Ornua
THE HOME OF IRISH DAIRY

Annual Report **2015**

Irish Dairy Farmers

It all begins with the Irish dairy cow. Irish grass-fed cows produce rich, creamy milk full of natural goodness.

Our Suppliers/ Processors

The milk is delivered to the processor where it is transformed into quality dairy products that are natural, pure and full of taste and goodness.

R&D, Packaging, Branding & Marketing

We listen to our customers, develop products to meet their needs and create brand and marketing campaigns that inspire and engage.

Routes to Market

We build and enhance sustainable, value-added routes to market.

Distribution Channels

Through our subsidiaries and our global network of agents and distributors, we deliver quality products to customers around the world, on time and within specification.

Farmer Returns

We work hard to deliver a strong and sustainable return to the Irish dairy farmer.

Our co-operative ethos is at the heart of how we do business.

Total bonus of €29 million declared to members

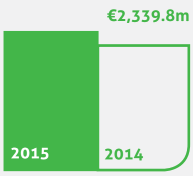
Unveiling of new identity, Ornua – The Home of Irish Dairy

Sale of majority stake in DPI Specialty Foods (DPI) to focus on core business

Completion of Kerrygold powder packing facility in Nigeria

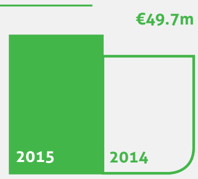
Operational Highlights

Turnover €2,543.4m



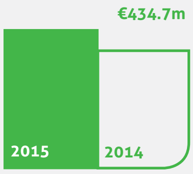
↑ 8.7%

Group EBITDA* €58.8m



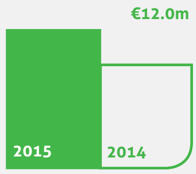
↑ 18.3%

Net Assets €526.4m



↑ 21.1%

Members Bonus Declared** €14.0m



↑ 16.7%

*Before exceptional items

**In addition, a special cash bonus of €15 million was declared from the gain on the sale of a majority stake in DPI.

Completion of cheese manufacturing facility in Riyadh, Saudi Arabia

Acquisition of Shanghai-based dairy manufacturer, Ambrosia Dairy

Record members' purchases of 286,000mt, up 16%

Record sales in the US, No.3 butter brand, No.1 imported butter brand

Our Business

Ornua – The Home of Irish Dairy, is an agri-food commercial co-operative which markets and sells dairy products on behalf of its members, Ireland's dairy processors and in turn, the Irish dairy farmer. Ornua is Ireland's largest exporter of Irish dairy products.

Our core purpose is to bring quality Irish dairy products to markets around the world. We do this by sharing the story of Irish farming and explaining how Irish dairy products are produced sustainably from the milk of grass-fed cows. By building markets for dairy products, we aim to increase the value of Irish milk and deliver strong returns for Irish farmers.

Operating from 15 subsidiaries worldwide, Ornua has sales and marketing teams working in-market across all four corners of the globe, from Algiers to Beijing to Lagos and LA. Headquartered in Dublin, Ornua exports to over 110 countries with annualised sales of circa €2.5 billion. Our business is structured on two core platforms; Ornua Foods and Ornua Ingredients. Ornua owns the iconic Kerrygold brand, as well as the Pilgrims Choice, Dubliner, Shannongold, Forto, Eureka! and BEO milk powder brands. We supply superior quality dairy ingredients to leading global food manufacturers from some of the world's most technically advanced manufacturing and prepacking facilities located in Africa, Ireland, Germany, Saudi Arabia, Spain, the UK and the US.

2015 marked a new chapter in Irish dairying with the abolition of EU milk quotas in April. Over the past number of years, our business has been preparing for the unique opportunities and challenges this new era will bring. With the implementation of a transformative strategy, focussed on the delivery of sustainable growth and enterprise, we launched a new corporate identity that reflects our vision and ambition for the future. On the 31 March 2015 we unveiled our new identity, Ornua – The Home of Irish Dairy.

Mission

To build sustainable routes to market for Irish dairy products, safeguarding the future prosperity of Irish dairy farmers.

Vision

To become a leading global dairy organisation, rewarding our customers, consumers and shareholders by delivering value through:

- **Outstanding People**
- **An International Market Presence**
- **World Class Brands & Ingredients**
- **Customised Innovation**
- **Dairy Trading Expertise**

Group at a Glance

Ornua Foods

Ornua Foods is responsible for the international marketing and sales of Ornua's consumer products portfolio which includes the Kerrygold, Pilgrims Choice, Dubliner, Forto, Shannongold, BEO and Eureka! brands. Markets are served through wholly owned subsidiaries and in-market teams in China, Germany, the Middle East, the UK and the US.

Ornua Deutschland

Ornua Foods North America

Ornua China

Ornua Africa

Ornua Europe

adams foods

Ornua Middle East

55%
of Group Turnover*

* Excluding DPI. A majority stake in DPI was sold in late 2015

Ornua Ingredients

Ornua Ingredients is responsible for the procurement of Irish dairy products and for the sale of dairy ingredients to end users. Operating out of Ireland, the division exports dairy ingredients to over 110 countries and is supported by key subsidiaries in Spain, Saudi Arabia, the UK and the US.

Ornua Ingredients Ireland

Ornua Ingredients North America

Ornua Saudi Arabia

Ornua Ingredientes España

Ornua Ingredients UK

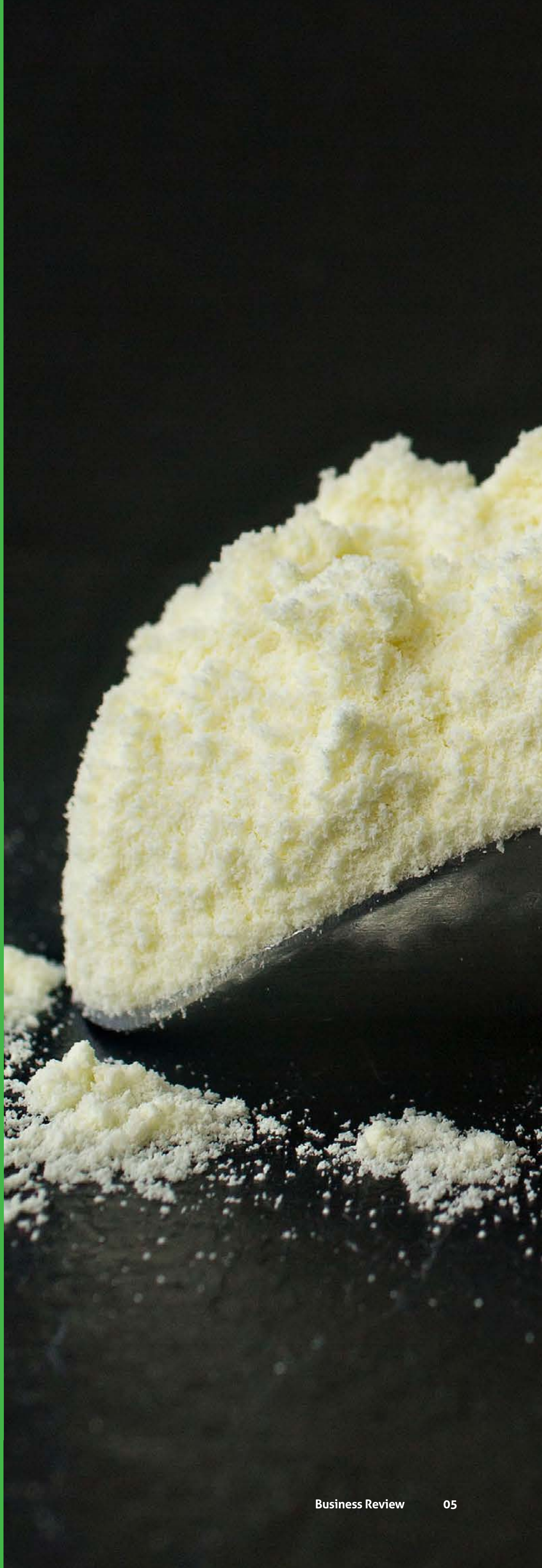
Adams Food Ingredients

DAIRY INGREDIENTS (UK) LIMITED

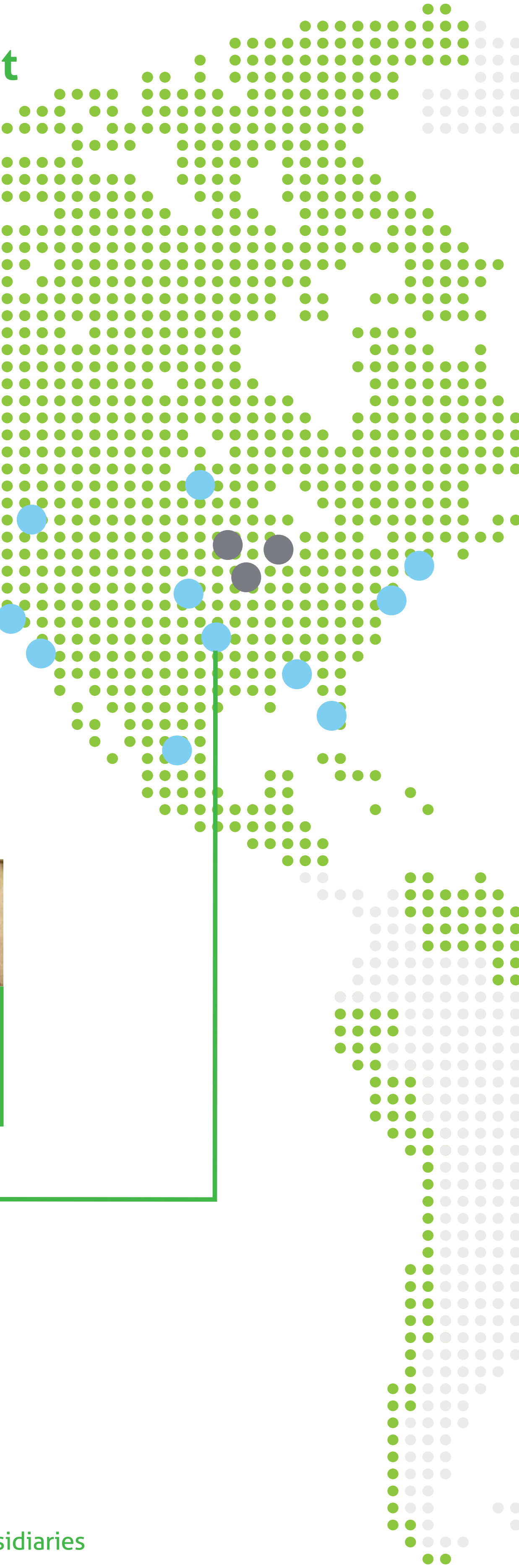
45%

of Group Turnover*

* Excluding DPI. A majority stake in DPI was sold in late 2015



Our Global Footprint



Kerrygold Park opening in 2016

9 Research & Development sites globally

Pilgrims Choice is the No.2 cheddar cheese brand in the UK

No.1 imported butter brand in the US

No.3 butter brand in the US

Over 3 million Kerrygold tastings a year in the US

Hundreds of millions of packets of Kerrygold butter and cheese sold globally each year

Ornua Key Subsidiaries

Ornua Export Markets

Sales & Business Development Teams

Exports to over 110 countries worldwide

Ireland's largest dairy product exporter

Circa €2.5 billion turnover

Proud owner of Kerrygold

2015 Global Markets
A Year in Review

2015 will be remembered for being a challenging year across the world's major dairy-producing regions.

Difficulties resulting from growing milk supply, demand weakness and falling prices continued throughout the year. With the exception of New Zealand, global milk supply in the major milk producing regions grew by 1.4% in 2015. The rate of global growth has slowed, but supplies remain at high levels due to strong cumulative year-on-year growth since 2013. EU growth has been particularly robust, increasing by 2.5% or 3.5 billion litres in 2015.

Closer to home, milk supplies in Ireland were up 13.3%, with favourable pasture conditions in the latter half of the year contributing to higher than expected milk flows. Growth rates in the Netherlands (6.9%) and the UK (2.7%) were also strong. While Irish growth rates were higher than any other EU country, it is worth noting that Germany, France, the UK and the Netherlands have all produced more milk than Ireland in volume terms since 2013.

Weakened purchases continued in Russia and China – two of dairy's most important import markets. Political difficulties closed the Russian market to EU and US dairy trade in August 2014. The Russian market previously accounted for more than 30% of EU cheese exports and 28% of butter exports.

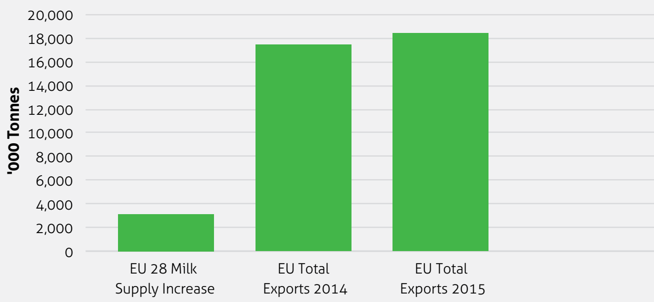
The economic slowdown in China delayed the expected return of dairy buyers in 2015. While there was evidence of demand growth, particularly for infant formula, Chinese WMP imports for the year were down 50% on 2014 levels and down almost 80% on 2013.

Despite weak demand from Russia and China, the EU's export performance remains strong. While EU cheese exports fell slightly, butter and powder exports increased as exporters were successful in finding replacement markets (albeit lower-paying markets), particularly in the Middle East and North African regions (MENA). However, the sharp decline in oil prices in recent months dealt a further blow to global dairy demand, specifically in oil-producing MENA regions whose buying power has been reduced as a result.

A combination of strong supply and demand weakness led to global prices falling further during the year. With dairy commodities losing almost 50% of their value by the end of 2014, prices fell by a further 20% in 2015. The Ornua Purchase Price Index (PPI) averaged at 93.5 points for the year, reflecting the sharp decline in global dairy prices since 2014.

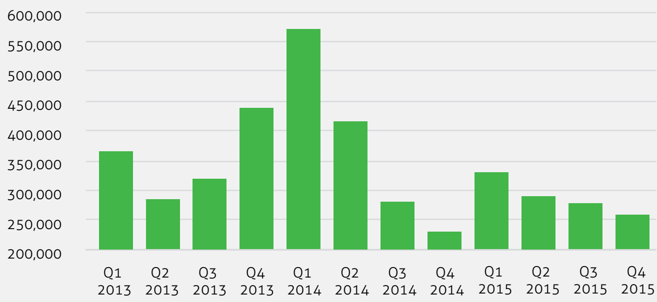
A small pick-up in both demand and price has been forecast for the second half of 2016, although global prices are likely to remain low for the remainder of 2016. While there is some milk supply constraint in Oceania and the US, this is counteracted by exceptionally strong milk supply in the EU. As such, a decline in EU supply and increased demand from the Russian, Chinese and/or MENA markets will be required to correct the market and bring about a significant price improvement in the short to medium term.

