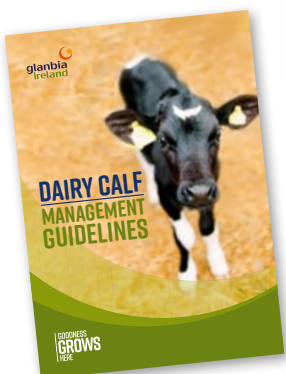
Glanbia Ireland launched a new phase (14) of the Fixed Milk Price Scheme.



**NOV
25
2019**

New Dairy Calf Management Guidelines booklet published to provide 'best practice' advice

Glanbia Ireland's technical team, including veterinarians, created a practical booklet to provide 'best practice' guidance to assist suppliers.



**JAN
02
2020**

FundEquip launches new package for calf rearing equipment

A new package of finance is available through Glanbia Ireland's FundEquip scheme, alongside management advice, for calf rearing equipment.



Group Managing Director Statement

Dear Member,

At the time of writing, Ireland and indeed the global population are dealing with the spread of Coronavirus (Covid-19). In these unprecedented times, our priority is to ensure the health and safety of our employees, customers, suppliers and Members. As a result, we have, as our Chairman has noted in his statement, taken the difficult decision to postpone the Annual General Meeting (AGM) of the Society until further notice. We will continue to monitor the evolving situation in particular adhering to the public health advice and guidance of the Health Service Executive (HSE) and the National Public Health Emergency Team. We will update you further on our AGM plans in due course.

As we reflect on 2019, I am delighted to acknowledge that Glanbia Co-operative Society (Glanbia Co-op) is in a healthy and strong position, with investments in two strong and profitable businesses: Glanbia Ireland (GI) and Glanbia plc.

Our Co-op's dividend income in 2019 was €40.8 million, with €23.4 million from Glanbia plc and €17.4 million from GI.



Dairy Expansion

GI continues to facilitate a period of rapid expansion by our milk suppliers. Between 2013 and 2019, the volume of milk processed by GI grew by 1.1 billion litres. This 64% increase, which was due to very significant on-farm investment, has been of tremendous benefit to our farm families and the rural economy.

In the current year, our milk intake is forecast to exceed 3 billion litres; just 5 years ago it was 1.9 billion. It is still too early to predict if the Coronavirus outbreak will have a material impact on milk supply volumes.

Apart from GI's significant investment in processing capacity and establishing routes-to-market, Glanbia Co-op has also been hugely supportive of our Members' milk supply growth, putting in place innovative schemes and distributing funds in a timely and appropriate manner to support Members. Whether it was drought, snow or market price volatility, the Co-op responded promptly to the needs of Members with tailored schemes that were timely and highly valued by our farmers.

Share Interest/Dividends

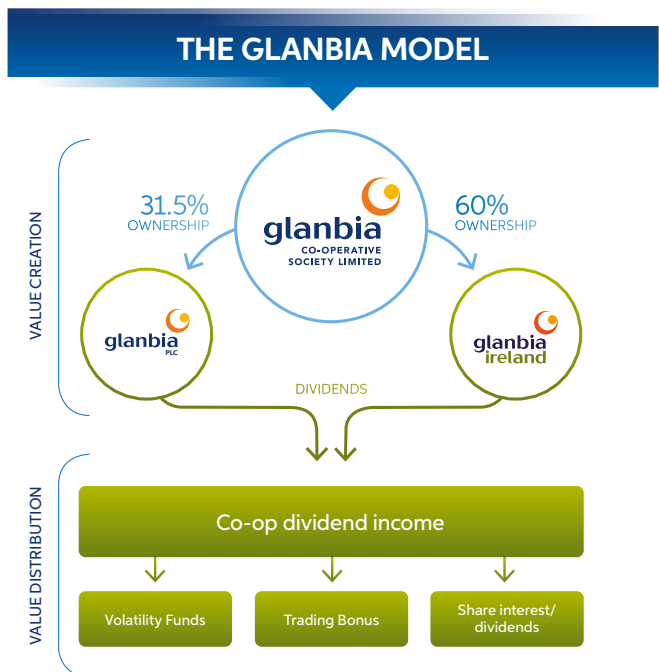
Throughout that period the Co-op Board has also been mindful of its obligations to all shareholders, paying total share interest of €1.26 per share in the five year period up to and including 2019.

Membership

Over the same five year period the Board has also ensured that steps were taken to ensure that the Co-op membership remains active and vibrant. In the past five years the Co-op has welcomed a total of 980 new Members, including milk and grain suppliers and agribusiness customers.

Furthermore, the Council of Glanbia Co-op has recently approved a series of changes to the criteria for admission of new Members to the Society. The main objectives of the changes are to encourage greater Co-op involvement among the next generation of farmers and ensure that membership admission continues to be confined to persons actively farming.

The Board is keen to ensure there is a clear path for young, active farmers to join Glanbia Co-op and also to become involved in the representative structure of the Co-op.



Distribution of Funds

As you know, Glanbia Co-op owns 60% of GI and receives a dividend each year which equates to 30% of the milk processor's annual Profit After Tax (PAT). At the formation of GI in 2017, Members voted at a Special General Meeting (SGM) in Punchestown to ring-fence this dividend for distribution to active farmer Members of Glanbia Co-op.

In 2018 and 2019, the Board chose to use the Trading Bonus Scheme as the primary mechanism to distribute this dividend income to active farmer Members.

Early in 2020 the Board approved a new distribution model for the dividend received from Glanbia Ireland. In 2020, milk supplier Members of Glanbia Co-op will receive a 0.4 cent per litre (cpl) payment each month on all milk supplied as their "Share of GI Profit". This payment to Members will be adjusted to reflect the actual constituents of the milk delivered.

Furthermore, Members will also have an opportunity to participate in the 2020 Trading Bonus scheme. The new scheme is similar in design to the previous scheme, but there has been a change in the payment rates and thresholds in the Milk Trading Bonus to reflect the revised distribution model.

The Board believes that the combination of the monthly milk payment and the 2020 Trading Bonus Scheme is an equitable, transparent and a more immediate means of returning the Co-op's share of GI profit to our active farmer Members.

In the first quarter of 2020, the 2019 Trading Bonus Scheme returned almost €14m to our active farmer shareholders. The Trading Bonus rewards our Members for trading with the business that they majority own, GI.

Co-op Value

Glanbia plc had a challenging 2019 as while many parts of the business performed well, the Performance Nutrition business had challenges in certain key international markets. Glanbia plc has a strong profitable business portfolio but did not achieve its growth ambition in 2019. The value of the Co-op's investments was negatively impacted by Glanbia plc's share price performance. As set out in this review on pages 16 and 17, the Board and Senior Executive management team of Glanbia plc are very focused on actions to address the challenges faced by the Performance Nutrition element of the business, as well as the more recent challenges of the global Covid-19 pandemic.

Strong and Progressive Co-op

In recent years our Co-op has hosted centenary celebrations at a number of the co-operatives that evolved into the Glanbia that we know today. These included Dungarvan, Kilmeaden, Ballyragget, Graigenamanagh, Castlelyons, Campile and Goresbridge. Those events provided a timely opportunity to reflect on the challenges that our predecessors successfully overcame to maintain a vibrant, relevant and strong co-operative for all Members. As we navigate the unique challenges of the current Coronavirus outbreak, we can take inspiration from the fact that Glanbia as an organisation has successfully come through very significant challenges over the past 100 years and continues to stand strong and proud today.



Fred and Mervyn McCann on their tillage farm in Co. Kildare.

Case study

Fred and Mervyn McCann Kilberry, Athy, Co Kildare

"We're farming in the area for four generations. Around 40% of our land is owned, with the remainder on long-term leases. Our rotation consists mainly of winter cereals and winter oil seed rape, with some spring barley."

We mostly buy from Glanbia for our tillage farm which equates to around 80% to 90% of all our inputs. We have a good working relationship with our Glanbia advisors, currently with Barry Purcell, and before that David Leahy, both forming part of a strong network that advise us.

It is good to have that advice and support network in place especially at this time of great change in the tillage industry when many active ingredients we currently use to control disease and some weeds are not having their licences renewed.

We are currently farming through the Covid-19 pandemic and Glanbia delivered products right to our farmyard, which really helped us with social distancing and was a great service. Last year the harvest was extremely difficult. The yields were good but the weather was very challenging. Sowing in autumn 2019 was a real challenge but thankfully spring 2020 has given us two to three weeks of dry weather to sow spring crops and get back out on the land. We sow the crops using ploughing or min-till when the conditions permit.

All the wheat, barley and oil seed rape are dried and stored. The majority of our dried grain goes to Glanbia, with the remainder sent to a local pig farmer. We have a Quality Oats contract with Glanbia and the Oats are sold green off the combine. Throughout the year we forward-sell a portion of the crop to Glanbia, little and often up to a year in advance, and find this good for financial planning. It is also particularly good for cashflow in November. The payment arrives in the month of contract, even if the grain hasn't moved, which is welcome. Generally forward selling works out a good deal, and other times not so good, but in the long run we find it works well. Last year, we got our full Trading Bonus, which was worth €10 per tonne on grain, every bonus helps."

The McCanns are multiple winners of the Glanbia Ireland Quality Grain Award for Dried Feed Wheat.