EU Milk & Selected Export Growth in Milk Equivalent*



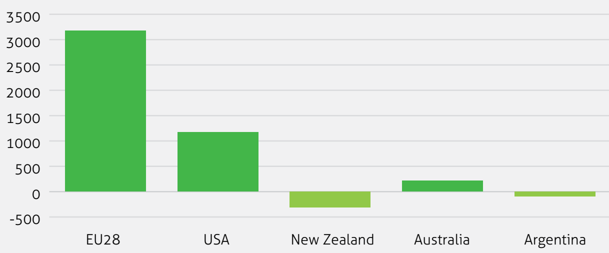
* Source: www.clal.it, http://ec.europa.eu

China: Quarterly Dairy Imports (tonnes)*



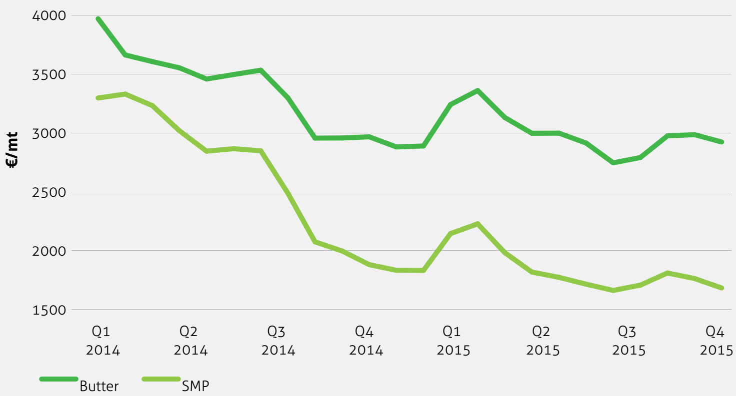
* Source: GTIS

Major Milk Producing Regions: Change in Milk Output 2014 vs 2015 ('000 mt)*



* Source: ZMB

Eurex Prices 2014 & 2015



Chairman's Statement

Our way matters...

When it comes to industry milestones, 2015 will prove to be an important year in the annals of both the Irish dairy industry and of the Society. On 1 April 2015, after more than 30 years of constraint, EU milk quotas were removed. With the abolition of quotas comes the unprecedented opportunity to maximise Ireland's potential as a leading global producer of high-quality and sustainable milk and dairy products, off a unique grass-based production system. In tandem with this, and on the eve of quota abolition, another important milestone for the Society was the agreement of shareholders to a new name, Ornua – The Home of Irish Dairy. This new identity marks the culmination of a programme of transformation over five years to prepare the business for the new realities of a quota free market. The new corporate identity reflects our new vision and ambition for the future, while retaining a link to our dairy heritage and the Kerrygold brand.

As Chairman, I am particularly pleased to report on another year of excellent financial and trading results. Critically, the Society is growing its third country business, building on our core competence in dairy trading and also investing strategically in brands and enhanced routes to market.

In recognition of this strong business performance, a total of €14 million is to be paid out in members' bonuses from the 2015 results. These comprise of a cash element of €10 million and a €4 million allocation to the annual bonus fund for redemption in five years' time. In addition, the Society is to distribute €15 million to supplier members by way of a separate cash bonus financed by the gain on the part disposal of our US distribution division DPI.

The divestiture of a majority stake in DPI at the end of 2015 was an important development during the year. Ornua acquired DPI at the end of 1989, partly to facilitate direct access for Kerrygold to the US. Over the last 26 years, both DPI and Kerrygold in the US have grown exponentially and the decision was taken by the Board in 2015 to divest of DPI and to invest the proceedings into the Society's core dairy businesses for future growth. Ornua will maintain a minority stake in the DPI business.

Other key strategic highlights during the year were the acquisition of Ambrosia Dairy in China, strengthening Ornua's branded footprint in that important market; the completion of a white cheese manufacturing facility by Ornua Saudi Arabia in Riyadh and a powder packing facility for Kerrygold by Ornua Africa in Nigeria; the strengthening of our global infrastructure in Africa, China and the Middle East and, closer to home in Co. Cork in Ireland, the commencement of the construction of Kerrygold Park, our new Centre of Excellence for Kerrygold butter.

Given the Board's support in Ornua's Business Transformation Strategy over the past number of years, it is very gratifying to see this strategic investment bearing fruit, not only in emerging markets but also in the excellent performances of the Kerrygold brand in Germany and North America. Ornua Ingredients also performed well in 2015, with particularly positive performances in our trading operation, in The Cheese Warehouse

The Ornua identity marks the culmination of a programme of transformation over five years to prepare the business for the new realities of a quota free market.

in the UK and in Ornua Ingredientes España, a business we acquired in 2014. As mentioned previously, Ornua divested the majority of its shareholding in DPI in the US at the end of 2015. This subsidiary had contributed positively to the Group's overall performance during the year.

One of our key commitments to our members is to maximise market returns. We achieved this in 2015, not only through our strong product returns, but also through additional price support. The positive impact of this commitment is clearly evident in the performance of Ornua's PPI, Ornua's monthly indicator of market returns, relative to a base year (2010). While the PPI weakened from quarter two, in line with the global downturn in dairy markets, the extent of decline was significantly less than that generally experienced on commodity markets. This achievement, coupled with record purchases from members, is evidence yet again of the strength of the Society's brands and of the route to market benefits of Ornua's investments in market expansion, innovation and people.

Two years of global dairy expansion, coupled with limited growth in demand, led to a sharp rise in competitive pressures and a weakening of market prices globally in 2015. Compounding the growth in output, the renewal of the ban by Russia on imports of dairy products including from the EU, the build-up of stocks in China and the decline in purchasing power in oil producing countries, contributed to a decrease in non-EU demand for the first time since 2008. Import demand shifted from China and Russia, however returns from these other markets were lower. Stocks, as a consequence built over the year, including in the EU where intervention for SMP resumed for the first time since 2009.

In Ireland, on-farm post-quota investment, lower input costs and good weather conditions resulted in a 752 million litre increase in milk output in 2015, up over 13%. Dairy expansion helped compensate producers for the lower market returns, however net dairy margins were halved. Looking forward, while the rate of growth in milk output is declining across the globe, supply will continue to expand, putting continued pressure on market returns across all products. EU exporters, including Ornua, reported record export volumes in 2015. A similar export performance will be required in 2016 and while the euro is currently competitive, we face a number of export challenges, not least the economic situation in China, the purchasing power of oil-production countries, the continuation of the ban on dairy products into Russia, geopolitical instability and the stock situation in importing countries. Ultimately however, a supply side correction is required for market balance to be restored and prices to recover.

Turning to the Board, I would like to thank my fellow Board members for their support in re-electing me as Chairman and I especially thank the Vice-Chairman, Jim Russell, for his continued support. Two members retired from the Board in 2015, Bertie O'Leary and Donal Tobin. We thank them both for their support and for their contribution to the Society during their time on the Board. James Lynch and Dermot O'Leary joined the Board in 2015 and we wish them both well in their stewardship of Ornua. As part of the Board's journey of governance review and improvement, I am pleased to welcome Denis Cregan as Ornua's first Independent Non-Executive Director.

I thank Denis for coming on board and wish him well in his endeavours to support Ornua in growing its business. It goes without saying that the continued success of Ornua is due to its customers, its many stakeholders and its staff. I would like to thank the Irish Government, in particular Minister Coveney and his officials in the Department of Agriculture, Food and the Marine, as well as Bord Bia, Teagasc and the other state bodies and agencies, for their work in promoting and facilitating the export of Irish dairy products. I also extend, once again, my appreciation to Kevin Lane and his management team, and to all employees of the Ornua Group globally, for their efforts and dedication.

Finally I would also like to acknowledge the commitment of Ireland's dairy farmers to Ornua. We are honoured to market their produce and commend them for their commitment to quality. We, in turn, are building a robust and valuable diversified asset for the Irish dairy industry that delivers strong sustainable returns for our members and ensures the long-term viability of our great industry.

Aaron Forde
Chairman

**Before exceptional items*

Chief Executive's Report

A measured performance in a post-quota environment...

2015 was a year of momentous change for our business, and indeed the Irish dairy industry, with the long awaited removal of EU milk quotas opening up a new era of opportunity. While market conditions were, and still remain, challenging, the optimism that surrounds the future of dairy is still well founded. In tandem with the removal of quotas, the Ornua identity was unveiled, delivering a clear statement about our ambition to grow as a leading global dairy organisation.

On behalf of the Group, I am pleased to report another year of very strong performance, in terms of both revenue generation and further business development, enabling us to deliver new routes to market for increased Irish dairy output.

Financial Performance

Group EBITDA* increased by 18% to €58.8 million. This result includes a €9 million increase in brand and market development which now totals €45 million and significant product price support. Group Turnover increased by 9% to €2.5 billion. The Group closed the year with net debt of €17 million and a very strong Balance Sheet with net assets of €526 million, up 21% on year prior. Product purchases from members rose by 16% to a record 286,000mt. This reflects the impact of Ornua's work in opening new routes to market for Irish products and delivery of strong product price returns.

Reflecting this strong performance a Members Bonuses of €14 million, up 17% on 2014, were declared to our members including a cash element of €10 million. An additional special cash bonus of €15 million was declared from the gain on the divestiture in DPI in late 2015, achieving a total bonus for the period of €29 million.

Investing in Future Growth

Ornua has, over the last five years, delivered a Business Transformation Strategy which has prepared our business for the expansion in Irish dairy output. We have invested in new facilities, upgraded existing factories, acquired new businesses, invested heavily in our research and development capability, invested in new staff, upskilled existing teams and enhanced our management structure. The outcome is a leaner, more agile business with a stronger foothold in many more global markets.

Growth Strategy for the Future

Our Business Transformation Strategy encompasses four core pillars. These are:

Operational Excellence → **Value Added Growth** → **In-Market Expansion** → **Our People & Culture**

This translates into six key areas of focus - Brand Growth, New Product Development, In-market Expansion, Capital Expenditure, M&A & Route to Market, and Dairy Trading Expertise.

This strategy is deeply embedded within our organisation and is successfully steering the business into a period of great growth and opportunity.

Strong Brand Performance

Ornua's brand portfolio continues to perform well. In 2015 Kerrygold retail sales reached a record c. €740 million. Our focus is on showcasing the premium nature of Irish dairy products and ensuring that our brands take a leading position in premium key markets. In 2015, we launched a number of new products across both our Foods and Ingredients divisions including a new foodservice brand called Palatina Taste Partners (Palatina) for the European, North American and the Middle Eastern markets.

In-Market Expansion

2015 saw further investment in emerging markets, including Africa, Middle East and China. To strengthen our foothold in Africa, Ornua Africa opened a new Kerrygold packing facility in Nigeria in a joint venture with Fareast Mercantile Company Limited. The facility will provide a new route to market for Irish powdered milk, which will be exported to Nigeria and then packed and marketed under the Kerrygold brand.

Routes to Market

2015 saw the advancement of our Chinese investment with the acquisition of the Shanghai-based, Ambrosia Dairy. This acquisition provides Ornua with a manufacturing base in China, one of the most important dairy growth markets.

In late 2015, we took the opportunity to sell a majority stake in DPI, our US distribution business. This yielded significant proceeds for the business, some of which will be invested into opening new routes to market for Irish dairy. The balance will facilitate the payment of a cash bonus to members of €15 million in April 2016.

Operational Excellence

Our challenge in this new period of growth is to achieve the expansion we are targeting in an economically and environmentally sustainable manner.

Since 2010, continuous improvements in how we operate have delivered savings of over €10 million. Building on this initial success, Ornua has launched 'The Ornua Way', an operational excellence programme. The programme is built upon international best practice with the aim to nurture, facilitate and support self-sustaining operational excellence strategies throughout our global activities.

Investment in Our People

The success of our business depends greatly on a hardworking and committed team based both in Ireland and across the globe. We seek to provide opportunities for each member of our team to enable them to maximise their potential and develop a rewarding career. The investment in a performance management portal, Bloom, is already delivering tangible benefits in terms of improving the performance of our teams and our understanding of their training needs and career goals.

Building for the Future

The unveiling of the new Ornua identity on the eve of EU milk quota removal marked the next step in our growth as a global dairy business. Trading in over 110 countries, the new Ornua identity has been received positively by audiences around the world. I would like to acknowledge the tremendous effort made by all of our staff to bring our new identity to life and introducing it to our suppliers, customers, consumers and wider stakeholder groups.

I would like to thank our Chairman, Aaron Forde and our Board of Directors for their excellent ongoing support. I would like to extend my sincere appreciation to my Executive team for their continued hard work, commitment and loyalty. I would also like to acknowledge the incredible work of our dedicated staff. Finally, thanks are due to our members and to the farmers we represent. Ornua is owned by Ireland's dairy farmers and we look forward to continuing to deliver for them.

Kevin Lane

Kevin Lane
Chief Executive Officer

**Before exceptional items*

Ireland food feature in Belgian magazine, Delhaize

Ornua Global Business Reports

Ornua Foods

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Ornua Foods continued to deliver strong growth, maintaining market-leading positions in many of our core markets. In the US, Kerrygold butter delivered a substantial increase in sales volume, significantly exceeding expectations. While in Germany, Ornua Deutschland achieved a record year of growth across the business. In the UK, Pilgrims Choice, the number two cheddar in the market also achieved record growth.

The success of Ornua's brands is based on the quality of our products and our close connection to our consumers. From sustainable dairy farms, Irish farmers produce milk of unrivalled quality. Consumer choices are increasingly driven by a desire for sustainably-produced food, which is traceable and has an authentic provenance. Through our involvement with Origin Green, Ireland's national sustainability programme, we are working in partnership with farmers to ensure we maintain the high standards our customers demand and expect. Every day, in over 110 markets worldwide, the Ornua team tells the story of Irish dairy. We demonstrate how sustainability is at the heart of the Irish farm and how it is at the heart of our business.

Consumers' tastes are changing and New Product Development (NPD) remains central to our ability to grow our business. Identifying new product opportunities in changing markets has played an increasingly important role in the Ornua business model. New products and new brand extensions have again contributed to growth in 2015; notable successes included Kerrygold Dubliner Wedges, Kerrygold Irish Cream Liqueur and the launch of Kerrygold Soft Blend in Belgium as well as in the Iberia & Mediterranean Islands region.

The development of our new Global Centre of Excellence for butter, Kerrygold Park, in Mitchelstown, Co. Cork will further enhance the NPD capability of our business. The new facility, which will be operational in 2016, will ensure a world-class supply chain that meets the evolving needs of Kerrygold customers and consumers around the world and will also support the growth and development of our iconic Kerrygold brand.

In late 2015, the business made the decision to close the Ornua Russia office as a result of the extended Russian dairy ban and the lack of visibility regarding when it would be lifted.

International markets

Irish milk from grass-fed cows

Strengthened market positions

Ornua Global Business Reports (continued)

Ornua Foods North America

2015 marked another significant year for Ornua in the US, achieving 39% growth in volumes year-on-year. The Kerrygold brand continues to perform in the butter and speciality cheese category in the US by boasting a strong national in-store presence and a growing awareness amongst mainstream US consumers.

Kerrygold butter led the charge in 2015; delivering a significant increase in sales volume over the previous year, which makes it the number three branded butter in the US. Kerrygold cheese retained its position as the number one cheddar brand and continues to hold three of the top six positions in the speciality cheddar category.

NPD continues to drive growth. Over the past year, high-profile launches in the US included Kerrygold Dubliner Wedges and Kerrygold Butter Sticks, the latter offering consumers increased convenience and superior quality in the largest segment of the butter category.

Adams Foods Ltd

2015 was another challenging year for the UK as the retail market becomes increasingly competitive. The continued growth of discounters in the market has resulted in price deflation for consumers. There was an oversupply of cheese for the third successive year with no corresponding increase in overall demand, putting pressure on margins for certain areas of the business.

In response to continued pressure from farming organisations and lobby groups, many UK retailers are now exclusively selling British cheese in their own label range. The long-term supply agreement, signed with First Milk in 2014, is a key source of British cheese for Adams Foods Ltd. This complements the Irish cheddar supply which is used in own label retail, the Pilgrims Choice brand and in the foodservice sector.

Against this backdrop, sales volumes were still up with Pilgrims Choice remaining the clear number two UK cheddar brand with a retail value of £71 million, up 5% on 2014. It achieved a record market share on the back of a comprehensive and sustained marketing programme, including a summer TV campaign. The Kerrygold brand, with sales exceeding £22 million, also had a solid year on the back of continued brand investment including the 'Tales from the Meadow', which exposed the brand to over 8.8 million UK customers.

Ornua Deutschland

Ornua Deutschland continues on an upward trajectory, with its 2015 results being the best in the history of the business. In line with this success, overall volumes grew by 15.4% to 56,100 tonnes in 2015.

Kerrygold butter grew by almost 14% in 2015, extending its market-leading position. In the fourth quarter of 2015, Kerrygold Extra overtook the market leader in the spreadable category and looks set to hold this position in 2016. Another major highlight was the 43% market growth in cheese, where Ornua Deutschland also enjoyed the market-leading position in the cheddar segment.

A robust investment programme ensures Ornua Deutschland has the infrastructure in place to support the further growth that is expected in 2016.

International

Ornua Africa

Ornua Africa faced significant headwinds in 2015 with low oil prices, the Ebola crisis and political uncertainty due to impending elections and terrorism. Despite these factors, Ornua Africa approaches 2016 in a strong position and benefits from having an experienced in-market team capable of dealing with these challenges.

In 2015, Algeria imposed a ban on imported finished products, which impacted on the previously strong performing cheese business. However, the powder business was protected by the in-market packing investment made, resulting in record high sales volumes for the Algerian business. Ornua Africa opened a new Kerrygold packing factory in Nigeria, which will provide an important route to market for Irish powdered milk, as well as cost savings and increased flexibility.

Ornua Africa's business in the Democratic Republic of Congo and Malawi performed well and Kerrygold continues to be a leading brand, with butter sales in South Africa reaching a record high.

Ornua China

Ornua China sells to over 1,000 retail outlets across 50 cities in China, Hong Kong, Malaysia and Singapore. It markets the full range of Kerrygold cheeses and butters, and Kerrygold Whole Milk. In 2015 Ornua China relocated its head office to Shanghai to be closer to key customers.

In late 2015, Ornua acquired the Shanghai-based dairy manufacturer, Ambrosia Dairy. Ambrosia Dairy supplies dairy products including sour cream, yoghurt and speciality cheeses to the high end retail and foodservice markets in the Shanghai region. The acquisition provides Ornua with its first manufacturing base in China, one of the most important global dairy growth markets.

The acquisition significantly increases Ornua's access to the high end retail market and will provide another entry point for supplying dairy ingredients to the rapidly growing Chinese foodservice industry. The addition of domestically produced premium cheeses to the Ornua product range will complement the existing range of Kerrygold Irish milk products already on sale in China.

Ornua Europe & LATAM

In Greece, Kerrygold Regato successfully defended its number 1 brand position in the category, despite an exceptionally challenging macro-economic environment. Kerrygold Pure Irish Butter and Kerrygold Soft Blend were launched, supported by TV advertising and promotional activities.

The Iberia & Mediterranean Islands region delivered solid growth in 2015, also driven by the re-launch of Kerrygold in the Canary and Balearic Islands, as well as Portugal. Kerrygold Soft Blend was also introduced in the region. Performance in Spain was bolstered with new national listings with two leading retailers.

Kerrygold has grown to become the number one international premium butter brand in Poland despite a challenging competitive environment. A new sales office was opened in Belgium to drive Kerrygold growth in the BeNeLux region, where Kerrygold Soft Blend was launched.

Highlights for Latin America included the product launch of Kerrygold Milk Powder in Haiti and a range of Kerrygold Sliced Cheese products in the Caribbean.

Ornua Middle East

2015 saw the establishment of Ornua Middle East and the launch of a number of new products in the region including the Eureka! kids brand in the UAE, taking advantage of the market opportunity for a branded range for children.


Kerrygold
TRADYCYJNE MASŁO IRLANDZKIE
TRADIČNÍ IRSKÉ MÁSLO
TRADIČNÉ ÍRSKE MASLO

Ornua Ingredients

Ornua Ingredients is responsible for the procurement of Irish and non-Irish dairy products and for the sale of dairy ingredients to food manufacturers and foodservice customers. Headquartered in Ireland, Ornua Ingredients is supported by key subsidiaries in Saudi Arabia, Spain, the UK and the US. Our extensive product range, excellent customer service, product development expertise and technical support ensures that we are committed to delivering solutions to meet our customers' needs.

The division provides an increasingly important route to market for Irish dairy products. As Ireland expands its dairy output in the post-quota environment, increasing sales of cheese and other ingredients to food manufacturers will play a key role in achieving our growth objectives.

2015 saw a solid performance throughout the business, with strong growth in Ireland, a turnaround performance in the UK, the establishment of Ornua Ingredients UK and further development of the recently established Ornua Ingredientes España.

Working with our customers to innovate and develop our food solutions is critical for the successful growth of Ornua Ingredients. The new innovation kitchen at Ornua Ingredientes España and the completion of the innovation hub at our new cheese manufacturing facility in Saudi Arabia are just two examples of the investment we are making to ensure we respond to the changing requirements of our customers.

Developing routes to market

Strong growth in Ireland

Growth of Ornua Ingredientes España

Ornua Global Business Reports (continued)

Ireland

Ornua Trading & Ingredients Ireland

Ornua Trading & Ingredients Ireland (OTII) is responsible for the procurement of products from Irish dairy processors and third party suppliers and the sale of dairy ingredients to global food manufacturers and brand owners.

In a challenging market, 2015 was a good year for OTII. Additional value was returned to members through above market returns and member purchases were up a further 16% to a new record high. OTII was also in a position to support a number of fixed price schemes which members offered to farmers during the year. Significant investments in routes to market performed well during the year, good trading positions were taken and inventories were managed well in a volatile environment.

Within OTII, the subsidiary sales and international business units performed particularly well with volumes growing strongly, providing an important route to market for Irish dairy produce.

In 2015, OTII restructured its international sales network and increased its in-market presence in the strategically important markets of North and West Africa and the Middle East.

OTII will remain focussed on cost efficiency, value-added growth and volatility management in 2016 and will invest further in our trading expertise and resources within the trading business unit.

UK

Dairy Ingredients (UK) Ltd

Dairy Ingredients (UK) Ltd (DIUK) is a butter trading business and a major supplier to the UK food manufacturing sector. DIUK achieved a good performance in 2015, supported by strong trading expertise that enabled the business to manage volatile conditions well. Supply was constrained in the first quarter but increased through the year as a result of the removal of quotas. In 2016, DIUK looks to enhance its position further as it continues to provide a key and growing route to market for Irish butter.

Adams Food Ingredients Limited

Adams Food Ingredients Limited (AFI) is a leading powder blending business based in Leek. AFI provides sourcing, blending, formulating and packing excellence to leading food manufacturers and nutritional brand owners in the UK and internationally.

AFI enjoyed a turnaround in performance in 2015, following a strategic review of the business and the subsequent implementation of a robust management strategy. The Foodtec business, which was acquired in 2014, was successfully integrated into the existing Leek facility. Foodtec's performance, coupled with substantial growth in the nutritional food category, saw blended volume growth of 35% year-on-year and a return to strong profitability for the company.

Investment continues in allergen blending, packing capacity and innovation with a strong business generation pipeline and a number of substantial new projects agreed with key customers for delivery in 2016. The business is well positioned for further top and bottom line growth in 2016.

The Meadow Cheese Company Limited

The Meadow Cheese Company Limited (Meadow) supplies customised dairy solutions to the food manufacturing and foodservice sectors. Meadow's volumes remained constant throughout the year and margins increased, despite tough market conditions.

In 2015 Meadow commissioned a new innovative production line, sold under the Palatina brand, which was successfully launched in the UK and the Middle East.

The Cheese Warehouse Limited

The Cheese Warehouse specialises in grating natural and processed cheese in a variety of formats. With an emphasis on quality and service, a high level of technical support and a commitment to innovation and category insights, it aims to be the UK's foremost supplier of cheese to the foodservice and food manufacturing sectors.

The business enjoyed further volume and margin growth in 2015 with progress in targeted national key accounts laying a solid foundation for the business in 2016.

Ornua Ingredients UK Limited

On 31 December 2015, The Meadow Cheese Company and The Cheese Warehouse were merged to form "Ornua Ingredients UK Ltd". This integration took effect from 1 January 2016 and creates a business with scale and technology advantages in the market.

Ornua Ingredientes España

Ornua established Ornua Ingredientes España in summer 2014, when it acquired the business and assets of Luxtor S.A., a Spanish pizza cheese business. The business supplies a large range of products to the foodservice and food manufacturing sectors in southern Europe and provides an immediate route to the Spanish market for Irish dairy products.

2015 saw a number of key projects coming to completion including the opening of a state-of-the-art innovation kitchen, an extensive refurbishment and modernisation of the site, and the successful launch of a number of new products in the marketplace. Ornua Ingredientes España was a prize-winner in this year's prestigious International Cheese Awards.

Ornua Ingredients North America

Ornua Ingredients North America, headquartered in Hilbert, Wisconsin, produces functional cheese solutions for US food ingredient and foodservice customers. Despite a small volume growth in 2015, the company experienced a reduction in profitability due to low availability of cheese solids for processing, record butter input costs and low CME cheese prices. In response, a strategic review of the business was undertaken, from which a robust management strategy was put in place. The second half of the year saw a number of strategic customer wins.

This momentum positions the business for significant volume and profitability growth in 2016. In addition, the business streamlined the operation of its two production factories to cater for these new contracts and is investing significant additional resources in strategic research projects to meet customer needs for "clean label" cheese.

Ornua Global Business Reports (continued)

Ornua Saudi Arabia

2015 saw Al Wazeen Trading's second year of business within the Ornua Group. During a year of very turbulent market conditions, trading volumes were down. In response to these challenging conditions, the management team are focussed on strengthening its in-market presence and sales structure to deliver the planned growth in the business.

The construction of a new cheese recombination factory near Riyadh was completed at the end of 2015, and commissioning will take place in the first quarter of 2016. The €20 million state-of-the-art facility will manufacture white cheeses for the Saudi Arabian market, the fifth largest dairy importer in the world, as well as providing a central hub to access the high growth dairy markets in the Middle East North Africa region.

The new facility will use pioneering technology developed by Ornua and Teagasc to produce a range of bespoke fresh white cheeses for the increasingly sophisticated bakery sector, retail delis and foodservice customers. The facility also includes an Innovation Hub which will be used to co-develop customised 'white cheese' solutions with customers.

Ornua Foodservice

The Ornua Foodservice business focussed on exploring opportunities within the foodservice channel in 2015, via direct sales to global pizza chains such as Telepizza and business-to-business consumer brands within the out-of-home channel, and the creation of a bespoke foodservice brand, Palatina.

The initial Palatina range was created to leverage Ornua's global expertise in cheese solutions which includes Individually Quick Frozen (IQF) Mozzarella and Cheddar, Palatina Melt, Cheese Ropes, Nacho Cheese Sauce and Palatina Cream Cheese Blend. The range was developed using Ornua technologies across our manufacturing sites.

Ornua's value-added technologies, combined with foodservice channel insights, have ensured that the Palatina range has been specifically developed to offer versatile, functional, and great tasting products for operators and chefs alike.

With a vision to become the preferred supplier of branded, value-added foodservice solutions to the out-of-home market, Palatina has planned launches across Europe, Middle East and China.

New Product Development

Product innovation continues to be a core pillar of Ornua's strategy. Our Innovation and Technical Centre is based in Moorepark, Co. Cork in Ireland. We also have local R&D teams in-situ at all of our production sites.

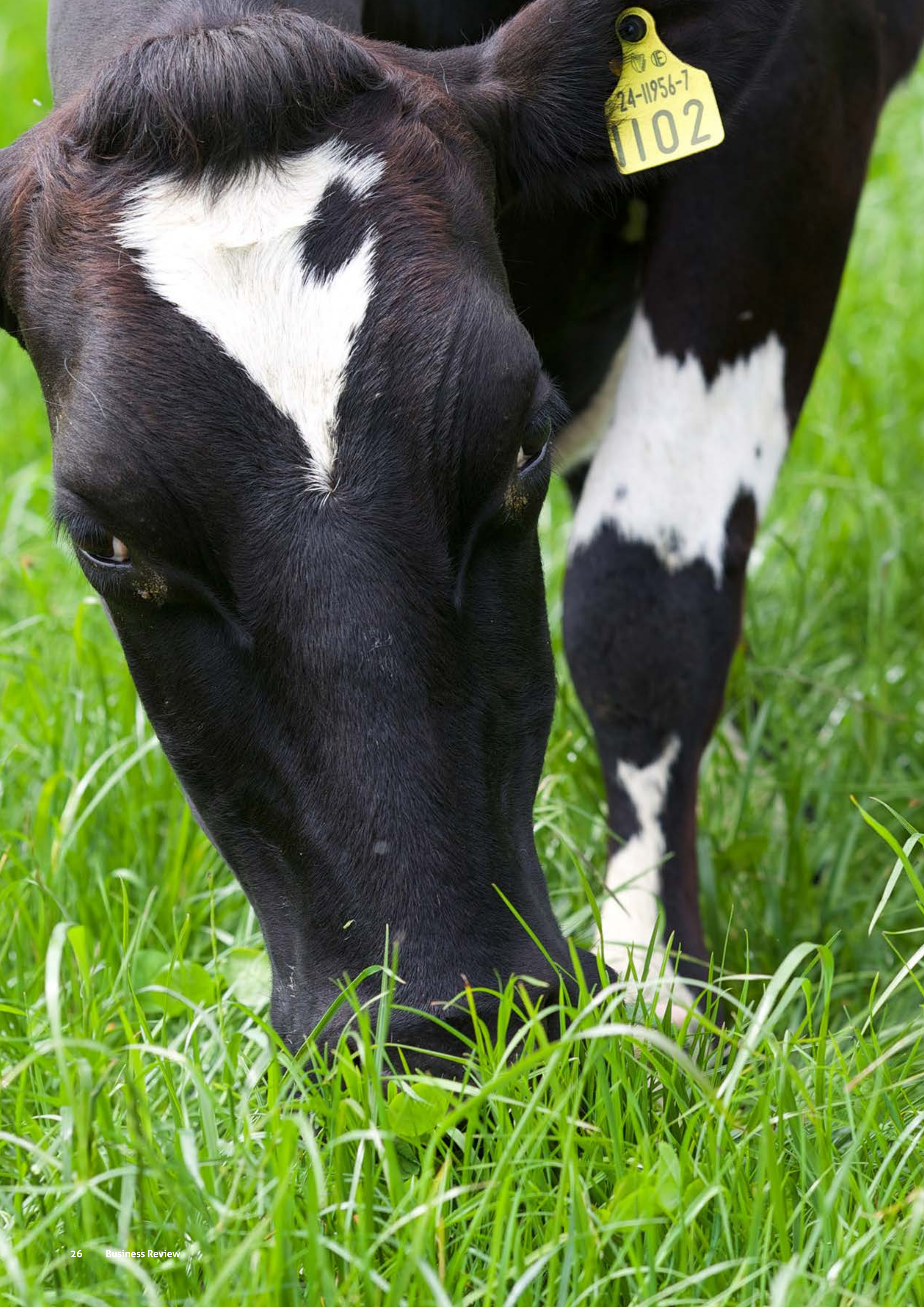
Investment in NPD in our global and Irish businesses increased in 2015. Arising from our continued investment in innovation, insights, marketing and in-market sales teams, new products account for an ever-increasing percentage of total Group Turnover.