Whether it was drought, snow or market price volatility, the Co-op responded promptly to the needs of Members

Siobhán Talbot

Group Managing Director

Glanbia Ireland

Glanbia Ireland paid a record €1.035 billion to milk suppliers in 2019. These payments went directly to our farm families and had a significant positive impact on the rural economy. We are working alongside our farmers to ensure that all our future plans are positive for the environment and the rural economy.

Jim Bergin,
CEO, Glanbia Ireland



Never have we seen such uncertain times. The outbreak of the Coronavirus (Covid-19) and its subsequent seismic impact across the globe has redefined how we all live and work.

The provision of high-quality nutrition and the protection of the national food chain was deemed a 'State critical' essential service by the Irish Government for the challenging period.

As the largest dairy processor in the country and the number one consumer dairy brand, Glanbia Ireland put in place a series of measures to help ensure the collection of the milk pool from our dedicated suppliers, the continued processing of the milk by our committed workforce, and the ongoing delivery of our nutritious dairy products to our customers and consumers.

The unprecedented events of early 2020 are still continuing to evolve and it will be some time before the world knows the full impact of the pandemic on the economic and social fabric of our countries.

However, I would like to express my deep thanks to our farmer suppliers who immediately put in place a series of additional measures, our dedicated workforce, including those in our processing facilities and customer services, our teams of drivers and our branch staff, and our loyal customers who all collaborated so effectively during these challenging times.

Glanbia Ireland's response during this time is testament to the strength and growth of the organisation over the past five years.

Five Year Review

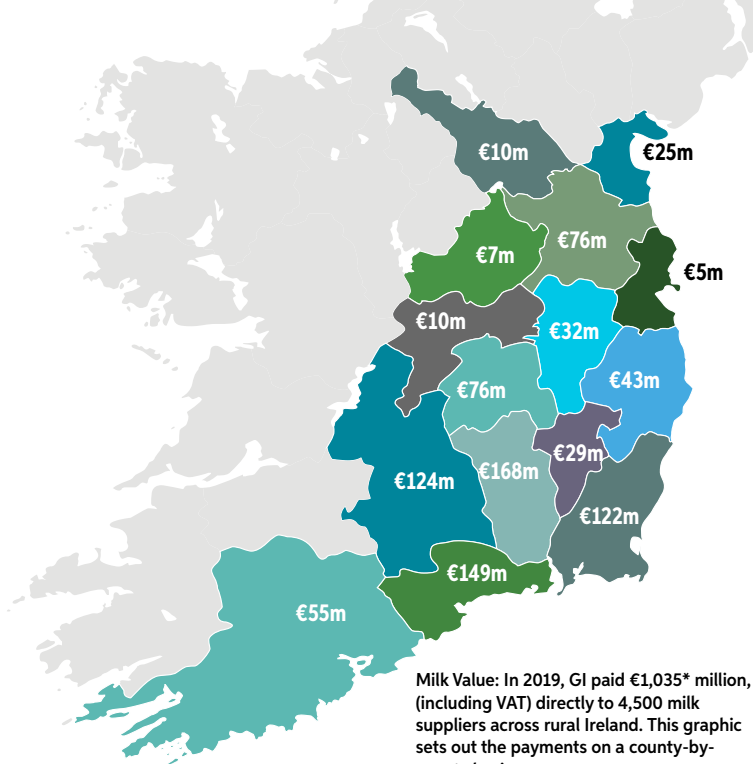
An extra 1.1 billion litres of milk is now being produced on our farms, processed by Glanbia Ireland's expanded state-of-the-art facilities and brought to customers and consumers all over the world by our talented people. The growth in the overall business, along with the synergies from the combined assets of our consumer, ingredients and agribusiness categories, has helped unlock opportunities and resulted in a strong financial and operating performance for the year.

Key Performance Indicators

In 2019 alone, Glanbia Ireland paid a record €1.035 billion to milk suppliers. These payments went directly to our farm families, generating further economic benefits in communities through purchasing of inputs and hiring labour in rural communities. For the average milk supplier, this has seen farm-gate milk value grow from €139,000 in 2014 to €203,000 last year – an increase of €64,000 per farm.

Overall, 2019 was a strong year for the business, as our GI team continued to achieve our three key performance indicators:

- Process our suppliers' growing milk volumes;
- Pay a market-led competitive milk and grain price; and
- Achieve a minimum Profit after Tax margin of 3.2% which fuels the investment and growth ambitions of both the business and our suppliers.



Milk Value: In 2019, GI paid €1,035* million, (including VAT) directly to 4,500 milk suppliers across rural Ireland. This graphic sets out the payments on a county-by-county basis.

*Figures rounded up.

Milk Growth

Weather conditions for milk suppliers in 2019 were reasonably favourable compared to the challenges of the previous year.

Glanbia Ireland (GI) processed a record 2.9 billion litres of milk, an increase of 7.4% or 200 million litres on 2018. Our farmers and our teams ensured a record volume of 86.8 million litres of milk was processed in the peak week in May 2019 – a 10% increase over the same week in 2018. This was the first year that our €125 million third dryer at the Belview milk powder plant was operational for the peak milk supply period.

GI performed strongly, with over 409,000 tonnes of dairy products sold in 2019. Growing new markets, and particularly value-added segments, for dairy products requires significant investment in people. GI now has over 100 people working in Ireland and in our target markets in China, US, Middle East and Africa to market our products.

Financial Performance

GI delivered a solid financial performance in 2019 with overall sales of €1.96 billion, an increase of €154 million or 8.5% on 2018. Profit after Tax (PAT) of €62.9 million was in line with the targeted margin of 3.2% and was an increase of 9% on the previous year.

- Turnover in the Ingredients business increased by 14.6% to €1.2 billion. A sizeable increase in volume was attributed to the winding down of high stock volumes due to strong milk growth in the final quarter of 2018. This was in addition to the record 2.9 billion litres of milk processed during the 12-month period.
- Weather conditions for milk suppliers in 2019 were reasonably favourable compared to the challenges of the previous year at farm level. This resulted in a reduction in sales of feed and fertiliser during 2019. However, market share in the targeted business sectors continued to rise.
- The domestic retail consumer market performed reasonably well during 2019, with modest growth in volumes sold across our premium branded milk and cream portfolio. Our experienced team continues to hold strong ambitions for our branded offerings internationally, with substantial growth in sales of Ultra Heat Treated (UHT) milk and cream into South East Asia. Our Truly Grass Fed range of butter and cheese products has been very well-received in the US marketplace.



Ross King, Glanbia Business Manager and GI Milk Supplier Martin Bennett.

Case study

Martin Bennett, Hophall, Portlaoise, Co. Laois

I'm farming with my parents Aileen and Michael. We are milking 130 dairy cows and we finish all the beef on the farm. I deal with Glanbia for all my merchant trade and I find the trading bonus hugely beneficial. It's a welcome financial boost in February. It helps bridge cashflow from one year to the next. However, it's more than just the financial gain, the feed quality is excellent and we find the animals thrive on it. Even if the trading bonus wasn't available, I would be purchasing the feed from Glanbia because of its feed value.

At the same time, it's nice to be rewarded for our custom and it's something I appreciate. We're also involved in the 'Twenty20 Beef Club'. It's a well-run scheme that adequately showcases the value-added product which Irish beef is. It's encouraging to see both Glanbia and Kepak making an effort to help ensure the beef farming enterprise in Ireland is more viable going forward and perhaps even profitable in the future.

When you are farming, you are at the whim of a lot of elements outside of your control, that's why we take advantage, as much as we can, of the fixed milk price scheme. We're not trying to beat the system, but more so regulate our risk exposure to the world markets and milk price volatility. Having a portion of our milk sales fixed means we reduce this risk while also attaining a certain level of income stability which we welcome. It is a useful financial tool for anyone, especially those with significant levels of borrowings. I mostly deal with Ross King in Glanbia and I find him very helpful. During the busy Spring season, I don't get to go out to as many information meetings or farmer conferences as I'd like, and I find all the advisors and managers act as a facilitator of knowledge transfer. They provide insights into the latest information during these busy times and every piece of new information helps.

Glanbia Ireland continued...

Balance Sheet Strength

GI's balance sheet as at 4 January 2020 shows a strong financial position, with total equity attributable to the Group's shareholders standing at €418.4 million. At 4 January 2020, the Group had net debt of €287.6 million, a reduction of €32 million on the debt level of €319.6 million recorded at 29 December 2018. The reduction has been achieved primarily by the reduction in working capital facilitated by the strong sales volumes recorded in the ingredients category in 2019.

International Trade

The global trading environment is more volatile than normal at present due to the Coronavirus pandemic. While we have a strong position in the domestic retail market, the vast majority of GI products are destined for global export markets. We are hugely dependent on the free movement of goods and on functioning freight networks across international borders.

2019 saw the introduction of supplementary tariffs of 25% on Irish dairy products and cream liqueurs that were imported into the US and this remains in place through 2020. In addition, the trade dispute between the US and China also impacted on global trade, though some aspects were resolved, the dispute remains ongoing.

The uncertainty from Brexit continues to weigh on the market. 2019 saw the UK struggle to leave the European Union (EU), and their membership of the EU finally terminated on the 31st of January 2020. The UK is scheduled to end its membership of the Customs Union and Single Market at the end of 2020, unless they take action to extend again. Progress in negotiations is slower than expected due to the impact of Covid-19.

GI has made strong efforts to diversify and mitigate its exposure to the UK from both a sales and sourcing perspective. One of the larger initiatives is the partnership with Glanbia Cheese on the supply into its mozzarella facility, currently under construction in Portlaoise. GI remains prepared for the customs implications of the UK leaving the Single Market.