In 2015 we expanded our innovation capabilities to include an in-house packaging and design function which has fast-tracked our product introduction process, improved our design capability and saved costs.

Ornua's collaboration with Teagasc, the national agriculture and food research body, continued in 2015, with the cheese development programme now extended to include the full range of dairy products. Ornua is also proud to be an industry partner in Food for Health Ireland.

Key 2015 highlights:

- Eureka! a range of nutritious snacking products for children in the Middle East. The Eureka! range encompasses Eureka! Milk Shakes, Eureka! Cheese Pods and Eureka! Mild Cheese Dippers, a combination of mild creamy cheese and bread sticks
- Kerrygold Dubliner Cheese Wedges and Kerrygold Dubliner Premium Cheese Spread were launched in the US. Both products are made with 100% natural cheese, from grass-fed cows, without any artificial flavours or additives. Kerrygold Butter with Canola Oil was also launched in 2015
- Kerrygold Soft Blend was launched in international markets
- Kerrygold Hollandaise Butter, Kerrygold Grill Butter and Kerrygold Pasta Butter were launched in Germany for the Spring, Summer and Autumn seasons respectively
- In Greece, Regato cheese, typically sold in wheel format, was launched in a loaf format for deli counter sales, as well as a sliced retail pre-pack format for self-service sales
- In the US, distribution of Kerrygold Irish Cream Liqueur increased from two to 12 states in conjunction with a growth in market share. Kerrygold Irish Cream Liqueur was also successfully launched into travel retail in the Irish market
- Ornua Ingredientes España opened a new R&D centre at its headquarters in Ávila, Spain. The state-of-the-art R&D centre enhances the business' ability to develop new product lines and formats for existing and new customers in Southern Europe
- Innovation in Ornua's Irish ingredients business continues to be focussed on developing milk powders with specific functionality and organoleptic profile for our customers, primarily in Africa and the Middle East
- Using new innovative technology, our Ornua Ingredients UK business launched a new cheese with specific functionality for use in pizza sector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Sustainability

It's not just what we do that matters, but how we do it

At Ornua we aim to ensure that the principles of sustainability which exist on-farm are incorporated throughout our supply chain. We have continued to drive efficiency improvements at all of our processing facilities and work with our stakeholders to enhance their sustainability efforts.

'Our Way Matters' is Ornua's approach to sustainability, developed to demonstrate our commitment to social and environmental initiatives to our stakeholders.

Our Way Matters

Our Way of Farming

Our Way of Operating

Our Way of Supporting

Sustainability (continued)

Our Way of Farming

2015 was an historic year for the Irish dairy industry. The removal of EU milk quotas in April signalled the first opportunity for significant growth in the production of Irish dairy in 30 years. Long before milk quotas were introduced in 1984, Irish dairy farmers were farming sustainably. While this post-quota environment will bring much change to the Irish dairy industry, our commitment to sustainability will remain at the core of our practices.

Irish dairy farmers' ongoing commitment to maintaining the highest global standards in sustainability and milk quality enables Ornua to successfully build markets for dairy products around the world. We are proud to bring the unique story of Irish dairy farming to customers and consumers all over the world. The way we farm impacts our products and, at Ornua, we recognise that throughout our business, our way of farming matters.

Our Way of Operating

Across Ornua sites worldwide, we are continuously improving our practices to reduce environmental impact. Our approach to continuous improvement ensures we mitigate the impact our business has on the environment while simultaneously driving efficiencies. Through this process we have recognised that our way of operating matters.

Using Ornua's "Sustainability Performance Indicators" we regularly assess the performance of all of our global sites and benchmark these against industry best practice. Throughout 2015 we have continued to implement projects to minimise our impact on the environment. Some of the highlights include:

- Zero waste to landfill at Adams Foods Limited
- ESOS compliance at all Ornua UK sites
- ISO 50001 compliance at Ornua Deutschland
- 20% reduction in water consumption at Ornua Ingredients UK
- 15% reduction per tonne in electricity consumption at Ornua Deutschland

Our Way of Supporting

As a co-operative, our structure differs from other businesses. We work on behalf of the entire dairy industry and repatriate our profits back to our members. We also work in conjunction with industry bodies and charity partners to empower them to make progress on their sustainability goals. We recognise that supporting industry and local organisations is a key part of how we can deliver value to our stakeholders, and as such, our way of supporting matters.

Some of the initiatives and organisations supported in 2015 included:

- NDC & Kerrygold Quality Milk Awards
- AgriAware – Irish agri-food educational body
- Bord Bia Origin Green Ambassador Programme
- Animal Health Ireland
- The National Dairy Council
- Macra na Feirme – young Irish farmers organisation
- Grocery Aid
- American Youth Soccer Organisation
- Developing World Fund support for Aidlink and Vita

Natural Advantage

Ireland's temperate climate and abundant rainfall provide ideal conditions for sustainable dairy farming. Irish dairy cows can graze on lush green pastures for 300 days per year. It is this grass-based production system that makes Ireland the most carbon-efficient milk producer in the EU.

Measurement and Continuous Improvement on Farm

Ireland's national Sustainable Dairy Assurance Scheme:

- Independently audits each Irish dairy farm every 18 months
- Assessing 170 criteria including hygiene, biodiversity, animal welfare and the environment
- Every Irish dairy farm is in the process of being carbon-footprinted identifying areas for further improvement

Kerrygold Park

To complement our continuous improvement programme at our existing processing sites we have incorporated an Energy Efficient Design Programme into the development of our new facility, Kerrygold Park. Kerrygold Park is being built to an exemplar standard and incorporates a number of sustainability features including:

- On-site electricity generation
- Rainwater harvesting
- Electric vehicle charge points
- Co-located with raw material producer
- Natural vegetation to enhance biodiversity
- Built using locally-sourced, sustainable building materials

Origin Green

Origin Green is an independently-assessed, sustainable development programme for the food and drinks industry in Ireland, managed by Bord Bia, the Irish Food Board. As part of the Origin Green Process, companies must write a five year sustainability plan and report to Bord Bia on their progress annually. Ornua was the first dairy company to achieve Origin Green accreditation. We have worked to support our members on their Origin Green journey and today 100% of our members are participating in Origin Green. Since starting on our Origin Green journey Ornua Ireland has:

- Reduced electricity consumption by 22%
- Switched from oil to gas heating
- Installed flow reduction fittings to reduce water consumption, achieving a decrease in consumption of 22%

Training and Development

At Ornua, we recognise that our staff are critical to our future success. In past years we have invested in building our in-house capabilities to empower our teams to reach their full potential and deliver on their business objectives.

This year saw the introduction of Bloom, an online best-in-class system which will enable us to move some of our staff development processes, including performance management, learning and development, succession planning and career pathing, to a more dynamic platform.

Bloom

Lunch and Learn

Throughout 2015 we continued to provide insights into different business functions through our lunch and learn programme such as presentations on doing business in Africa and the Middle East, Brand Development, our Developing World Fund and much more.

Kerrygold Mile

At Ornua in Dublin and Moorepark, the third annual Kerrygold Mile took place in December 2015. Staff from all around our business spent the months of November and December training for our "Kerrygold Mile" challenge which culminated in a one mile fun run or walk for staff followed by our traditional Christmas lunch.

Sustainability (continued)

Quality

In a time of ever-increasing risk of food fraud, significant time, resources and programmes have been developed to ensure Ornua's supply chain is sufficiently robust to protect against risk.

Throughout 2015 significant group technical support was provided in new integration developments, subsidiary builds and joint ventures in Ornua Ingredientes España, Kerrygold Park, Ornua Saudi Arabia and Ornua's Nigerian operation respectively.

In 2015 all Ornua subsidiary factories retained the Grade A status in BRC Global Standard, as well as ensuring all major retail, ingredient and foodservice customer accreditations were maintained and improved upon. We have instigated additional collaboration projects with member suppliers to ensure that we continue to improve our quality standards and meet our customers' increasing expectations worldwide.

All Ornua factories achieved Grade A status in BRC Global Standards.

Ornua staff at the annual ‘Kerrygold Mile’ race

Ornua staff at Teagasc Dairy Open Day at Teagasc Moorepark

Macra na Feirme, the Irish young farmers and rural youth organisation, visit Ornua Deutschland

The O'Sullivan family from Goleen, Co. Cork, winners of the NDC & Kerrygold Quality Milk Awards for 2015

Corporate Governance

Corporate Governance

Ornua Co-operative Limited (Ornua or "the Society") is committed to operating in accordance with best practice in corporate governance. This means maintaining the highest standards of financial reporting, business integrity and ethics.

Governance in Action

The Ornua Board ("the Board") consists entirely of non-executive Directors, appointed or elected in accordance with the Rules of Ornua Co-operative Ltd. The non-executive Directors (board members), in general, represent supplier members to the Society and farming organisations. There is one independent non-executive Director.

The Board's principal responsibilities are to agree overall strategy and investment policy, approve major capital expenditure, provide an essential challenge function to the Chief Executive Officer (CEO) and other executives, monitor executive performance and ensure that good corporate governance is observed at all times including the presence of proper internal controls and risk management practices.

As well as ensuring compliance with its principal legislative duties, as set out under the Companies Act 2014 and the Industrial and Provident Societies Acts 1893-2014, the Board has a number of matters reserved for its consideration.

It plays a key role in scrutinising financial and business performance. The Group's planning and financial reporting procedures include detailed operational budgets for the year ahead, the delivery of KPIs and a regularly updated five year plan, all of which require Board review and approval.

The Board receives regular reports on important operational and business issues arising in its two Group divisions, Ornua Foods and Ornua Ingredients. It also receives topical briefs during the year to help individual Directors remain fully informed and responsive to relevant developments.

The Board held 10 ordinary meetings in 2015 which covered routine Board business. Separate strategically themed workshop meetings were also held.

Measures like these ensure that all Board Directors are aware of, and are in a position to, monitor business progress and to discharge effectively their individual Director duties, under the governing legislation.

Board Performance Evaluation

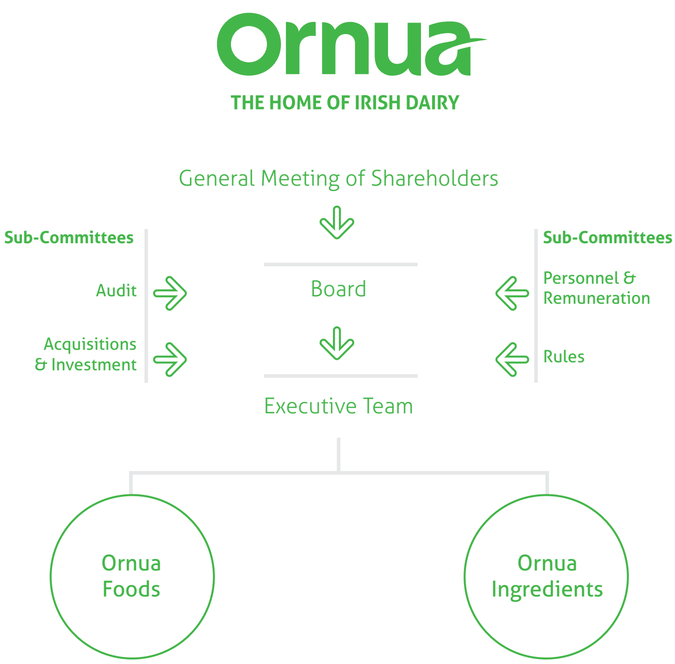
The Board has established a formal and rigorous process to evaluate its performance and the performance of its sub-committees.

Appointment and Induction

Board members are appointed or elected to serve for one or more terms of four years each. There is no restriction on re-appointment. The Chairman and Vice-Chairman are elected annually by the Board. Newly appointed Board members undergo a structured induction programme involving presentations and site visits to ensure that they have the necessary knowledge and understanding of the Group and its activities. Continued development is made available to the Board.

Conflicts of Interest and Business Conduct and Ethics

A register of Directors' interests is maintained. Directors make declarations of interests upon appointment, then again periodically during their term of office where a particular issue or event prompts a declaration of interest. A Code of Conduct for the Ornua Board of Directors addresses the standards required of each member in the performance of his/her functions as a member of the Board, including the management of conflicts of interest. Board members are also required to comply with the Ornua Code of Business Conduct and Ethics.



The Chairman
The non-executive Chairman's primary role is to ensure good corporate governance by ensuring that the Board is in full control of the Society's affairs and alert to its obligations to shareholders. He ensures that the Board is kept properly informed, is consulted on all issues reserved to it and that its decisions are made in a timely and considered way so as to enable the Directors to fulfil their duties. There is a clear division of responsibilities between the Chairman and the CEO.

The Non-Executives
All non-executive Directors are entrusted to bring an independent judgement to bear on the issues the Board considers. Their wide-ranging experience, backgrounds and skill-sets ensure that non-executive Directors can contribute significantly to the Board and, specifically, engage in constructive debate and challenge management in relation to both the development of strategy and the performance of the Group against the goals set by the Board and the Society's stakeholders. The Chairman meets with the non-executive Directors informally during the year. These meetings, and other regular informal discussions, create the opportunity for valuable input from the non-executive Directors.

The CEO and Executive Team
The CEO has responsibility for ensuring that the organisation and its subsidiary companies operate effectively and to a high standard of probity. The appointment and removal of the CEO is a decision reserved for the Board, in accordance with the Rules of Ornua Co-operative Limited.