Future Plans

After a strong five year growth period, we undertook a strategic review during 2019 to set out our ambitious targets for the next phase of our development.

As an organisation, GI is very conscious of our environmental responsibilities, and those of our farmers as custodians of the land. Each and every step we take is planned in line with the aims of our farmers to grow to become more environmentally and economically sustainable.

A detailed Milk Supply Census completed by our milk suppliers set out their likely milk supply growth up to 2023. In line with this, we believe that our next growth phase will be more moderate in the years ahead.

Since 2014, GI has invested €343 million in three separate processing capacity investments. Last year, we announced plans to enter a strategic Joint Venture partnership with Royal A-ware, a leading global cheese and dairy producer in the Netherlands, to build a new continental cheese manufacturing facility in Belview. Kilkenny Cheese Limited, which will employ approximately 80 people full-time, is scheduled for commissioning in 2022 and is currently awaiting the conclusion of an appeal to An Bord Pleanála as part of the planning process.

Looking towards the future, the Board of GI, following consultation with our representative structure, has decided that there will be no capacity charge or levy for the next phase of forecasted milk growth by existing suppliers.

From 2020, new entrants have a choice on how to make a "capacity contribution". For instance, greenfield start-ups can contribute 0.5 cent per litre (cpl) on all milk or trade above 3cpl in year 1 and above 5cpl in years 2 to 5. Those who set up new units



Sustainability

We believe that Knowledge Transfer plays a key role in embracing new technology and practices to deliver both environmental and economic sustainability on farm. Farmers have already shown themselves to be early adopters of new technology and we believe they will continue to move towards new systems to help comply with the country's requirements under the Climate Action Plan.

GI is continuing to make significant strides on sustainability initiatives at company level, such as the installation of a major Combined Heat and Power (CHP) Plant at our Belview facility which maximises energy efficiencies. In addition to significantly reducing carbon emissions, it also lowers operating costs by utilising waste heat to generate steam and hot water for use in the production process. We are also working to significantly reduce our use of paper across the entire business to have a positive impact on the environment by reducing paper wastage in addition to removing cost.

Under the Dairy Sustainability Ireland (DSI) initiative, there are strong knowledge transfer measures being deployed as part of the Agricultural Sustainability and Support Advisory Programme (ASSAP) to help protect Ireland's water quality standards. As part of this innovative Government / industry collaboration between the dairy processors and Teagasc, there is a team of over 30 advisors deployed to advise farmers on a one-to-one basis.

During 2019, GI brought FarmGen, a farm generated renewable energy initiative, to our farmers in partnership with SSE Airtricity and Activ8 Solar Energies. (See page 8 for more detail).

GI is embedded in our rural communities where we play a strong role through significant sponsorship of sporting and charitable initiatives across the areas where our workforce and farmer suppliers live and work. In 2019, our workforce and farmer suppliers joined together through our Pink Bales campaign, along with our Glanbia 300 annual staff charity cycle and Two Peaks Challenge, to raise funds for our charity partner Breast Cancer Ireland (BCI). The Great Pink Run series, in collaboration with Glanbia plc and Avonmore Slimline Milk, has proved a phenomenal success, raising over €600,000 for BCI in 2019.

can contribute 1.0cpl or commit to trade above 3cpl in year 1 and above 5cpl in years 2 to 5. Suppliers with less than 250,000 litres of milk per year are exempt from any capacity charge.

Calf Welfare

Calf welfare standards are extremely high on the vast majority of GI supplier farms. Our dedicated farm advisory teams work closely with farmers providing one-to-one advice to ensure high standards are maintained. All of our farmers must be compliant with Bord Bia's Sustainable Dairy Assurance Scheme (SDAS) which underwent a number of significant changes during the year.

In 2019, we took a number of initiatives to ensure our leading position was maintained including launching the innovative Twenty20 Beef Club with Kepak Group, circulating a Calf Management Guidelines booklet to suppliers and launching FundEquip for calf rearing equipment.

Dairy markets and modern consumers continuously require evidence of our high animal welfare standards. GI has partnered with a third party certifier 'A Greener World', which operates an industry leading certification, 'Animal Welfare Approved' (AWA), and it involves a series of audits on farms. It provides external validation on pasture access, sustainability claims and demonstrates that animals on Irish dairy farms are managed to the highest animal welfare standards. The AWA logo features prominently on our Truly Grass Fed cheese and butter products on the US market.

Twenty20 Beef Club

The ambitious and innovative calf-to-beef programme set up with Kepak Group has proved to be a successful initiative with significant interest amongst farmers in joining up to the club. The Twenty20 Beef Club affords Members a guaranteed market for their heifers and steers with a predictable and transparent pricing formula at time of slaughter. The initial aim was to take in 6,000 calves in the 2019 pilot year. Both the number of calves and the number of farmers signed up to the pilot stage surpassed the targets. The Club is on track to surpass its target of rearing 20,000 calves under the second year of the programme.

FundEquip and Fixed Milk Price Schemes

The latest FundEquip scheme is firmly linked into GI's overall measures around calf welfare on farms. The FundEquip programme has proved to be a very useful financial tool for farmers as the schemes offer funding with the option of spreading the costs of critical infrastructure over three to five years. This specific FundEquip scheme allowed farmers access funding for automatic calf feeders which are a strong aid on farm in terms of labour and setting high standards in calf management.

GI's fixed milk price model led the marketplace, with the innovative and voluntary schemes allowing farmers ringfence a portion of their milk pool to deliver a more secure income. It has helped farmers in accessing financial funding for projects on farm due to the success of the volatility-proofing mechanism.

In 2019, the latest phase of our Fixed Milk Price scheme was launched, with a strong uptake of the scheme which offered preference to those who were customers of Glanbia Agri.

Research and Development

The planned new €15 million R&D facility at our Ballyragget location will strengthen our innovation capabilities for both dairy and grain, utilise the synergies across the categories of our business and help position us strongly to build for the future. See page 8 for more detail.

Glanbia Direct

GI launched a new B2B digital sales platform, "Glanbia Direct" for the online retail segment of our primary dairy ingredients portfolio. The creation of an online facility www.glanbiadirect.com provides a convenient trading channel that is easy to use and allows 24/7 access for international customers to commodities such as skimmed milk powder and butter. One of its advantages is that customers can submit bids anonymously, view other bids and get quick real-time market pricing. Our customers are embracing new technologies and this new tool provides an additional route to market and allows us carry out business transactions swiftly and conveniently. This new route to market has been extensively planned and trialled over the past year. There has been a strong response from customers in the marketplace since it went live. All of the early trades were in line with current market prices. The first phase will see the digital sales channel rolled out to European customers, with eight products available to purchase including whole milk powder; skimmed milk powder; different types of butter and lactose.

Grain Growers

We recently issued our first Grain Growers Census to assess our growers' aims as part of our own overall ambitious plan for future development of our quality Irish grains portfolio. Our significant investment in the Oats Mill facility in Portlaoise in recent years, alongside our new R&D facility in Ballyragget, Co. Kilkenny, both ensure strong capabilities and form key strategic roles in the future plans. Over the last year we have seen the strong synergies across the business with the creation of the new 'ready to eat' Avonmore Porridge combining our high quality Irish dairy and grains. Our Glanbia Ireland Quality Grain Awards celebrated the many top-class family farms delivering exceptional crops.



Avonmore, Ireland's number one milk brand, launched a fresh Irish gluten-free porridge that is 100% natural. The new product in the Avonmore range combines the very best gluten-free Irish oats with the goodness of Ireland's favourite fresh milk in a convenient microwaveable pot.

Conclusion

We work in an ever-changing global environment, which has been clearly demonstrated by the recent Coronavirus pandemic. Our new facilities, such as our planned €15m R&D facility, give us the capability and agility to bring new products to market by utilising our high-quality Irish dairy and grains. We have placed dedicated teams in our target regions of China, US, Middle East and Africa to help market our products.

Supported by our strong business model, we maintain our ambitious plans to grow and evolve our business in conjunction with our suppliers and customers.

We are committed to overcoming the current challenges and delivering on our new strategy to drive innovation and the sustainable growth of our high quality portfolio of ingredients and award-winning brands.

A handwritten signature in black ink that reads 'Jim Bergin'.

Jim Bergin,
CEO, Glanbia Ireland

Glanbia plc structure



Glanbia Performance Nutrition

Glanbia Performance Nutrition (GPN) is a global leader in the performance and lifestyle nutrition business. GPN has a portfolio of nine brands ranging in appeal from consumers looking to improve their athletic performance to those seeking on-the-go snacks and beverages to support weight management and a healthy lifestyle.



Glanbia Nutritionals

Glanbia Nutritionals (GN) comprises: Nutritional Solutions (NS) and US Cheese. Through its extensive portfolio of ingredients and capabilities, NS is a global provider of both dairy and non-dairy nutritional and functional solutions and customised premixes. In an innovative model with US dairy partners, US Cheese is the #1 producer and marketer of American-style cheddar cheese.



Joint Ventures

Glanbia Ireland is the largest Irish-based integrated dairy nutrition and agri-food business. Southwest Cheese and MWC are US-based cheese and whey manufacturing businesses with an existing plant in New Mexico and a plant under construction in Michigan. Glanbia Cheese UK is the largest mozzarella cheese manufacturer in Europe. Glanbia Cheese EU is constructing a new mozzarella cheese plant in Ireland.

Dear Member

2019 seems like a distant memory to us all now, given the extraordinary events of the past few months. However, it is important that in highlighting the strength of Glanbia plc, I review our 2019 performance and outline the focus areas for 2020.

Overall, 2019 was a difficult year for the Group. Challenging sector dynamics in certain international markets impacted the performance of our Glanbia Performance Nutrition (GPN) business, however Glanbia Nutritionals (GN) and our Joint Ventures (JVs) delivered a very good performance for the year. Both recent acquisitions SlimFast and Watson exceeded our ambitions in their first year as part of the Glanbia family.

The fundamentals of Glanbia are strong. Our performance nutrition, weight management and functional dairy and non-dairy ingredients are positioned in attractive end markets forecast to grow annually at mid-single-digit percentage growth rates. Global macro trends around health and wellness as well as active lifestyles continue to drive significant consumer demand in these categories. Our strategy is to capture this growth via our two platforms of GPN and GN.

2019 Financial Performance

Group revenue was €3.9 billion, up 16.6% constant currency. EBITA before exceptional items decreased by 7.8% constant currency to €276.8 million. The decline in EBITA was driven by GPN as challenges in some key markets throughout 2019 resulted in lower volumes and earnings. Profit after tax was €180.2 million. Adjusted Earnings per Share (EPS) was 88.10 cent in line with our guidance of 88-92 cent. The Group retained a strong balance sheet over the course of the year. Return on Capital Employed (ROCE), a key metric for the Group, was within our guidance range of 10% to 13% at 10.9%.

2020

While the implications of Covid-19 are disruptive we continue to be very focused on executing the plans outlined to our shareholders in February to regain growth. Our core ambition is to regain topline growth in 2020 and drive both topline and margin growth to 2022 through a simplification of the GPN business and a ruthless focus on our core brands. We will also focus on organisational change across the Group, and continue to invest to drive future growth in GN and our JVs.

GPN

GPN delivered revenue growth of 11.0% in 2019 versus the prior year. Responding to the 2019 challenges in GPN the team has taken the opportunity to reassess GPN's strategic priorities to regain growth momentum.

With the addition of SlimFast we have a strong brand portfolio. GPN will now be managed through the commercial lens of North America Performance Nutrition, North America Lifestyle, International and Direct-to-Consumer businesses. GPN has invested in new senior talent to enhance capabilities and enable growth in each of these businesses. In North America, GPN has two distinct brand portfolios in the performance nutrition and lifestyle categories. Consumer motivations, market segments and reach differ for each portfolio with both having the scale to benefit from focused resources to drive growth. In International markets, GPN is reshaping primarily around the Optimum Nutrition (ON) brand in the performance nutrition category and the Body & Fit direct-to-consumer online platform in Europe which also enhances GPN's digital capability globally.

GN

GN delivered strong overall revenue growth for the year especially in its Nutritional Solutions (NS) business. The acquisition of Watson in February 2019 is proving to be an excellent addition to GN's business, adding revenue growth of 12.6% to NS. The NS strategy is to leverage its core position as a supplier of choice to customers seeking ingredients and solutions in premix and healthy snacking segments. Watson's facilities further strengthen NS's capabilities, enhancing our ability to create superior customised precision premix solutions that address our customers' complex formulation and application requirements. NS has a diverse product portfolio and supports a range of ingredients and solutions in ready-to-eat, value-added beverages and powder based formats in a number of categories. The business continues to further expand its reach in international markets where it partners with key brand owners and delivers a suite of products from straight ingredients to full consumer-ready solutions.

US Cheese and Joint Ventures

Our primary dairy activities encompass our US Cheese and Joint Venture operations. Our wholly-owned US Cheese business within GN grew revenue by 18.5% constant currency in 2019 and continues to be the leading producer and marketer of American-style cheddar cheese in the US. GN's US Cheese team continues to operate all of the dairy processing plants within GN including the Southwest Cheese Joint Venture, which produces cheese and whey ingredients. Our new Joint Venture project in Michigan is at an advanced stage of construction and is expected to be commissioned by 2021. Our other Joint Ventures in Europe, Glanbia Ireland and Glanbia Cheese UK had a good performance in 2019 delivering strong operational performance and volume growth. The growth strategy for both these Joint Ventures is clear and underpinned by volume growth ambitions.



Our 2020 key Strategic Focus Areas



Regain momentum in our GPN branded business

Focus on brand investment in Optimum Nutrition and SlimFast.

Fix routes-to-market in key international markets.

Evolve operating model and invest as required to fuel growth.

Accelerate Body & Fit eCommerce platform and digital capabilities.



Continue Group and GPN organisational change plan

Leverage group scale and operating model.

Focus on efficiency and cost reduction.

Develop and retain talent.



Further progress strategic execution in GN and Joint Ventures

Focus on NS organic and M&A growth opportunities.

Evolve NS portfolio capabilities.

Progress new JV dairy facilities in the EU and US.

Resilient Business

Our business is not immune to international disruption and in our February outlook we factored into Quarter 1 the expected impact of the Coronavirus pandemic. The depth and breadth of our portfolio, as well as the commitment and focus of our people, give us confidence in our resilience as we navigate 2020. Our balance sheet is strong and our financial discipline will continue to drive strong cash conversion and return on investment metrics. We remain very ambitious for Glanbia and focused on regaining growth momentum. We have met the challenges in GPN in 2019 and during 2020 we will complete the reset of the business that will underpin future revenue growth and margin momentum.

Siobhán Talbot
Group Managing Director

SlimFast

SlimFast delivered an excellent performance with pro-forma like-for-like revenues up 32.4% versus its full year 2018 revenues. SlimFast is now the number 1 weight management product in the UK and the number 2 weight management product in the US. Today's consumers are increasingly aware of the importance of nutrition in improving their overall health and weight management. We are searching for better, healthier and smarter weight management products that fit our busy lifestyles. In the competitive weight management industry, success can be hard won, but the emergence in 2019 of the Keto lifestyle coupled with the SlimFast team's strategic approach to innovation quickly led to the launch of SlimFast Keto. Consumers are seeking great-tasting Keto foods, drinks and snacks that are also convenient. SlimFast Keto quickly captured the Keto segment of the weight management category with powders, ready-to-eat meal bars and snacks, and ready-to-drink shakes. At the end of 2019, SlimFast held a 70% share of the Keto segment within the weight management category with 8 of the top 10 items in this Keto segment from the SlimFast brand.¹ The Keto launch also accelerated momentum in the overall SlimFast business with SlimFast now the #2 brand in the US weight loss category.²

¹ IRI, MULO, 4 weeks through 3/11/2019.
² IRI, 52 weeks through 3/11/2019.

Retirements and Awards



Martin Keane, Tom and Mary Grant, Margaret Keane.

“Tom Grant retired from the Board in 2019. Tom served almost 4 years on the Board and made a valuable contribution to Glanbia’s success during his tenure.

Furthermore, Michael Hogan, Thomas Brennan, Jim Gilsenan and Pdraig Walshe also stepped down from the Council during 2019. I would like to thank them all for their commitment to Glanbia over the years and wish them the very best for the future.”

Martin Keane

Martin Keane
Group Chairman



Former Glanbia Chairmen John Duggan, Tom Corcoran, Group Managing Director Siobhán Talbot, Nuala Walsh and former Glanbia Chairman, Michael Walsh.



Martin Keane, Michael and Mary Hogan, Margaret Keane.



Martin Keane, Thomas and Helen Brennan, Margaret Keane.



Martin Keane, Jim and Betty Gilsenan, Margaret Keane.



Martin Keane, Pdraig and Ella Walshe, Margaret Keane.

Serving the Community for Over 100 Years

Shelburne Co-op Celebrates 100 Years

Pictured below: Some of the past and present staff of Glanbia Shelburne Co-op, Campile, Co. Wexford celebrating the 100 year anniversary of Shelburne Co-op.



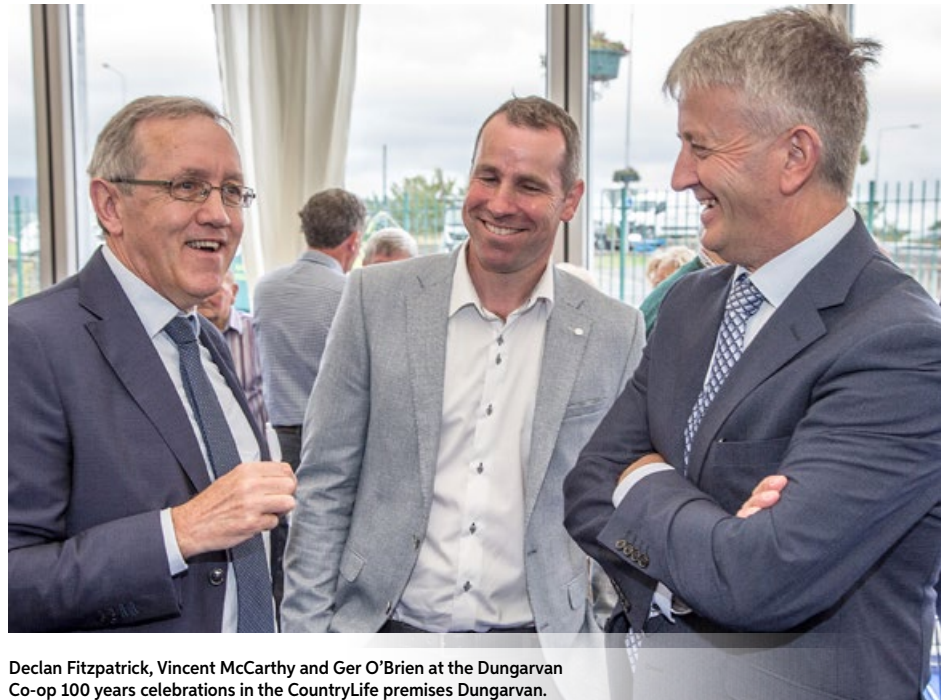
(L-R) Eamon Power Glanbia Board Member; Siobhán Talbot, Glanbia Group MD; Martin Keane, Glanbia Group Chairman and Robert Furlong, Glanbia Branch Manager.