The operational day-to-day management of the Group is delegated by the Board to the CEO. The CEO chooses to deliver the performance of executive functions by a team of Executive level employees. The CEO is responsible for leading, managing and controlling the Group, save for those matters reserved for decision by the Board and/or its Sub-Committees. The Executive team is subordinate to the Board.

The key responsibilities and tasks delegated to the Executive team include:

- implementing Board strategy, decisions and policy;
- monitoring compliance with legislative requirements and rules of the Society;
- ensuring effective performance and co-ordination of the Group's business activities within its divisions;
- overseeing operational performance, including health and safety and sustainability performance;
- monitoring and controlling financial performance; and
- approving expenditure and other financial commitments as delegated by the Board.

The Secretary
The Board is guided in the lawful and diligent performance of its functions by the Secretary who attends all Board meetings. The Secretary facilitates Board business through the provision of timely and appropriate advice on matters of law and governance. The Secretary recommends corporate governance policies and practices to the Chairman and the CEO, for Board consideration, where appropriate and advises the Board on appropriate procedures for the management of its meetings and the effective discharge of its duties. With the approval of the Chairman, and on the advice of the CEO, the Secretary sets the Board meeting agenda and order of business and follows up on all outstanding matters. The appointment and removal of the Secretary is a decision reserved to the Board. All Board Directors have access to the confidential counsel of the Secretary as and when necessary.

Corporate Governance (continued)

Board Committees

To provide effective and proper control, certain Board functions have been delegated to the following Board sub-committees:

Audit Sub-Committee

The Audit Sub-Committee is responsible for a wide range of matters including the scrutiny of the financial statements, significant financial reporting issues, the effectiveness of internal controls, the Group's risk management systems, recommendations to the Board as to the appointment of external auditors (including remuneration and other terms of engagement), and the ongoing management of, and the unrestricted access to these relationships, once they are established.

The Audit Sub-Committee monitors, through reports to it by both internal and external audit and management, the controls which are in force and monitors any remedial actions. Periodic updates of the work of the Audit Sub-Committee are provided to the Board to facilitate the Board's informed assessment of the Group's internal control system and risk management framework.

Personnel and Remuneration Sub-Committee

The Personnel and Remuneration Sub-Committee is responsible for inter alia, setting the remuneration policy of the Board and determining the remuneration arrangements of the CEO and, on the recommendation of the CEO, his Senior Direct Reports. In addition, the Sub-Committee is responsible for the oversight of reward structures for the Society to ensure they are consistent with shareholder interest.

Acquisitions and Investment Sub-Committee

The Acquisitions and Investment Sub-Committee reviews and considers proposals from management in respect of significant acquisitions, investments, disposals and capital expenditure and, where appropriate, makes recommendations to the Board. A budgetary process and authorisation levels regulate capital expenditure. All investment projects, as well as material capital expenditure proposals, are evaluated by the Acquisitions and Investment Sub-Committee and are then escalated for Board consideration. Approved projects are reviewed periodically by the Acquisition and Investment Sub-Committee to ensure they are being implemented in accordance with the approvals received.

Rules Sub-Committee

The Rules Sub-Committee oversees the implementation of the Rules of the Society and reviews the Rules periodically to ensure that they are appropriate in their application, are consistent with Group strategic objectives and good corporate governance. Where necessary, it makes recommendations to the Board on any alteration to or amendment of the Rules.

Internal and External Audit

Internal Audit

The Internal Audit department is an integral function of the Group. The internal audit plan requires annual approval and periodic review by the Audit Sub-Committee. The results, recommendations and significant findings are reported to the Executive team via the Head of Internal Audit and are periodically summarised for the Audit Sub-Committee throughout the year. The Internal Audit function reports directly to the Chairman of the Audit Sub-Committee and the CEO, thereby ensuring its independence and objectivity and is afforded unfettered access to these reporting lines and throughout the Group.

External Audit

The external auditors provide the Audit Sub-Committee (as delegated by the Board) with reports on the external audit of the Group. The Sub-Committee annually assesses the external auditors' independence and objectivity, the effectiveness of the external audit process, the provision of additional services and the level of non-audit fees.

Risk Management, Assurance and Internal Control

The Board acknowledges it has ultimate responsibility for risk management and internal controls. This includes the Group's risk governance structure, and determining the Group's risk appetite to ensure success in achieving its strategic objectives and maintaining an appropriate internal control environment. The Audit Sub-Committee has responsibility for reviewing the design and effectiveness of the Group's risk management and internal control systems to ensure an effective process exists for the identification, assessment and management of risk.

Risk Management Framework

The Risk Management strategy and policy set out the Group's attitude to risk. The Group has a clear framework for identifying and managing risk, at all levels of the business, to ensure we remain alert to the ever-changing environment in which we operate. The Group's risk assessment framework underpins a common language and approach to risk management and facilitates the early identification and assessment of the principal risks and uncertainties facing the Group today. By focussing on the early identification of business risks, the framework enables us to consider the appropriate mitigation steps or management actions required to eliminate the risk or to reduce the risk to an acceptable level. The Group business risk assessment process is carried out annually and involves the Executive team, senior business managers and Internal Audit. While the process is sponsored by the Group Finance Director and Chief Operating Officer, the Board and Audit Sub-Committee have a key oversight role.

Risk Monitoring and Reporting

On a quarterly basis, significant business units are requested to complete a formal risk review and submit their risk register of key business risks for Executive level review. The risk register template ensures consistency of approach in reporting the risks and helps to underpin a common language and approach to the risk management process. The process requires significant business units to rank their top risks by impact and likelihood of occurrence, and to continually assess the appropriateness of the risk mitigation steps in place. The key focus of this review is to ensure the Group's residual risks are within the scope of what the Board is willing to accept in order to achieve its strategic objectives. During the yearly cycle, these risks are presented to the Audit Sub-Committee as a consolidated register of significant group risks, along with management's key mitigations. This is in addition to ongoing business risk updates provided to the Audit Sub-Committee during the year.

Principal Risks and Uncertainties

Ornua operates in a fast moving, global foods market which is becoming more and more complex and challenging. The performance of the Group is influenced by a number of factors and is becoming increasingly exposed to a large variety of risks which need to be managed in order to achieve our strategic objectives. Where possible, the Group has policies, processes and controls in place to mitigate against these factors.

Some factors affecting results

The success of Ornua depends on its ability to further strengthen its position as a leading international dairy organisation, rewarding its customers and stakeholders through the delivery of high-quality, innovative products using world-class brands and superior customer service. These objectives are subject to a degree of seasonality or climatic factors which may have an adverse impact on Group operations.

Any major food safety issue or Irish dairy industry issue may result in a supply disruption or contamination of products and/or raw materials which would ultimately impact the Group's growth potential or ability to operate and have a serious impact on the Group's reputation and brands or our customer's brands. These may result in a loss of revenue growth momentum, however, Ornua is confident in the underlying strength of its key brands and its strong brand platform should continue to lead product innovation and market growth. The Group is committed to food safety and quality regulations and aims to employ best practice in its procurement procedures and across all its production facilities to maintain the highest standards.

The Group is highly responsive to the volatility of commodity markets and industry changes including the sustainable supply of raw materials to our businesses. Any adverse changes in these areas could have a negative impact on the Group's financial results. In order to minimise this risk, the Group employs experienced senior purchasing and commercial managers in this area to help manage the positioning of the businesses in this regard.

Current volatility in the global economy may adversely affect customer spending which could result in less demand for our products. Although the Group is unable to influence the global economic conditions, our diverse portfolio and the geographical spread of our businesses provides a certain level of mitigation in this regard.

The Group is also exposed to financial market volatility including currency fluctuation risks which are controlled via our centrally-operated Treasury function. In light of continued economic and financial volatility in the Eurozone, risks relating to the future of the Euro currency could impact our business. Furthermore, some trade receivables and large customer concentration risks give rise to credit risk, which is diversified based on our risk appetite, while the Group has trade credit insurance as a measure of last resort.

Failure to execute, identify or properly integrate new acquisitions and/or divestitures could impact the overall financial performance of the Group.

The Group is largely reliant on timely and accurate information including numerical data from key software applications. These are required without disruption to enable an effective and efficient day-to-day decision making process to occur, and controls are in place for disaster recovery to minimise business interruptions.

The Group has controls in place to comply with environmental regulations which apply in all countries in which it operates. The Group is committed to growing its business in a sustainable manner, mindful of our impact on the environment. We take pride in the fact that our products are produced sustainably and this has become an inherent expectation of our key customers.

Ornua is subject to Health & Safety regulations in all countries in which it operates. Certain policies and procedures have been put in place to ensure the Group is compliant with each of these regulations and has ensured the protection of the safety and welfare of all employees and contractors.

Directors' Report

for the period ended 26 December 2015

The Directors submit their report together with the audited financial statements for the period ended 26 December 2015.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish law requires the Directors to prepare financial statements for each financial period giving a true and fair view of the state of the Society's affairs at the end of the financial period and of its profit or loss for the financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements have been properly prepared in accordance with the requirements of the Industrial and Provident Societies Act, 1893 to 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Books of Account

The Directors, through the use of appropriate procedures and systems and the employment of competent persons, have ensured that measures are in place to secure compliance with the Group's obligation to keep proper books of account. The books of the Company are kept at the registered office of the Parent Society.

Going Concern

The Directors, after making enquiries, have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

Principal Activities

The Group is engaged in the purchase, marketing, and sale of consumer dairy products and dairy food ingredients worldwide through its subsidiaries and extensive network of agents and distributors. The Group is comprised of two divisions – Ornua Foods and Ornua Ingredients. Ornua Foods activities are supported by subsidiary companies in and in-market teams in China, Germany, the Middle East, the UK and the US and Consumer dairy products are marketed primarily under the Kerrygold, Dubliner, Forto, Pilgrims Choice, Eureka! and Beo brands. Ornua Ingredients sells and trades products across the globe. Its facilities include powder blending and packing in the UK and ingredient cheese processing in Saudi Arabia, Spain, the UK and the US.

The Group reported a strong performance in 2015. Group EBITDA* increased by 18% to €58.8 million. Turnover increased by 9% to €2.5 billion. The Group closed the year with net debt of €17 million and a very strong Balance Sheet with net assets of €526 million, up 21% on year prior. Product purchases from members rose by 16% to a record 286,000mt. This reflects the impact of Ornua's work in opening new routes to market for Irish products and delivery of strong product price returns.

Members bonuses of €14 million, up 17% on 2014, were declared to our members including a cash element of €10 million payable in April 2016.

The Group divested of its third division, DPI, a US speciality food distribution company, in late 2015. This yielded significant proceeds for the business some of which will be invested in opening new routes to market for Irish dairy. The balance will facilitate the payment of a special cash bonus to members of €15 million in April 2016.

Ornua Foods continued to deliver strong growth, maintaining market-leading positions in many of its core markets. In the US, Kerrygold butter delivered a substantial increase in sales volume, significantly exceeding expectations. While in Germany, Ornua Deutschland achieved a record year of growth across the business. In the UK, Pilgrims Choice, the number two cheddar brand, achieved record growth.

Ornua Ingredients saw a strong performance throughout the business, with strong growth in Ireland, a turnaround performance in the UK, the establishment of Ornua Ingredients UK and further development of the recently established Ornua Ingredientes España. Despite a small volume growth in 2015, Ornua Ingredients North America experienced a reduction in profitability due to low availability of cheese solids for processing, record butter input costs and low CME cheese prices. In response, a strategic review of the business was undertaken, from which a robust management strategy was put in place.

2015 will be remembered for being an extremely challenging year across the world's major dairy-producing regions. A combination of strong supply and demand weakness led to global prices falling. The Ornua PPI averaged at 93.5 points for the year, reflecting the sharp decline in global dairy prices.

Operational Highlights

Ornua has, over the last five years, delivered a Business Transformation Strategy which has prepared the business for the expansion in Irish dairy output.

Key 2015 operational highlights:

- Strong performance – Group EBITDA* increased by 18% to €58.8 million
- Unveiling of new identity, Ornua – The Home of Irish Dairy
- Successful divestiture of a majority stake in DPI
- Acquisition of Shanghai-based dairy manufacturer, Ambrosia Dairy
- Completion of cheese manufacturing facility in Riyadh, Saudi Arabia
- Completion of Kerrygold powder packing facility in Nigeria
- Record members' purchases of 286,000mt, up 16%
- Strengthening of global infrastructure – enhancing teams in China, Middle East and Africa with 45 new people placed in-market
- Commencement of construction of Kerrygold Park, a butter production and packing facility in Co. Cork
- Record US Kerrygold sales volumes reported – No. 3 branded butter in the US
- Record market share for Pilgrims Choice reported – No. 2 in UK
- Increased investment in brand development and NPD. New product launches included:
    - Kerrygold Dubliner Wedges, Kerrygold Butter Sticks, Kerrygold Dubliner Premium Cheese Spread launched in the US
    - Eureka! range for children launched in the Middle East
    - Kerrygold Soft launched across international markets.
- Bespoke foodservice brand, Palatina created and launched in Europe, the US and the Middle East
- Implementation of lean manufacturing principles delivered incremental annual savings of €2 million in 2015. This brings the accumulative annualised benefit to over €10 million
- Launch of the Ornua Way, an operational excellence programme
- Launch of performance management portal, Bloom, to better manage staff development and career progression
- Continued investment in staff development programmes including: Executive Education, Leadership Development, Mentoring and Coaching Development, Succession Planning and Personal Effectiveness programmes and supports.

Future Developments

The Group has made significant investment across the business over the past few years as it prepares to take advantage of the opportunities the post-quota environment will bring. The Group will continue to invest in its people, develop new products and build and enhance routes to market, to fulfill its role in driving the growth potential of the Irish dairy sector.

Research and Development

Innovation has played a critical role in the Group's success over recent years. The NPD team has made great progress in developing innovative branded and ingredients products to meet consumer and customer needs across global markets. The Group will continue to invest in its consumer and market insight capabilities to drive its growth plan.

Health and Safety

It is the policy of the Group to ensure the safety, health and welfare of its staff, contractors and members of the public by ensuring that each Group site operates in full conformance with local legislative requirements and that appropriate policies and practices are in place to ensure safety in the workplace.

Subsidiary Undertakings

A list of the significant trading subsidiary companies is included in Note 30 to the financial statements.

Executive & Directors' Remuneration

Executive remuneration at Ornua is subject to full oversight by the Board and specifically its Personnel and Remuneration sub-committee. The Remuneration Committee has delegated responsibility for the implementation of the remuneration policy of the Board, determining the remuneration arrangements for the Members of the Board, Chief Executive, COO and Senior Executives. The process includes Review and Assessment against comparable organisations, ensuring that remuneration arrangements are consistent with Shareholder interest and the Vision, Mission and Values of the Society. The resources of Independent Professional Advisers were used in the Review and Assessment process.

Directors' and Secretary's Shareholdings

The Directors and Secretary and their families had no interests in the shares of the Parent Society or any other Group company at any time during the period.

Political Donations

The Group did not make any political donations during the year (2014: nil).

Auditors

The rules of the Society provide that the Auditor shall be appointed at the Annual General Meeting. The incumbent Auditor is eligible for reappointment.

Post Balance Sheet Events

There have been no significant events since the period end which require disclosure in the financial statements.

**Before exceptional items*

Directors' Report (continued)
for the period ended 26 December 2015

Board Members to End December 2015

Aaron Forde (i) (ii) (iii) (iv)	Chairman	Aurivo Co-operative Society Limited
Jim Russell (i) (ii) (iii) (iv)	Vice Chairman	Irish Co-operative Society Limited
Jim Bergin (iii) (iv)		Glanbia Ingredients Ireland Limited
John Comer (iv)		Irish Creamery Milk Suppliers Association
Denis Cregan (ii) (iv)	Appointed December 2015	Independent Non-Executive Director
Michael Hanley (i)		Lakeland Dairies Co-operative Limited
Martin Keane (i)	Chairman of the Audit Sub-Committee	Glanbia Co-operative Society Limited
James Lynch (ii)		Dairygold Co-operative Society Limited
Dan MacSweeney (ii) (iv)		Carbery Food Ingredients Limited
Ted O'Connor (iii)		Tipperary Co-operative Creamery Limited
Dermot O'Leary (i)	Appointed May 2015	Carbery Food Ingredients Limited
Sean O'Leary (i)		Irish Farmers Association
Conor Ryan (ii)		Arrabawn Co-operative Society Limited
Pat Sheahan (ii)		Electoral Area
Jim Woulfe (iii) (iv)	Chairman of the Personnel & Remuneration Committee	Dairygold Co-operative Society Limited
Bertie O'Leary (ii)	Resigned February 2015	Dairygold Co-operative Society Limited
Donal Tobin (i) (iii)	Chairman of the Audit Sub-Committee/Resigned May 2015	Carbery Food Ingredients Limited

Committee Members as at 26 December 2015

(i) Member of the Audit Committee
(ii) Member of the Rules Sub-Committee
(iii) Member of the Personnel and Remuneration Sub-Committee
(iv) Member of the Acquisitions and Investment Sub-Committee

On behalf of the board of Directors

Aaron Forde
Chairman
9 March 2016

Martin Keane
Director

Independent Auditors' Report

to the Members of Ornua Co-Operative Limited

Report on the financial statements

Our opinion

In our opinion, Ornua Co-operative Limited's Group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 26 December 2015 and of its profit and cash flows for the period then ended; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.

What we have audited

The financial statements comprise:

- the Group Balance Sheet as at 26 December 2015;
- the Group Income Statement for the period then ended;
- the Group Statement of Comprehensive Income for the period then ended;
- the Group Cash Flow Statement for the period then ended;
- the Group Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland".

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matter on which we are required to report by the Industrial and Provident Societies Act

As required by section 13(2) of the Industrial and Provident Societies Act, 1893 we examined the parent Society balance sheet showing the receipts and expenditure, funds and effects of the society, and verified the same with the books, deeds, documents, accounts and vouchers relating thereto, and found them to be correct, duly vouched, and in accordance with law.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 36, the Directors are responsible for the preparation of the financial statements giving a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the society's members as a body in accordance with section 13 of the Industrial and Provident Societies Act, 1893 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin
9 March 2016

Group Income Statement

for the period ended 26 December 2015

	Notes	2015 Continuing operations €'000	2015 Discontinued operations €'000	2015 Total €'000	2014 Continuing operations €'000	2014 Discontinued operations €'000	2014 Total €'000
Turnover		**1,603,906**	**939,507**	**2,543,413**	1,609,724	730,060	2,339,784
Cost of sales		**(1,402,903)**	**(759,593)**	**(2,162,496)**	(1,432,293)	(588,945)	(2,021,238)
Gross profit		**201,003**	**179,914**	**380,917**	177,431	141,115	318,546
Selling and distribution expenses		**(135,812)**	**(140,534)**	**(276,346)**	(113,368)	(110,565)	(223,933)
Administration expenses - excluding amortisation		**(38,933)**	**(20,424)**	**(59,357)**	(39,860)	(16,913)	(56,773)
Administration expenses - amortisation		**(8,003)**	**(3,107)**	**(11,110)**	(6,874)	(2,899)	(9,773)
Operating profit before exceptional items		**18,255**	**15,849**	**34,104**	17,329	10,738	28,067
Exceptional items	4	**(4,525)**	**48,751**	**44,226**	(1,417)	2,120	703
Operating profit after exceptional items		**13,730**	**64,600**	**78,330**	15,912	12,858	28,770
Interest payable (net)	5	**(4,640)**	**(41)**	**(4,681)**	(3,166)	50	(3,116)
Net interest expense on DB pension schemes	26	**(1,158)**	**-**	**(1,158)**	(956)	-	(956)
Profit on ordinary activities before taxation	2	**7,932**	**64,559**	**72,491**	11,790	12,908	24,698
Tax on profit on ordinary activities	6	**(5,822)**	**(11,837)**	**(17,659)**	(7,103)	1,197	(5,906)
Profit for the financial period		**2,110**	**52,722**	**54,832**	4,687	14,105	18,792
Profit attributable to:							
Owners of the parent		**2,612**	**52,722**	**55,334**	4,794	14,105	18,899
Non-controlling interest		**(502)**	**-**	**(502)**	(107)	-	(107)
		2,110	**52,722**	**54,832**	4,687	14,105	18,792

The notes on pages 45 to 72 form part of these financial statements.

On behalf of the board of Directors

Aaron Forde
Chairman
9 March 2016

Martin Keane
Director

Group Statement of Comprehensive Income
for the period ended 26 December 2015

	2015 €'000	2014 €'000
Profit for the period	**54,832**	18,792
Other comprehensive income		
- Remeasurement of net defined benefit obligation	**13,548**	(24,664)
- Cash flow hedges		
- Change in value of hedging instrument	**902**	(5,108)
- Reclassification to profit and loss	**5,108**	(333)
- Currency translation differences	**30,075**	28,214
- Total tax on components of other comprehensive income	**(2,988)**	4,409
Other comprehensive income for the year, net of tax	**46,645**	2,518
Total comprehensive income for the year	**101,477**	21,310
Total comprehensive income attributable to:		
Owners of the parent	**101,841**	21,285
Non-controlling interest	**(364)**	25
	101,477	21,310

On behalf of the board of Directors

Aaron Forde
Chairman
9 March 2016

Martin Keane
Director

Group Balance Sheet

as at 26 December 2015

	Notes	2015 €'000	2014 €'000
Fixed assets			
Intangible assets	8	**62,865**	71,595
Tangible assets	9	**156,095**	145,536
Associates	12	**1,205**	-
Loans to associates	12	**10,837**	-
Other investments	12	**48**	147
		231,050	217,278
Current assets			
Inventories	13	**548,572**	533,233
Debtors	14	**277,289**	348,444
Restricted cash	24	**7,316**	7,833
Cash and bank balances	23	**165,957**	45,266
		999,134	934,776
Creditors: amounts falling due within one year	15	**(473,291)**	(507,231)
Net current assets		**525,843**	427,545
Total assets less current liabilities		**756,893**	644,823
Creditors: amounts falling due after one year	18	**(187,314)**	(145,370)
Post employment benefits	26	**(34,018)**	(50,835)
Provision for liabilities	20	**(9,163)**	(13,958)
Net assets		**526,398**	434,660
Capital and reserves			
Called up share capital	21	**19,569**	19,524
Revenue reserves	21	**482,235**	392,697
Cash flow hedging reserve	21	**713**	(4,238)
Share premium	21	**32**	32
Capital levy account	21	**256**	256
Members' equity interest (before annual bonus fund and redeemable loan stock)		**502,805**	408,271
Annual bonus fund	7	**4,000**	4,500
Redeemable loan stock	7	**19,016**	20,501
Members' funds		**525,821**	433,272
Non-controlling interest		**577**	1,388
		526,398	434,660

The notes on pages 45 to 72 form part of these financial statements.

On behalf of the board of Directors

Aaron Forde
Chairman
9 March 2016

Martin Keane
Director

Group Statement of Changes in Equity

for the period ended 26 December 2015

	Share Capital	Share Premium	Cash Flow Hedging Reserve	Capital Levy Account	Revenue Reserves	Annual Bonus Fund	Redeemable Loan Stock	Members Equity Interest	Non-controlling Interests	Total
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
At 28 December 2013	19,523	32	365	256	371,309	4,500	20,501	416,486	1,363	417,849
Profit for the year	-	-	-	-	18,899	-	-	18,899	(107)	18,792
Other comprehensive income/(expense) for the year:										
Remeasurement of net defined benefit obligation	-	-	-	-	(24,664)	-	-	(24,664)	-	(24,664)
Cash flow hedges										
- Change in value of hedging instrument	-	-	(5,108)	-	-	-	-	(5,108)	-	(5,108)
- Reclassification to profit and loss	-	-	(333)	-	-	-	-	(333)	-	(333)
Currency translation differences	-	-	-	-	28,082	-	-	28,082	132	28,214
Total tax on components of other comprehensive income	-	-	838	-	3,571	-	-	4,409	-	4,409
Transfers to/from annual bonus fund	-	-	-	-	(4,500)	-	4,500	-	-	-
Redemption of loan stock (note 7)	-	-	-	-	-	-	(4,455)	(4,455)	-	(4,455)
Issue/redemption of shares	1	-	-	-	-	-	(45)	(44)	-	(44)
At 27 December 2014	**19,524**	**32**	**(4,238)**	**256**	**392,697**	**4,500**	**20,501**	**433,272**	**1,388**	**434,660**
Profit for the year	-	-	-	-	55,334	-	-	55,334	(502)	54,832
Other comprehensive income/(expense) for the year:										
Remeasurement of net defined benefit obligation	-	-	-	-	13,548	-	-	13,548	-	13,548
Cash flow hedges										
- Change in value of hedging instrument	-	-	902	-	-	-	-	902	-	902
- Reclassification to profit and loss	-	-	5,108	-	-	-	-	5,108	-	5,108
Currency translation differences	-	-	-	-	29,937	-	-	29,937	138	30,075
Total tax on components of other comprehensive income	-	-	(1,059)	-	(1,929)	-	-	(2,988)	-	(2,988)
Transfers to/from annual bonus fund	-	-	-	-	(4,000)	(500)	4,500	-	-	-
Recognition of call option liability	-	-	-	-	(3,352)	-	-	(3,352)	-	(3,352)
Non-controlling interests arising on business combinations and acquisition of non-controlling interests (note 10)	-	-	-	-	-	-	-	-	(544)	(544)
Redemption of loan stock (note 7)	-	-	-	-	-	-	(5,940)	(5,940)	-	(5,940)
Issue of shares	45	-	-	-	-	-	(45)	-	97	97
At 26 December 2015	**19,569**	**32**	**713**	**256**	**482,235**	**4,000**	**19,016**	**525,821**	**577**	**526,398**

A description of each reserve account is included in note 21.

On behalf of the board of Directors

Aaron Forde
Chairman
9 March 2016

Martin Keane
Director

Group Cash Flow Statement
for the period ended 26 December 2015

	Notes	2015 €'000	2014 €'000
Cash generated from operations	22	**(18,552)**	(79,803)
Income tax paid		**(8,390)**	(11,384)
Net cash outflow from operating activities		**(26,942)**	(91,187)
Cash flows from investing activities			
Purchases of property, plant and equipment	9	**(44,398)**	(28,807)
Purchases of intangible assets	8	**(789)**	-
Proceeds from sale of property, plant and equipment		**4,231**	9,005
Proceeds from sale of available-for-sale financial assets		**16**	1,875
Proceeds from sale of subsidiary undertaking (net of cash disposed)	11	**169,718**	-
Purchase of subsidiary undertakings (net of cash acquired)	10	**(11,695)**	(36,775)
Interest received		**762**	806
Decrease/(increase) in restricted cash	24	**517**	(594)
Net cash generated from/(used in) investing activities		**118,362**	(54,490)
Cash flows from financing activities			
Interest paid		**(5,842)**	(4,908)
Proceeds from borrowing	17	**40,000**	135,000
Payments in respect of loan stock redeemed		**(6,576)**	(6,142)
Net cash generated from financing activities		**27,582**	123,950
Net increase/(decrease) in cash and cash equivalents and bank overdrafts in the period		**119,002**	(21,727)
Balance at beginning of period		**35,672**	51,905
Foreign exchange gains		**3,052**	5,494
Cash and cash equivalents and bank overdrafts at end of period	23	**157,726**	35,672

On behalf of the board of Directors

Aaron Forde
Chairman
9 March 2016

Martin Keane
Director

Notes to the Financial Statements

1. Statement of accounting policies

a) Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The financial statements have been prepared on the going concern basis under the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below and the measurement of the net defined benefit pension liability at the fair value of the plan assets less the present value of the defined benefit obligation.

This is the first year in which the financial statements have been prepared under FRS 102.

b) Trading policy

In general it is the Parent Society's trading policy to provide a return to supplying members equivalent to net proceeds realised in each product group. Accordingly the Parent Society's purchase prices are subject to regular revision to reflect average market realisations. Arising from this policy, a liability is recognised in the accounts for any amounts outstanding to members.

c) Basis of consolidation

The financial statements of the Parent Society and its subsidiary undertakings for the period from 28 December 2014 to 26 December 2015 are incorporated in the Group financial statements.

(i) Subsidiary undertakings are included in the financial statements from the date on which control is obtained and cease to be consolidated from the date on which control is lost by the Group. Subsidiaries are all entities where the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(ii) An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

(iii) Non-controlling interests represent the proportion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Company. The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recognised directly in equity. Gains or losses on disposals to non-controlling interests, without a loss of control, are also recognised directly in equity.

(iv) A discontinued operation is a component of an entity that has been disposed of and:
a. represents a separate major line of business or geographical area of operations; or
b. was part of a single co-ordinated plan to dispose of a separate line of business or geographical area of operations; or
c. was a subsidiary acquired exclusively with a view to resale.

(v) When the Group ceases to have control any gain or loss is recognised in the Income Statement. The cumulative amounts of any difference on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in Other Comprehensive Income that are required to be reclassified to the Income Statement. Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

(vi) Intercompany transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated upon consolidation.

d) Revenue recognition

Revenue represents the fair value of consideration received or receivable for goods and services supplied to external customers exclusive of trade discounts and value added tax. The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the amount of revenue can be measured reliably; and (c) it is probable that future economic benefits will flow to the Group.

Services are deemed to have been delivered on the rendering of the related service. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate over the period to expected maturity.

Dividend income is recognised when the right to receive payment is established.