Dungarvan Centenary



Pictured above: Joe Barry, Jerry Cronin, Ned O'Keeffe, former TD and Kieran O'Connor at the Dungarvan Co-op 100 years celebrations in the CountryLife premises Dungarvan.



Declan Fitzpatrick, Vincent McCarthy and Ger O'Brien at the Dungarvan Co-op 100 years celebrations in the CountryLife premises Dungarvan.



Pictured left: Former CEO Stephen O'Connor with Liam Herlihy and Tom Corcoran, both former Glanbia Group Chairman at the Dungarvan Co-op 100 years celebrations in the CountryLife premises Dungarvan.

Board Members

15 Board Members and Company Secretary



Martin Keane

was appointed to the Board on 24 May 2006 and appointed Group Chairman on 1 June 2018. Martin has completed the ICOS Co-operative Leadership Programme. Martin is a Director of Ornuia Co-operative Limited and former President of Irish Co-operative Organisation Society Limited. He farms at Brockery, Errill, Portlaoise, Co. Laois.



John Murphy

was appointed Vice-Chairman on 2 June 2017. He was appointed to the Board on 29 June 2010. John is Vice Chairman of the National Dairy Council Board. He has completed the University College Cork Diploma in Corporate Direction. John farms at Ballinacoola, Craanford, Gorey, Co. Wexford.



Patrick Murphy

was re-appointed as a Vice-Chairman on 1 June 2018 having previously served two years as Vice-Chairman from 2015 to 2017. He was first appointed to the Board on 26 May 2011. Patrick farms at Smithstown, Maddoxtown, Co. Kilkenny and is a Director of Farmer Business Developments plc.



Siobhán Talbot

was appointed as Group Managing Director of Glanbia plc on 12 November 2013, having been appointed Group Managing Director Designate on 1 June 2013. She was previously Group Finance Director and her role encompassed responsibility for Group strategic planning. She has held a number of senior positions since she joined the Group in 1992 and joined the Board in 2009. She is a director of the Irish Business Employers' Confederation (IBEC) and was appointed as a Non-Executive Director of CRH plc in 2018.

Patsy Ahern

was appointed to the Board on 12 June 2015. Patsy has completed the University College Cork Diploma in Corporate Direction. He farms at Sheanmore, Ballyduff Upper, Co. Waterford.



William Carroll

was re-appointed to the Board on 31 May 2019. William farms at Mile Tree, Clonmel, Co Tipperary.



Jer Doheny

was appointed to the Board on 29 May 2012. Jer has completed the University College Cork Diploma in Corporate Direction. He farms at Upper Tullaroan, Co. Kilkenny.



Vincent Gorman

was appointed to the Board on 27 June 2013. He farms at Ballindrum, Athy, Co. Kildare.



Brendan Hayes

was re-appointed to the Board on 30 May 2014. He has completed the University College Cork Diploma in Corporate Direction. He farms at Ballyquinn, Carrick on Suir, Co. Waterford.



Michael Horan

was appointed as Group Secretary on 9 June 2005, having previously held the position of Group Financial Controller since June 2002. He joined the Glanbia Group in 1998 as Financial Controller of the Fresh Pork business in Ireland.



Diarmuid Lally

was appointed to the Board on 13 August 2018. Diarmuid farms at Tribley House, Kilmessan, Co. Meath.



Eamonn McEntegart

was appointed to the Board on 2 June 2017. He farms at Castlering, Knockbridge, Dundalk, Co. Louth.



John Murphy

was appointed to the Board on 2 June 2017. He farms at High Down Hill, Newcastle, Co. Dublin.



Gerard O'Brien

was appointed to the Board on 1 June 2018. Gerard farms at Camphire, Cappoquin, Co. Waterford.



Eamon Power

was re-appointed to the Board on 26 May 2011. Eamon has completed the University College Cork Diploma in Corporate Direction. He farms at Fethard on Sea, New Ross, Co. Wexford.



Patrick Whyte

was appointed to the Board on 2 June 2017. Patrick has completed the ICOS Diploma in Corporate Governance. He farms at Ballystanley, Roscrea, Co. Tipperary.



Council Members

In October 2019 the Council of Glanbia Co-operative Society undertook a study tour to Glanbia facilities in the United States. The itinerary included Glanbia Performance Nutrition (GPN) in Chicago, the South West Cheese facility in Clovis, New Mexico and the Glanbia Nutritionals (GN) Cheese operations in Idaho. The United States accounts for approximately 80% of Glanbia plc revenues.

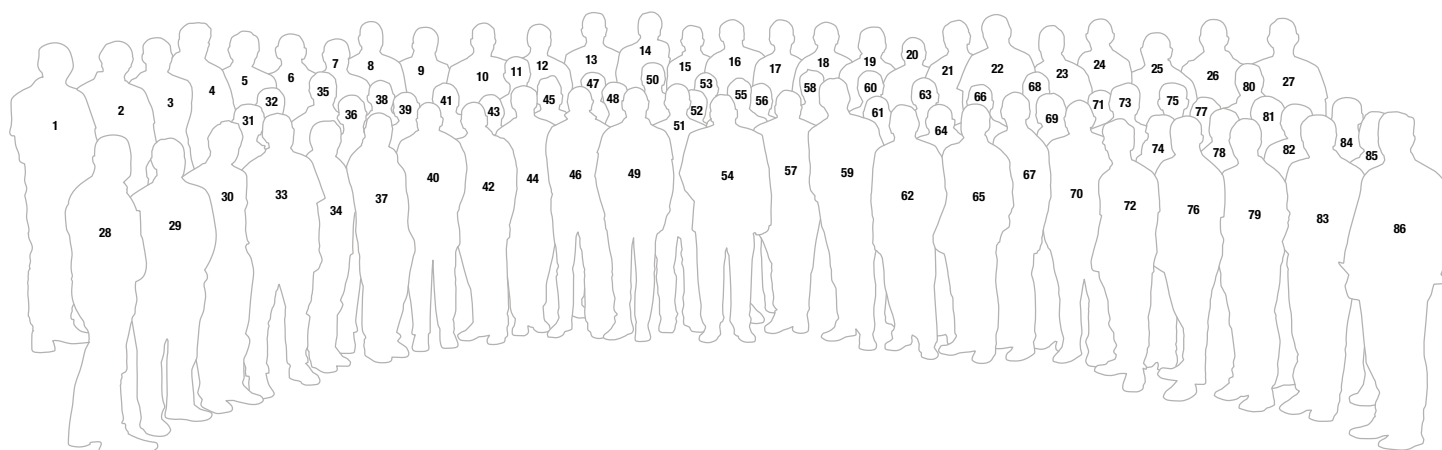
Learning more about new product development was a key theme during the visit to the Glanbia operations. At the Cheese Innovation Centre in Twin Falls, Idaho, the Council sampled new tasty and convenient cheese snack products being developed in partnership with key customers. GN is the number one producer of American style cheddar cheese with a market share of over 20%.

The visit to Idaho provided an opportunity to learn more about the Nutritional Solutions business, which is part of GN. This business is a leader in the supply of whey protein isolate and also has a strong vitamin pre-mix business. Many of its customers are in the area of clinical nutrition, sports nutrition, infant nutrition and supplements.

In Chicago, the Council spent a day at the GPN Innovation Centre where they met the research and development team that are developing a range of innovative new products for the consumer market. Meeting the senior management of Glanbia operations in the United States was the highlight of the visit for many Council delegates, as it provided an opportunity to gain a deeper understanding of the business.

In Chicago, the group also met the local team that are responsible for launching the Truly Grass Fed cheese and butter brands in the US retail market.

Farm visits in Idaho and New Mexico were included in the itinerary. The herds visited in the US were of a vast scale compared to Irish family farms, with up to 10,000 cows on each unit. Labour challenges and increasing environmental compliance costs were two of the major themes discussed with the US farmers.