1. Statement of accounting policies (continued)

e) Exceptional items

The Group has adopted an Income Statement format which highlights significant items within the Group's results for the year. Exceptional items are those items of income and expense that the Group considers are material and/or of such a nature that their separate disclosure is relevant to a better understanding of the Group's financial performance. Judgement is used by the Group in assessing the particular items which, by virtue of their materiality and/or nature, are disclosed in the Group Income Statement and related notes as exceptional items.

f) Inventory

Inventories are valued at the lower of cost and estimated selling price less costs to sell. Cost is determined using the first-in, first-out (FIFO) method. Cost comprises purchase price, including taxes and duties and transport costs attributable to bringing the inventory to its present location and condition. Selling price less costs to sell is based on contracted or estimated selling prices, less selling and distribution expenses. At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, an impairment provision is raised to reduce the carrying value of inventory.

g) Private storage aid income

The Parent Society places inventory in an EU scheme called Private Storage Aid during certain months of the year. The income earned from the EU on this inventory is accounted for within revenue as it is earned.

h) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes original purchase price, costs directly attributable to bringing the asset to its location and working condition for its intended use.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Income Statement and included in exceptional items.

Depreciation is not provided on freehold land. Depreciation on other tangible assets is provided on a straight-line basis as appropriate to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Freehold buildings: 2% to 5%
Leasehold land and buildings: written off over the term of the lease or its estimated useful life, whichever is the lower
Plant and equipment: 5% to 33%
Motor vehicles: 10% to 33%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate in each reporting period. The effect of any change is accounted for prospectively. Provision is made for any impairment of tangible assets. Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

i) Leased assets

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the Income Statement on a straight line basis over the lease term. Incentives received to enter into an operating lease are credited to the Income Statement on a straight line basis over the period of the lease. The Group has taken advantage of the exemption in respect of lease incentives in existence on the date of transition to FRS 102 and continues to credit such lease incentives to the Income Statement over the period to the first review date on which the rent is adjusted to market rates.

j) Grants

Capital based grants are accounted for in the period they are received and are treated as deferred credits. These grants are released to the Income Statement on the same basis as the related assets are depreciated.

k) Business combinations and goodwill

Business combinations are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination. Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where the contingent consideration is not considered probable or can't be measured reliably but subsequently becomes probable and measurable or contingent consideration previously recognised is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. On acquisition, goodwill is allocated to cash generating units ("CGU") that are expected to benefit from the combination.

1. Statement of accounting policies (continued)

k) Business combinations and goodwill (continued)

Goodwill is amortised over its expected useful life on a straight line basis, subject to a maximum of 15 years. Goodwill is assessed for impairment when there are indications of impairment and any impairment is charged to the Income Statement. Reversals of impairment are recognised when the reason for the impairment no longer applies.

Goodwill is amortised over a period greater than five years because it arises on the acquisition of profitable businesses which are expected to remain profitable over the long term. The Group shall recognise in its financial statements provisional amounts for the items for which the accounting is incomplete. Within twelve months after the acquisition date, the Group shall retrospectively adjust the provisional amounts recognised as assets and liabilities at the acquisition date to reflect new information obtained.

l) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the depreciable amount of the assets to their residual value over their expected useful lives as follows:

Software 3-5 years

Supply Contracts- over the period of the contract which ranges from 10-12 years

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:
- The technical feasibility of completing the software so that it will be available for use or sale.
- The intention to complete the software and use or sell it.
- The ability to use the software or to sell it.
- How the software will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the software.
- The ability to measure reliably the expenditure attributable to the software during its development.

Acquired software costs are recognised as an intangible asset at their purchase price and amortised over the estimated economic useful life of the asset.

If there is an indication that there has been a significant change in amortisation rate or residual value of an intangible asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

m) Research and development

Research and development expenditure is written off to the Income Statement in the period in which it is incurred

n) Employee benefits

(i) Short term benefits
Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

(ii) Pension obligations
The Group operates a number of defined benefit and defined contribution plans, the assets of which are held in separate trustee administered funds. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further amounts. A defined benefit plan is a post-employment plan other than a defined contribution plan.

(iii) Termination benefits
Termination benefits are payable when employment is terminated before normal retirement date or whenever an employee is expected to accept voluntary redundancy. The Group recognises these costs when it is demonstrably committed to terminating the employment of current employees in line with a formal plan, or providing termination benefits as a result of the expected take up of an offer for voluntary redundancy.

(iv) Defined contribution plans
Contributions to defined contribution plans are recognised as an expense in the Income Statement as incurred.

1. Statement of accounting policies (continued)

n) Employee benefits (continued)

(v) Defined benefit plans

The Group's net obligation in respect of defined benefit plans (both funded and unfunded schemes) is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. When the calculation of the defined benefit obligation and the fair value of the plan assets results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income. These amounts together with the return on plan assets, less amounts included in net interest are disclosed as "Remeasurement of net defined benefit liability".

The cost of the defined benefit plan recognised in the Income Statement comprises;
(a) the increase in pension benefit liability arising from employee service during the period; and
(b) the cost of plan introductions, benefit changes, curtailments and settlements.

Negative past service costs are recognised when benefits under the defined benefit pension schemes are modified and such modifications are approved by the Pensions Board.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. The cost is recognised in the Income Statement as a finance cost.

(vi) Other long term employee benefits

The Group operates a Long Term Incentive Plan (LTIP). The LTIP is a cash settled notional share-based payment scheme which provides for options to be granted to a limited number of executives and senior management. Options are granted based on the value of a Notional Company "Ornua Long Term Incentive Plan" (Ornua LTIP). The value of Ornua LTIP (and the notional share price) is primarily derived from an adjusted Group EBIT calculation adjusted to reflect product prices returned to members and some other variables. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at the grant date. At each balance sheet date, the Group revises its estimate of the number and value of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the Income Statement, and a corresponding adjustment to liabilities.

o) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity.

(i)Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of the amount expected to be paid to the tax authorities.

(ii)Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax is not discounted. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:
- the Group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

1. Statement of accounting policies (continued)

p) Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the Income Statement in the period it arises.

A provision for restructuring is recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring. Insurance provisions are recognised to cover claims including claims which are known to be incurred but not reported at period end.

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

q) Borrowings and cash and cash equivalents

Interest bearing loans and overdrafts are recognised initially at fair value, which is the proceeds received, net of transaction costs. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. All borrowing costs are recognised in the Income Statement in the period in which they are incurred.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts when applicable are shown within borrowings in current liabilities.

r) Foreign currency translation

(i) Functional and Presentation Currency

The consolidated financial statements are presented in Euro, rounded to thousands, which is the Parent Society's functional and presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency that reflects the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in equity as qualifying cash flow hedges or hedges of net investments in foreign operations. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Rates used for translation of results and net assets into Euro:

	Average Rates		Period end Rates	
€ 1 =	**2015**	2014	**2015**	2014
US$	**1.1114**	1.3308	**1.0962**	1.2195
STG	**0.7267**	0.8069	**0.7346**	0.7838
SAR	**4.1672**	4.9908	**4.1114**	4.5760
CNY	**6.9048**	8.1751	**7.0822**	7.4769

Notes to the Financial Statements (continued)

1. Statement of accounting policies (continued)

r) Foreign currency translation (continued)

(iii) Group Companies

The results and financial position of all of the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

(b) goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate;

(c) income and expenses for each Income Statement are translated at actual exchange rates or when they are a reasonable approximation, at average exchange rates; and

(d) all resulting exchange differences are recognised in Other Comprehensive Income and presented within revenue reserves in equity.

s) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication of impairment the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or Cash Generating Unit (CGU). The impairment loss recognised is the amount by which the asset or CGU's carrying amount exceeds its recoverable amount. Where an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. A CGU is the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash inflows of other assets or groups thereof.

t) Share capital and redeemable loan stock

Ordinary shares are classified as equity.

Redeemable loan stock is included in equity until any redemption is ratified by the Board. On ratification, the amount to be redeemed is moved from equity to liabilities.

u) Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

v) Financial instruments

(i) Financial assets

Basic financial assets including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the transaction constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in the Income Statement. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying value does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Income Statement except the where the investment is in equity instruments that are not publicly traded and whose fair values cannot be measured reliably, in which case the investments are measured at cost less impairment.

Notes to the Financial Statements (continued)

1. Statement of accounting policies (continued)

v) Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest method.

(iii) Derivatives

Derivatives including foreign exchange contracts are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivatives are recognised in the Income Statement unless they are part of a hedging arrangement.

(iv) Hedging arrangements

Derivative financial instruments are mainly used to manage exposures to foreign exchange risks. The Group designates certain derivatives as hedges of the variability in cash flows attributable to a particular risk associated with assets and/or liabilities or highly probable forecast transactions (cash flow hedges). The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of the effectiveness of the hedge in offsetting changes in cash flows of hedged items. The fair value of a hedging derivative asset is classified as a current asset. The fair value of a hedging derivative liability is classified as a creditor falling due within one year or after one year based on the remaining maturity of the hedge.

(v) Cash flow hedges

The effective portion of changes in the fair values of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and presented in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement. Amounts accumulated in equity are reclassified to the Income Statement in the period when the hedged item affects profit or loss. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in OCI at that time is recognised in the Income Statement when the forecast transaction to which it relates occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in OCI is immediately reclassified to the Income Statement.

(vi) Derivatives at fair value through profit or loss

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of such derivative instruments are recognised immediately in the Income Statement.

(vii) Net investment hedges

Where foreign currency borrowings provide a hedge against a net investment in a foreign operation, to the extent that the hedge is effective foreign exchange differences are recognised in Other Comprehensive Income and presented within revenue reserves.

(viii) Put/call option liabilities

Put/call option liabilities arising as part of business combinations will be recognised at fair value as a financial liability with a corresponding entry to controlling equity. Such liabilities are classified within creditors falling due within one year or after one year based on the expected payment date. The change in the fair value of such options in the period is recognised in the Income Statement.

w) Use of judgements in applying the Group's accounting policies

The preparation of financial statements in conformity with FRS 102 requires the use of significant judgements, estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Actual results may differ from these estimates. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, relate primarily to accounting for deferred income tax, retirement benefit obligations and inventory impairments.

Deferred income tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. Significant judgement is used when assessing both the extent to which deferred tax assets should be recognised and the amount to be recognised, with consideration given to the timing and level of future taxable income in the relevant tax jurisdiction.

Notes to the Financial Statements (continued)

1. Statement of accounting policies (continued)

w) Use of judgements in applying the Group's Accounting Policies (continued)

Retirement Benefit Obligations

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include, inter alia, the discount rate, inflation rate, salary growth, and longevity, all of which are key judgements. Advice is sourced from independent actuaries in selecting suitable assumptions.

Inventory Impairments

It is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of the inventory.

x) Transition to FRS 102

On transition to FRS 102 the Group has taken the following available exemptions:

Business combinations

The Group has elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transition to FRS 102. As a result, for business combinations before the date of transition to FRS 102, the following apply:

(i) intangible assets other than goodwill – intangible assets subsumed within goodwill shall not be separately recognised; and

(ii) goodwill – no adjustment shall be made to the carrying value of goodwill.

Lease incentives

The Group has decided not to apply the requirements of FRS 102 in relation to operating lease incentives on existing operating leases at the date of transition to FRS 102. Thus, Ornua continues to recognise such lease incentives in accordance with our previous GAAP treatment (over the period to the next market rent review).

2. Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015 €'000	2014 €'000
Depreciation (note 9)	**13,600**	11,848
Amortisation of intangible assets (note 8)	**11,110**	9,773
Operating lease expense	**15,265**	10,734
Auditor's remuneration - audit fee	**567**	509
Fair value losses/(gains) on derivatives	**5,108**	(333)
Impairment of trade debtors- credit	**(3,642)**	(127)
Exchange differences	**1,276**	240

Notes to the Financial Statements (continued)

3. Employees and remuneration

	2015 No.	2014 No.
The average number of persons employed by the Group is analysed into the following categories:		
Production	**1,646**	1,163
Selling and distribution	**1,582**	1,807
Administration	**414**	415
	3,642	3,385

The staff costs are comprised of:	2015 €'000	2014 €'000
Wages and salaries (including termination benefits of €2.0m (2014: €0.7m))	**158,739**	130,846
Social welfare costs	**22,013**	18,920
Share based payment (credit)/expense	**(680)**	1,280
Pension costs	**6,216**	4,773
Negative past service cost (included in exceptional items)	**(5,087)**	-
Staff costs included in operating profit	**181,201**	155,819
Pension - other finance costs (net)	**1,158**	956
Total charged to Income Statement	**182,359**	156,775
Actuarial (gain)/loss on defined benefit pension schemes (net of deferred taxation)	**(11,619)**	21,093
Total aggregate payroll costs	**170,740**	177,868

These costs are recognised in the following line items in the Income Statement and Statement of Comprehensive Income respectively:

Income Statement		
Cost of sales	**41,725**	33,978
Selling and distribution expenses	**113,277**	89,384
Administration expenses	**31,286**	32,457
Exceptional items	**(5,087)**	-
Included in operating profit	**181,201**	155,819
Other finance costs (net)	**1,158**	956
Total charged to Income Statement	**182,359**	156,775
Statement of Comprehensive Income		
Actuarial (gain)/loss on defined benefit pension schemes (net of deferred tax)	**(11,619)**	21,093
Total aggregate payroll costs	**170,740**	177,868

Notes to the Financial Statements (continued)

4. Exceptional items

	2015 €'000	2014 €'000
Gain on disposal of DPI business (i)	**67,556**	-
Provisions booked following DPI disposal (ii)	**(3,805)**	-
Bonus payable to members out of the DPI gain (iii)	**(15,000)**	-
Impairment of intangible assets (iv)	**(5,932)**	-
Negative past service cost (v)	**5,087**	-
Restructuring costs (vi)	**(3,680)**	(1,429)
Disposal & write off of fixed assets (vii)	**-**	2,132
	44,226	703

2015
(i) Gain on the disposal of the Group's US specialty foods distribution business, DPI Specialty Foods, Inc., (see note 11 for further details).

(ii) In conjunction with the disposal of the DPI business the Group has made provision for certain costs to be incurred by the Group following the DPI disposal.

(iii) Bonus payable to members (see note 11 for further details).

(iv) The Group carried out an impairment review of certain components of its goodwill and intangible assets by comparing the assets' recoverable amount to their carrying value and as a result an impairment of €5.9m was recognised (note 8). This impairment was a result of the competitive nature of the market which resulted in the recoverable amount of certain intangibles being less than their carrying amount.

(v) Negative past service cost arose as a result of the Section 50 application from the Trustees of the Irish Defined Benefit Plan to the Irish Pensions Board, which was approved during 2015.

(vi) During the period the Group incurred restructuring costs (including redundancy costs) across a number of its businesses.

2014
(vi) During the period the Group undertook a restructuring of some of its UK businesses.

(vii) During the period the Group disposed of some tangible and financial assets at a profit.