- | | | | |
|-------------------------------------|---|--|---------------------------|
| 1. Daniel Butler | 30. Declan Dower | 59. John G. Murphy | Missing from photo |
| 2. Patrick Cooney | 31. Albert Evans | 60. Niall Trainor (Glanbia Co-op) | • Gerard Brady |
| 3. Shane Fitzgerald | 32. Andrew Rodgers | 61. Aidan Brogan | • William Barrett |
| 4. Diarmuid Lally | 33. Michael O'Flaherty | 62. Joseph Barry (Glanbia Ireland) | • Denis Corcoran |
| 5. Roger Shanahan | 34. Patricia Fouhy-Barry | 63. Shane O'Loughlin | • Patrick Darcy |
| 6. Eamonn McEnteggart | 35. Roger Boyd | 64. John Talbot | • Kevin Flynn |
| 7. Joseph O'Neill | 36. Cathal Moran | 65. Laurence Hannon | • John Hogan |
| 8. Sean Osborne | 37. Robert Barron | 66. Walter Crowley | • Martin J. Healy |
| 9. John Murphy (Glanbia Ireland) | 38. Seamus O'Shea | 67. Michael McEvoy | • Peter Kiely |
| 10. Liam Phelan (Glanbia Ireland) | 39. Jerome Buttimer | 68. Nicholas Kelly | • PJ Malone |
| 11. Noel Butler | 40. Nicholas Roberts | 69. Declan O'Neill | • Joe Maxwell |
| 12. Gary Johnson (Glanbia Ireland) | 41. Michael Cullen (Glanbia Ireland) | 70. John P. Nugent | • Niall Moore |
| 13. Gerard O'Brien | 42. Vincent Cunningham | 71. Raymond Cody | • John Murphy |
| 14. Patsy Ahern | 43. Daniel Norton | 72. Patsy Mullen | • Eddie O'Mahony |
| 15. Donal Corkery (Glanbia Ireland) | 44. Dan O'Dwyer (Glanbia Ireland) | 73. John Robinson | • Derek Tierney |
| 16. Thomas Murphy | 45. Patrick Kennedy | 74. Anne Browne (Glanbia Ireland) | • Michael J. Walsh |
| 17. Michael O'Carroll | 46. John E. Murphy | 75. Paul Ennis | |
| 18. Lauence Kearney | 47. John Byrne | 76. John Regan | |
| 19. James Mahon | 48. James Power | 77. William Carroll | |
| 20. Denis Brerton | 49. Kevin Moloney | 78. James Finn | |
| 21. Bernard Dunne | 50. Kevin Meade | 79. Joseph Harty | |
| 22. Christopher Hill | 51. Pat O'Keefe (Glanbia Ireland) | 80. Martin Power (Glanbia Ireland) | |
| 23. John Ryan | 52. Vincent Gorman | 81. Kevin Kiersey | |
| 24. Padraig O'Scanail | 53. David Kennedy | 82. Patrick Murphy | |
| 25. Rory Hammell | 54. Martin Keane | 83. Gerard Lyons | |
| 26. David O'Dwyer | 55. Brendan Hayes | 84. Paddy Whyte | |
| 27. James Walsh | 56. Michael Mulvihill (Glanbia Ireland) | 85. James O'Brien | |
| 28. Denis O'Sullivan | 57. Jer Doheny | 86. Michael Horan
(Glanbia Group Secretary) | |
| 29. Anthony Murphy | 58. Jonathan Tighe | | |

The Glanbia Council consists of delegates from Glanbia Co-operative's eleven regional committees, as well as representatives from the Corporate Co-operative shareholders.





Co-op Structure, Training and Development

Co-op Representative Structure

The Society has 11 regions and 39 Area and Regional Committees with up to 780 Members participating. Individuals on these Committees are elected directly by Society Members.

This structure acts as a mechanism for communication between Members and the Board and management of the Society. The Committees also facilitate two-way communication within the representative structure and provide a training forum for potential Council and Board Members.



*Including the Group Managing Director
**39 Area and Regional Committees

Training and development

The Board is committed to the training and development of Committee Members. In partnership with ICOS, an intensive six day training programme was provided in late 2019 which was attended by Committee Members across the entire area of Glanbia operations.

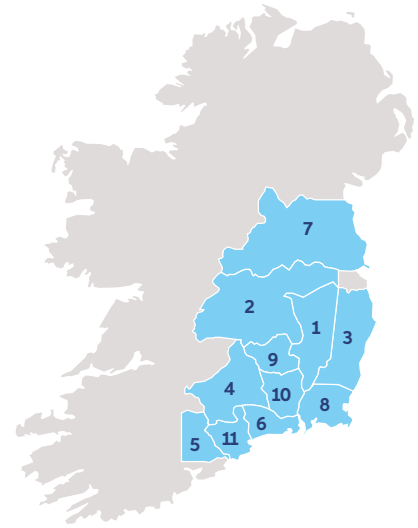
The programme offered an opportunity to develop an understanding of the Glanbia business as well as gaining exposure to industry and business governance issues. The Board is committed to providing on-going training and development opportunities for Committee Members.

Pictured Below: Back row (l-r) : TJ Flanagan (ICOS), Rory Hammell, John Regan, David Fitzgerald, Michael Gahan, Kevin Gilsenan, Ger Brady, Martin Treacy, Peter Delaney, John Phelan, James Cusack, Barry Drea, Bill Carroll, Anthony Murphy. Front row (l-r) : Richard O'Connell, James Walsh, Tom Gaffney, Sean Miller, Seamus Fleming, Martin Keane, John Leamy, Sean Osborne, Martin Doyle, Alan Stephenson, Donal Kavanagh. Missing from photo: Aidan Byrne, Ger Doherty, Willie Eivers, Alan Poole, Thomas Francis Walsh, Sean Windsor.



Regional Committee Members

at 29 December 2019



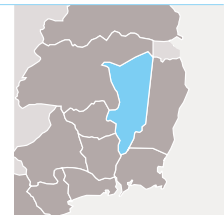
1. BARROWVALE

Trevor Atkinson
William Barrett
Philip Donohue
Martin Doyle
Barry Drea
John Kieran Duffy
Bernard Dunne
Michael Dunne

John Flood
Vincent Gorman
Laurence Hannon
Niall Hosey
Alan Hughes
Donal Kavanagh
Eamonn Kealy
James Kealy

Brendan Kehoe
Declan Leigh
Michael Moloney
Cathal Moran
Eamon Murphy
Con O'Kelly
Eddie O'Mahoney
Seamus Joseph O'Shea

John Gerard Ryan
Sylvester Ryan
Trevor Tutty
Liam Walsh
Richard Whelan



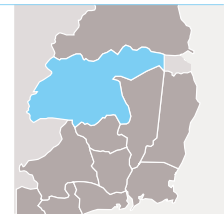
2. DONAGHMORE / MONASTEREVIN

Martin Bergin
Aidan Byrne
Noreen Callanan
Edward Cummins
James Dwyer
Paul Ennis
Timothy Fitzgerald
Patrick Fitzpatrick

Laurence Flood
Kevin Flynn
Timothy Garry
Bernard Ging
Thomas Horan
Paul Hyland
Martin Keane
Patrick Keegan

Albert Lalor
James Mahon
Michael McEvoy
Patrick McWey
Sean Miller
Noel Moriarty
Hugh Murphy
John Murphy

Shane O'Loughlin
John Joe O'Rourke
Sylvester Phelan
Thomas Phelan
Alan Stephenson
John James Talbot
Derek Tierney



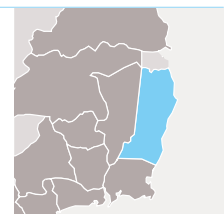
3. NORTH WEXFORD / EAST WICKLOW

Stephen Arthur
Roger Boyd
John Byrne
Michael Carey Jnr.
Nicholas Darcy
Patrick Darcy

Desmond Devereux
Albert Evans
Chris Fox
Michael Gahan
Vincent Gahan
Christopher Hill

Gerard Lyons
Declan McDonald
John Murphy
Declan O'Neill
John Joseph O'Shaughnessy
Alan Poole

Walter Power
Thomas Short
Stephen Tracey



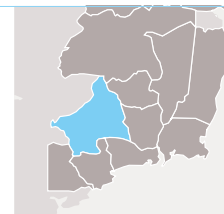
4. SOUTH TIPPERARY

Daniel Butler
Noel Butler
John Campion
William Carroll
Denis Corcoran
Michael Croke

Peter Delaney
Patrick Feehan
Paul Flaherty
Thomas Grant
Eamonn Hall
Michael Joseph Horan

David Kennedy
George Leahy
Donal Morrissey
Daniel Norton
Richard O'Connell
Donal O'Loughlin

Walter Power
James Francis Prendergast
John P Ryan
Bernard Sheehy



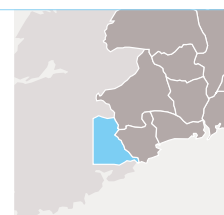
5. CASTLELYONS

Patsy Ahern
John Barry
Jerome Buttimer
Neilus Cashman
David Fitzgerald
Shane Fitzgerald
Seamus Fleming

Patricia Fouhy-Barry
Sean Healy
Patrick Hegarty
Thomas Hegarty
Michael Hogan
Donal Howard
Laurence Kearney

Tim Kearney
John Leamy
Daniel Lynch
Kevin Garrett Moloney
David Joseph Murphy
James Murphy
Thomas Murphy

Oliver O'Brien
James O'Keeffe
Martin O'Riordan
Seamus Roche



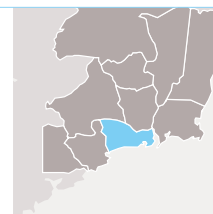
6. EAST WATERFORD

Roger Benedict Callanan
Kevin Connolly
Philip Cusack
Michael Foran
Thomas Galvin
Patrick Richard Gough
Michael Gerard Hahessy
Thomas Hahessy
Mervyn Hanley

Brendan Hayes
Mike Hayes
Michael Kent
Kevin Kiersey
John Mackey Jnr
Richard Mahony
Niall Moore
James Mulligan
Gerald Murphy

Walter Anthony Murphy
Paul Norris
John Paul Nugent
John G O'Connell
John O'Donnell
Edmond Phelan
John Phelan
Edward Power
James Power

Paul Power
Seamus Power
James Anthony Quigley
Roger Shanahan
John Skehan
Jonathan Tighe
Chris Walsh
David Walsh
James Walsh



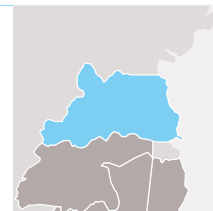
7. NORTHERN

Gerard Brady
Eamonn Bray
Aidan Brogan
Brendan Carey
John Clinton
Seamus Commons
Henry Corbally
Seamus Donohoe
Willie Eivers
Dennis Fagan

Stephen Finnegan
Gordon Foster
Andrew Gerraghty
Stanley Gibney
Jim Gilsenan
Kevin Gilsenan
Peter Holton
George Jordan
James Kelly
Diarmuid Lally

Joseph Maxwell
Fintan McCabe
Michael McCaughey
Eamonn McEnteggart
Kevin Meade
Paul Morrin
Declan Mullen
John Edward Murphy
Patrick John Nangle
Michael O'Flaherty

Padraig O'Scanail
Denis O'Sullivan
Andrew Frederick Revington
Andrew Rogers
Martin Stafford
Patrick Tuite
Vincent Ward Jnr



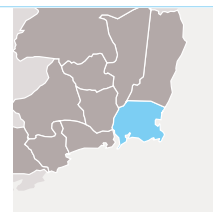
8. SOUTH WEXFORD

Brian Kevin Barnwell
Frank Barron
Padraig Barron
Robert Barron
Thomas Brennan
Michael Corcoran
John Cullen

Frank Curtis
Gerald Dunne
John F Fitzgerald
David French
William Gleeson
Rory Hammell
Edward Lyng

Anthony Murphy
James Joseph Murphy
Mark Murphy
Walter O'Brien Jnr.
Aidan O'Connor
David O'Dwyer
Declan O'Hanlon

Joseph A O'Neill
Eamon Power
William Noel Quaid
Thomas Quinn
Nicholas James Roberts
Sean Windsor



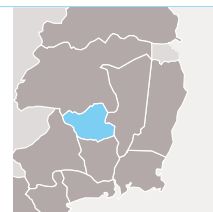
9. NORTH KILKENNY

Laurence Martin Bergin
Thomas William Cooke
Willie Costigan
Vincent Cunningham
Nicholas Deevy
Jerry Doheny

John Gerard Dowling
Thomas Gaffney
Martin Joseph Healy
Thomas Gavan Kearney
James Mulhall
Patrick Mullan

Michael O'Carroll
John Regan
John Robinson
Brian Roche
Michael Rowe
James Declan Ryan

Martin Treacy
James Walsh
Patrick Walsh
Padraig Walshe



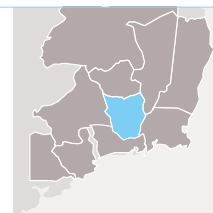
10. SOUTH KILKENNY

Michael D Aylward
Patrick John Byrne
William Carroll
Thomas Corcoran
Walter Crowley
Bryan Daniels
Gerard Doherty
Michael Downey
Brendan Dunne

James Fitzpatrick
Thomas Patrick Heffernan
William Heffernan
Patrick Holden
Patrick Joseph Irish
William Kearns
Nicholas Kelly
Peter Kirwan
Thomas Landy

Patrick John Malone
John J Murphy
Patrick Murphy
James O'Brien
John O'Dwyer
Patrick O'Hanlon
Michael Phelan
John Ryan
Allen Smyth

Liam Vereker
Jimmy Walsh
Michael Joseph Walsh
Seamus Walsh
Padraig Walsh



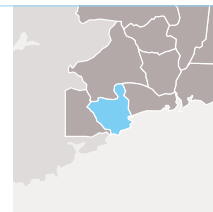
11. WEST WATERFORD

John Byrne
Patrick Cooney
Laurence Curran
Declan Dower
Patrick Drohan
Nicholas Dunphy
Robert Fennell

Liam Fenton
Joseph Harty
Patrick Joseph Hickey
Michael Keane
Michael Martin Keane
John Patrick Keating
Peter Kiely

Vincent McCarthy
John McKeon
Anthony Murphy
Gerard O'Brien
William O'Donoghue
Michael O'Gorman
Sean Osborne

Edmond Power
Thomas Power
Morgan Sheehan
Caroline Smiddy
Kieran Veale
Thomas Francis Walsh



Member Engagement

Glanbia's engagement programme is focused on offering additional supports, information meetings, product launches and events which benefit all our Members.

2020 Farmer Information Meetings

Glanbia held a series of nine regional information meetings for farmer shareholders and suppliers in January 2020.

1. Pictured updating suppliers on Glanbia Co-op and GI business developments, in the Clonmel Park Hotel, Co Tipperary were GI Chief Executive Jim Bergin; Glanbia Vice Chairman, Pat Murphy; and Glanbia Group Secretary, Michael Horan.
2. Members attending a farmer information meeting at Clonmel Park Hotel, Co. Tipperary.



CountryLife Launch Operation Wild Nation

CountryLife launched its exciting and engaging new Operation WildNation plan to help protect some of our under threat wild bird species. It has teamed up with renowned environmentalist, author and broadcaster, Eanna Ni Lamhna, for the fun campaign which is already gathering momentum among primary school children countrywide. Also pictured are Jess Kelly, CountryLife; Sofia Ni Mhaoldomhnaig, Colour Me Wild mascot; and Fergal Joy, CountryLife Horticulturist.

CountryLife
GARDEN CENTRES

Launch of Farmfulness

Pictured at the launch of 'Farmfulness': Aoibhinn Garrihy Avonmore Fresh Milk Brand Ambassador; June Dowling Senior Marketing Manager for Avonmore Fresh Milk and Larry Hannon, GI Milk Supplier from Ballitore, Co. Kildare. In association with Avonmore Fresh Milk, 'Farmfulness' brings the familiar sounds of farming to homes across the country.



Open Day on Avonmore milk supplier Larry Hannon's Farm

More than 2,000 people enjoyed a family day out on the farm of a Glanbia milk supplier where they got a chance to experience first-hand life on a working dairy farm.

1. Larry and Karen Hannon with their three children Lucy, Amy and Sally.
2. Vincent Gorman, Glanbia Ireland Board Member; Larry Hannon, GI Milk Supplier; Deirdre O'Shea, CEO Agri Aware; and Martin Keane, Glanbia Group Chairman.



Turn the countryside pink with #PinkBales for Breast Cancer Ireland

The Glanbia Ireland BaleWatch Campaign for Breast Cancer Ireland turned the countryside pink with #PinkBales.

Pictured - Samantha McGregor, Breast Cancer Ireland, Niamh Bambrick, Glanbia Ireland, James Byrne, Digital Marketing Manager Glanbia Ireland; and Amii McKeever, Editor Irish Country Living.



The CellCheck Milking For Quality Awards

The CellCheck Milking For Quality Awards celebrating 500 milk suppliers nationally with the lowest weighted annual average somatic cell count (SCC) for the previous year's supply.



Virginia Show 2019

Baldonnel Flashmatic Draw, was crowned the 2019 Diageo Baileys® Irish Dairy Champion Cow at the Virginia Show in Co. Cavan. Robert Murphy Head of Baileys Global Operations; Baileys Champion Cow owner John Dowling from Kingswood farm, Baldonnel, Dublin; Minister for Business, Enterprise and Innovation Heather Humphreys and Glanbia Group Chairman Martin Keane.

National Ploughing Championships

The National Ploughing Championships remains one of the most anticipated dates in the Irish agricultural calendar. In 2019, under gloriously sunny skies in Co. Carlow, the three day event attracted record crowd numbers. Glanbia's stand was again one of the busiest at the event. Here we capture some of the main highlights.

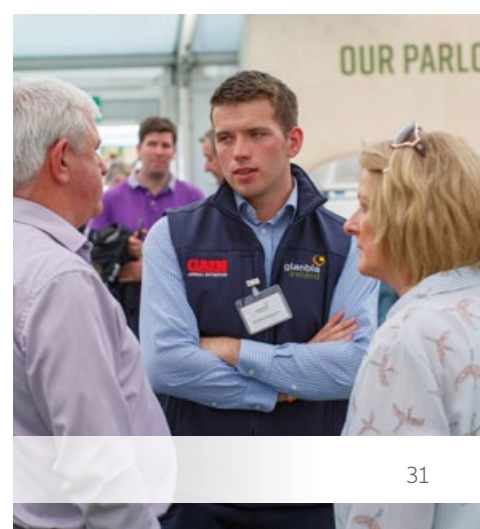


Glanbia Ireland 2019 National Ploughing Championships exhibit highlights included the following.

- FarmGen Solar PV** – Glanbia Ireland, in partnership with SSE Airtricity and Activ8 Solar Energies, showcased their bespoke renewable 6Kw solar energy solution available to Irish farmers through our FarmGen initiative. Supplier James Mackey, from Windgap, Co Kilkenny was the lucky winner of the ploughing FarmGen Solar Powered Bundle installation worth up to €12,000;
- Our **Premium Grains** team were available to talk to tillage farmers interested in growing additional acres of premium crops;
- Soil Nutrition Solutions** – there was strong interest in their enhanced soil sampling initiative that has results presented in colour-coded maps that will help visualise your farms soil nutrient status;
- The **GAIN Animal Nutrition** team were available to discuss the range of **feed and solutions**;
- Avonmore Milk Bar** provided the opportunity to taste Ireland's #1 milk brand;
- Glanbia Ireland showcased their range of **Farm Services** including www.GlanbiaConnect.com, Herd Disease Screening Service, Milk Culturing Service, as well as Silage Analysis;
- There was one-to-one advice on **chlorine-free detergents** or suppliers requiring to upgrade bulk tanks could meet the **FundEquip** team on-site to discuss finance options;
- Glanbia Co-op Shares** Office Staff were available to discuss any issues regarding your Co-op shareholding; and
- Technical Seminars & Discussion Forums** were hosted on stage each day. Farmers taking part in the Glanbia Ireland / Teagasc **Open Source Future Farm Programme** joined in the discussions, along with experts on dairy, grain, nutrition and animal health.

Pictured below: (L) Pat O' Keeffe, GI Corporate Affairs Director and (R) Martin Keane, Glanbia Group Chairman presenting a cheque for €25,000 to Catherine Wallace, Nurse Coordinator on Breast Health Education and Awareness at Breast Cancer Ireland at the GI stand





Summary Profit and Loss Account

for the Society and its subsidiaries (excluding Glanbia plc and Glanbia Ireland)

	2019 €'m	2018 €'m
Dividend income from Glanbia plc	23.4	24.1
Dividend income from Glanbia Ireland	17.4	12.9
Representative structure fees and expenses	(1.5)	(0.9)
Administration costs	(3.1)	(3.0)
Market Development Fund for Glanbia Ireland	(2.0)	–
Operating profit	34.2	33.1
Finance income	0.4	0.2
Profit before taxation	34.6	33.3
Taxation	–	–
Profit after taxation	34.6	33.3
Appropriations from reserves		
Farm inputs/milk/grain patronage	(36.3)	(43.6)
Ordinary share interest (dividend)	(5.6)	(4.8)
Ordinary share interest (special dividend)	(5.0)	–
Total appropriations	(46.9)	(48.4)
Net loss for the year after appropriations	(12.3)	(15.1)

Summary Balance Sheet

for the Society and its subsidiaries (excluding Glanbia plc and Glanbia Ireland)

	2019 €'m	2018 €'m
Fixed assets	0.9	1.5
Intangible assets	0.4	–
Investments*	235.7	235.8
Working capital	(12.3)	(6.5)
Pension obligations	(0.7)	(0.6)
Total cash excluding restricted cash	24.5	27.9
Restricted cash** – cash received as part of voluntary share trading	–	11.7
Voluntary Share Trading**	–	(11.7)
Trading Bonus Scheme	(14.9)	(14.0)
Receivable from Glanbia Ireland	103.2	103.2
Glanbia Advance Payments Scheme receivable	–	0.2
Glanbia MilkFlex Fund receivable	3.2	3.8
Ordinary share interest (special dividend) payable	–	(0.9)
Bond (net of deferred issue costs)	(93.4)	(92.6)
Bond option	(4.8)	(4.6)
Net assets	241.8	253.2
Net assets with investments at market value*	1,224.6	1,788.8

*Investments in Glanbia plc and Glanbia Ireland DAC are included in the summary balance sheet at cost for 2019 and 2018. The market value of the 93.3 million (2018: 93.3 million) shares held in Glanbia plc was €966.59 million (2018: €1,525.46 million) based on a share price of €10.36 as at year end (2018: €16.35). The market value attributed to the investment in Glanbia Ireland DAC represents the share of net assets attributable directly to the Society as at 4 January 2020 of €251.0 million (2018: €245.7 million). The percentage shareholding remained at 60% for both 2019 and 2018.

**Restricted cash and voluntary share trading relates to cash due to sellers of shares received from buyers as part of the Voluntary Share Trading Scheme.

Summary Cashflow

for the Society and its subsidiaries (excluding Glanbia plc and Glanbia Ireland)

	2019 €'m	2018 €'m
Dividend income from Glanbia plc	23.4	24.1
Dividend income from Glanbia Ireland	17.4	12.9
Interest income	0.9	0.6
Issue of shares in Glanbia Co-operative Society Limited	0.8	2.8
Inflow	42.5	40.4
Farm inputs/milk/grain patronage	(35.4)	(29.6)
Ordinary share interest payment	(5.1)	(4.4)
Revolving Share Plan – repayments	(0.1)	(15.8)
Interest, administration and other costs	(6.0)	(3.5)
Ordinary share interest (Special dividend)	(0.1)	(9.2)
Loans (advanced to)/repaid from Glanbia Ireland	(10.0)	36.0
Glanbia Advance Payments Scheme receipts	0.2	0.2
Glanbia MilkFlex Fund payments	0.6	(0.8)
Glanbia Extended Credit Scheme payments	10.0	(20.0)
Outflow	(45.9)	(47.1)
Net outflow of funds	(3.4)	(6.7)
Total cash and Glanbia plc balances at start of year	27.9	34.6
Total cash at end of year (excluding restricted cash)	24.5	27.9

Summary net cash and related balances for the Society and its subsidiaries (excluding Glanbia plc and Glanbia Ireland)

	2019 €'m	2018 €'m
Total cash at end of year	24.5	27.9
Loan receivable from Glanbia Ireland	103.2	103.2
Net cash and related balances at end of year*	127.7	131.1

*The €100 million equity linked exchangeable bond is due for repayment in June 2021. Also the Glanbia MilkFlex Fund totalling €3.2 million is receivable within one to six years.

During 2018 an amount of €20 million was advanced to Glanbia Ireland under the Glanbia Extended Credit Scheme.

Consolidated Group Income Statement

for the financial year ended 4 January 2020

	Pre- exceptional 2019 €'m	Exceptional 2019 €'m	Total 2019 €'m	Pre- exceptional (restated) 2018 €'m	Exceptional 2018 €'m	Total (restated) 2018 €'m
Revenue	5,770.0	–	5,770.0	4,949.8	–	4,949.8
Earnings before interest, tax and amortisation (EBITA)	353.3	(37.1)	316.2	358.5	–	358.5
Intangible asset amortisation and impairment	(65.2)	(2.0)	(67.2)	(49.0)	–	(49.0)
Operating profit	288.1	(39.1)	249.0	309.5	–	309.5
Other operating income	–	–	–	2.3	–	2.3
Finance income	5.1	–	5.1	4.5	–	4.5
Finance costs	(42.8)	–	(42.8)	(32.5)	–	(32.5)
Share of results of Joint Ventures & Associates	28.0	–	28.0	25.5	–	25.5
Profit before taxation	278.4	(39.1)	239.3	309.3	–	309.3
Income taxes	(32.4)	4.5	(27.9)	(42.1)	–	(42.1)
Profit for the year	246.0	(34.6)	211.4	267.2	–	267.2
Attributable to:						
Equity holders of the Society			86.1			104.9
Non-controlling interests			125.3			162.3
			211.4			267.2

The Group has adopted new accounting standards during the year, in particular IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, which affect how certain accounting items are treated. This led to a restatement of the 2018 figures on the consolidated group income statement and balance sheet in order for them to be consistent with the 2019 figures for comparison purposes. For full details, please refer to the consolidated financial statements.

On behalf of the Board
Mn. Keane S. Talbot M. Garvey
 Directors

Consolidated financial statements are available on request from:

The Company Secretary
 Glanbia Co-operative Society Limited
 Glanbia House
 Kilkenny
 Ireland
 T + 353 56 7772200
 F + 353 56 7772222

Consolidated Group Balance Sheet

as at 4 January 2020

	2019 €'m	(restated) 2018 €'m
ASSETS		
Non-current assets		
Property, plant and equipment	1,121.7	1,069.8
Intangible assets	1,366.1	1,329.3
Investments in Associates	2.6	2.6
Investments in Joint Ventures	192.0	153.8
Other financial assets (2018: available for sale financial assets)	9.1	10.1
Trade and other receivables	5.1	16.3
Deferred tax assets	1.8	2.1
Retirement benefit assets	2.1	1.1
	2,700.5	2,585.1
Current assets		
Inventories	668.9	665.7
Trade and other receivables	605.3	579.6
Current tax asset	23.7	12.0
Derivative financial instruments	0.9	1.7
Cash and cash equivalents	343.7	322.1
	1,642.5	1,581.1
Total assets	4,343.0	4,166.2
EQUITY		
Issued capital and reserves attributable to equity holders of the Parent		
Share capital and share premium	45.9	45.4
Other reserves	167.6	161.9
Retained earnings	555.6	533.7
	769.1	741.0
Non-controlling interests	1,152.0	1,074.5
Total equity	1,921.1	1,815.5
LIABILITIES		
Non-current liabilities		
Financial liabilities	809.7	1,081.5
Derivative financial instruments	12.3	6.3
Deferred tax liabilities	182.6	173.3
Retirement benefit obligations	156.2	132.1
Provisions	6.3	33.5
Capital grants	29.5	24.6
Other payables	12.5	13.0
	1,209.1	1,464.3
Current liabilities		
Trade and other payables	767.4	759.2
Current tax liabilities	67.7	59.7
Financial liabilities	370.1	59.5
Derivative financial instruments	2.2	1.7
Provisions	3.7	4.5
Capital grants	1.7	1.8
	1,212.8	886.4
Total liabilities	2,421.9	2,350.7
Total equity and liabilities	4,343.0	4,166.2

On behalf of the Board

Mn. Keane S. Talbot M. Garvey

Directors

Notes

Glanbia Co-operative Society Limited
Glanbia House
Kilkenny
Ireland

T + 353 56 7772200
F + 353 56 7772222

www.glanbia.com