5. Interest payable (net)

	2015 €'000	2014 €'000
Interest payable on bank loans and overdrafts :		
Repayable within 5 years, other than by instalments	**5,409**	3,925
Interest receivable	**(728)**	(809)
	4,681	3,116

Notes to the Financial Statements (continued)

6. Tax on profit on ordinary activities

	2015 €'000	2014 €'000
Analysis of taxation charge in the period		
Current tax		
Irish corporation tax on profit for the period	**-**	-
Adjustments in respect of previous periods	**(69)**	-
	(69)	-
Foreign tax		
Foreign corporation tax on profit for the period	**19,823**	9,567
Adjustments in respect of previous periods	**(815)**	307
	19,008	9,874
Total current tax	**18,939**	9,874
Deferred tax		
Origination and reversal of timing differences	**(1,049)**	(3,968)
Impact of changes in tax rates	**(231)**	-
Tax on profit on ordinary activities	**17,659**	5,906
Tax expense/(income) included in Other Comprehensive Income	**2,988**	(4,409)

Reconciliation of effective tax rate

The total tax charge for the year is different from the standard rate of corporation tax in Ireland of 12.5%. The differences are explained below.

	2015 €'000	2014 €'000
Profit on ordinary activities before taxation	**72,491**	24,698
Profit on ordinary activities at the standard rate of corporation tax in Ireland of 12.5%	**9,061**	3,087
Effects of:		
Foreign rates of tax different from Irish rates	**9,584**	3,757
Non utilisation of tax losses (net)	**2,675**	68
Expenses/income not deductible/taxable (net)	**(1,199)**	(146)
Movement in other timing differences	**(1,578)**	(1,167)
Adjustments in respect of prior periods	**(884)**	307
Total tax charge for the period	**17,659**	5,906

The only significant change during 2015 in the tax rates applying to the Group's subsidiaries was the change in the UK corporation tax rate from 21% to 20% on 1 April 2015.

Notes to the Financial Statements (continued)

7. Annual bonus fund, redeemable loan stock and cash bonus

(a) Annual bonus fund and redeemable loan stock

The Board is empowered under the Rules of the Ornua Co-operative Limited ("The Rules") to set up an annual bonus fund and issue bonus shares and redeemable loan stock to the members based upon purchases of dairy products during the period from members. On an annual basis, an amount is transferred from revenue reserves to the annual bonus fund in the Group's financial statements. The amounts allocated to redeemable loan stock (via a transfer to the annual bonus fund) in 2015 is €4.0m (2014 : €4.5m) and is subject to the later approval of the Board.

Following the ratification of the amount to be transferred to the annual bonus fund and the calculation of each member's individual share, the annual bonus fund is then applied in issuing, as fully subscribed bonus shares and convertible redeemable loan stock in the ratio of one share per each ninety nine units of convertible redeemable loan stock. These bonus shares and convertible redeemable loan stock are then issued to the holders of the A and B ordinary shares.

Members are entitled, at any time after the expiry of five years from the date of any issue of the units of convertible redeemable loan stock, to apply to the Board so as to have the loan stock redeemed. The Board has discretion as to whether, and to what extent the loan stock shall be redeemed. However, in the case of all approved redemptions they shall be paid in instalments of 50% in the first year and 10% in each of the following five years. When the redemption is ratified the value of the cash payment is reclassified as a liability.

During the period, the Board decided to redeem loan stock to the value of €5.9m (2014 : €4.5m) issued in respect of the 2010 financial period, 50% was paid in cash (the rest was included in creditors) and when combined with cash payments relating to previous years resulted in total cash payments of €6.6m in 2015 (2014 : €6.1m).

During the period, the Board also distributed redeemable loan stock and bonus shares in respect of the amount transferred to the annual bonus fund in 2014, and in 2016, intends to distribute redeemable loan stock and bonus shares in respect of the amount transferred to the annual bonus fund in 2015.

The movement in the redeemable loan stock balance during the period was as follows:

	2015 €'000	2014 €'000
At beginning of period	**20,501**	20,501
Transferred from annual bonus fund	**4,500**	4,500
Redemption of loan stock	**(5,940)**	(4,455)
Issue of bonus shares	**(45)**	(45)
At end of period	**19,016**	20,501

(b) Total bonuses payable

	2015 €'000	2014 €'000
Annual cash bonus (charged to operating profit)	**10,000**	7,500
Special DPI related bonus (charged to exceptional items) (note 11)	**15,000**	-
Redeemable loan stock (transfer to annual bonus fund)	**4,000**	4,500
	29,000	12,000

Notes to the Financial Statements (continued)

8. Intangible assets

	Goodwill 2015 €'000	Supply Contracts 2015 €'000	Computer Software 2015 €'000	Total 2015 €'000
Cost				
At beginning of period	82,119	24,058	9,723	115,900
Additions in the period	-	-	789	789
Disposal of subsidiary (note 11)	(14,957)	-	(7,895)	(22,852)
Arising on acquisition of businesses (note 10)	8,777	-	-	8,777
Translation adjustment	4,124	769	755	5,648
	80,063	24,827	3,372	108,262
Amortisation				
At beginning of period	42,578	1,382	345	44,305
Disposal of subsidiary (note 11)	(14,816)	-	(2,207)	(17,023)
Amortised during the period	6,342	2,152	2,616	11,110
Impairment (note 4)	1,883	4,049	-	5,932
Translation adjustment	1,012	37	24	1,073
	36,999	7,620	778	45,397
Net book amount				
At end of period	**43,064**	**17,207**	**2,594**	**62,865**
At beginning of period	**39,541**	**22,676**	**9,378**	**71,595**

The Group expensed €4.4m in research and development expenditure in the year (2014: €4.6m). Amortisation is disclosed within administration expenses in the Income Statement. The remaining amortisation period of the goodwill and supply contracts ranges from 8-15 years.

9. Tangible assets

	Land and Buildings			Plant,	
	Freehold Land €'000	Freehold Buildings €'000	Leasehold Buildings €'000	Equipment and Vehicles €'000	Total €'000
Cost					
At beginning of period*	12,674	137,100	9,419	153,112	312,305
Additions in the period	-	7,440	235	36,723	44,398
Arising on business combinations (note 10)	-	-	-	230	230
Disposals in the period	(1,213)	(3,777)	(95)	(3,889)	(8,974)
Disposal of business (note 11)	(5,679)	(43,006)	(10,703)	(51,328)	(110,716)
Translation adjustment	825	8,607	1,302	10,623	21,357
	6,607	106,364	158	145,471	258,600
Depreciation					
At beginning of period*	-	48,903	6,354	111,512	166,769
Charge for the period	-	3,314	906	9,380	13,600
Disposals in the period	-	(1,209)	(95)	(3,439)	(4,743)
Disposal of business (note 11)	-	(30,143)	(7,710)	(47,342)	(85,195)
Translation adjustment	-	3,635	682	7,757	12,074
	-	24,500	137	77,868	102,505
Net book amount					
At end of period	**6,607**	**81,864**	**21**	**67,603**	**156,095**
At beginning of period	**12,674**	**88,197**	**3,065**	**41,600**	**145,536**

* Includes reclassifications.

The buildings, plant, equipment and vehicles are insured at a value of €217.2m (2014 : €303.7m). €10m (2014 : €nil) of property, plant and equipment has been pledged as security.

Notes to the Financial Statements (continued)

10. Acquisition of businesses

During 2015 the Group acquired the following businesses:

1) On 31 December 2014, all of the trade and assets of Dairygold's Continental European retail cheese business;

2) On 14 December 2015, 75% of the business of Shanghai based dairy manufacturer, Shanghai En Bo Lu Food Co, Limited China (Ambrosia Dairy); and

3) In May 2015, the Group purchased the outstanding non-controlling interest in Dairy Ingredients (UK) Limited.

	2015 Fair Value €'000
Fair value of the net assets acquired at the date of acquisition were as follows:	
Tangible assets (note 9)	**230**
Stock	**713**
Cash*	**79**
Debtors	**337**
Creditors	**(461)**
	898
Non-controlling interest	**544**
Net assets acquired	**1,442**
Goodwill arising on acquisitions (note 8)	**8,777**
Total acquired	**10,219**
Satisfied by:	
Cash consideration (includes €0.4m of acquisition costs)	**9,022**
Deferred consideration	**1,197**
	10,219
Consideration paid in 2015:*	
On current year acquisitions	**9,022**
Deferred consideration on prior year acquisitions	**2,752**
	11,774

* Cash paid net of cash acquired €11,695k.

Book value equated to fair value of the net assets acquired, so no fair value adjustments arose on the net assets. The initial accounting for the acquisition of Ambrosia Dairy is provisional and will be finalised within twelve months of the date of acquisition with any subsequent adjustments necessary being recognised retrospectively.

Notes to the Financial Statements (continued)

11. Disposal of subsidiary

In December 2015, the Group sold its US specialty foods distribution business, DPI Specialty Foods, Inc., to a consortium led by Arbor Investments. As part consideration for the sale, the Group received a 20% stake in both the common equity and preferred shares of Nextwave Distribution Holdings Inc., the company formed to acquire DPI Speciality Foods Inc.

	2015 €'000
Details of the net assets disposed are as follows:	
Intangible assets (note 8)	**5,829**
Tangible assets (note 9)	**25,521**
Other investments (note 12)	**108**
Stock	**91,391**
Debtors	**78,746**
Cash*	**193**
Creditors	**(87,475)**
	114,313
Consideration	**188,510**
Transaction costs*	**(6,641)**
Profit on disposal before bonus payment	**67,556**
Bonus payable to members	**(15,000)**
Profit on disposal after bonus payment	**52,556**
Consideration	
Received in cash*	**176,552**
20% stake in common equity of Nextwave Distribution Holdings Inc. (note 12)	**1,197**
20% stake in preferred shares of Nextwave Distribution Holdings Inc. (note 12)	**10,761**
	188,510

* Cash received, net of cash disposed and net of transaction costs was €169,718k.

The Board of Ornua Co-operative agreed to pay an additional cash bonus to members financed by the gain arising on the sale of DPI. The additional bonus of €15m was approved in 2015 and will be paid in April 2016.

Discontinued operations throughout this report refers to the entity DPI Specialty Foods, Inc., and its subsidiaries, which were disposed of in December 2015.

Notes to the Financial Statements (continued)

12. Associates, loans to associates & other investments

	2015 €'000	2014 €'000
Associates		
At beginning of period	**-**	-
Additions in the period	**1,197**	-
Translation adjustment	**8**	-
At end of period	**1,205**	-

The Group holds a 20% equity investment in Nextwave Distribution Holdings Inc. (an unlisted entity), a holding company for a distribution business (note 11). No profit was recognised in 2015 due to the investment being acquired close to the year end date.

	€'000	€'000
Loans to Associates		
At beginning of period	**-**	-
Additions in the period	**10,761**	-
Translation adjustment	**76**	-
At end of period	**10,837**	-

The associate additions of €1.2m and the additions to loans to associates of €10.8m which total €12.0m represent the 20% stake in common equity and preferred shares in Nextwave Distribution Holdings Inc. referred to in note 11.

	€'000	€'000
Other investments		
At beginning of period	**147**	156
Disposal of subsidiary undertaking (note 11)	**(108)**	-
Disposals	**-**	(23)
Translation adjustment	**9**	14
At end of period	**48**	147

13. Inventories

Inventories at period end primarily consist of finished goods for consumption. The amount of inventories recognised as an expense in 2015 was €1,498m (2014: €1,396m). Impairments of inventories recognised within cost of sales in 2015 were €1.5m (2014: €11.2m)

Notes to the Financial Statements (continued)

14. Debtors

	2015 €'000	2014 €'000
Due within one year:		
Trade debtors (i) (iii)	**243,604**	305,107
Prepayments	**10,721**	14,926
Derivative financial instruments	**699**	472
Corporation tax debtors	**1,956**	1,111
Other debtors	**14,372**	12,722
	271,352	334,338
Due after one year:		
Deferred taxation (ii)	**5,937**	14,106
	277,289	348,444
Deferred taxation arising from:		
Accelerated capital allowances	**621**	(4,708)
Derivative financial instruments	**22**	1,060
Post employment benefits	**5,184**	7,456
Tax losses carried forward	**-**	869
Other timing differences	**110**	9,429
	5,937	14,106

(i) Trade debtors are stated net of a provision for impairment of €3.4m (2014: €7.7m).

(ii) The Group has not recognised deferred tax assets of €2.0m (2014: €1.5m) on the basis that there is insufficient evidence that these assets will be recoverable. Deferred tax assets are expected to reverse in greater than one year.

(iii) The Group also manages credit risk of trade debtors through the use of a number of sales or debtor arrangements. Under the terms of these agreements the Group has transferred substantially all of the credit risk which are subject to these agreements. Accordingly €41.4m (2014: €nil) of trade debtors have been derecognised at year-end.

15. Creditors : amounts falling due within one year

	2015 €'000	2014 €'000
Trade creditors	**145,584**	217,723
Amount due to factor (note 17)	**165,009**	141,831
Derivative financial instruments	**-**	7,935
Accruals	**132,190**	120,386
Redeemable loan stock	**3,416**	3,606
Taxation creditors (note 16)	**16,997**	3,736
Deferred consideration on acquisitions	**1,864**	2,420
Bank overdrafts (note 17)	**8,231**	9,594
	473,291	507,231

Notes to the Financial Statements (continued)

16. Taxation creditors

	2015 €'000	2014 €'000
Corporation tax	**14,200**	1,478
PAYE	**1,833**	1,459
PRSI	**310**	799
VAT	**654**	-
	16,997	3,736

17. Loans and overdrafts

	2015 €'000	2014 €'000
Amounts falling due within one year (overdrafts)	**8,231**	9,594
Amounts falling due after one year (loans)	**175,000**	135,000

In March 2014, the Group entered into a five year syndicated financing agreement. Current facilities available under this agreement are €235m.

All material subsidiaries of the Group entered into cross guarantees for the debts under this agreement and also are subject to a negative pledge that security will not be granted to any party during the course of the agreement.

The Group is subject to certain financial covenants and other restrictions during the period of this agreement.

Separately, in March 2014, a number of member suppliers to the Group entered into a five year agreement (reverse invoice discounting or RID facility) with a panel of International Banks led by Rabobank International to sell amounts owed to them by the Group, with committed facilities of €200m, stepping up to €255m over the period of the facility.

Under this agreement, the Group acknowledges invoices on behalf of the member suppliers to enable them to receive early payment of those invoices. Upon acknowledgement of member invoices which have been sold to Rabobank, the Group's obligations to the member is extinguished and the Group thereafter assumes an obligation to pay the amount of member invoices sold (2015: €165.0m, 2014: €141.8m) to Rabobank.

18. Creditors : amounts falling due after one year

	2015 €'000	2014 €'000
Redeemable loan stock	**6,089**	6,534
Deferred taxation (i)	**1,540**	1,836
Deferred consideration on acquisitions	**1,333**	2,000
Option liability*	**3,352**	-
Bank loans (note 17)	**175,000**	135,000
	187,314	145,370

*The option liability relates to options to acquire the non-controlling interest in Group subsidaries.

(i) Deferred taxation arising from :	2015 €'000	2014 €'000
Accelerated capital allowances	**5,473**	2,406
Derivative financial instruments	**210**	190
Other timing differences	**(4,143)**	(760)
	1,540	1,836

Deferred tax liabilities are expected to reverse in greater than one year.

Notes to the Financial Statements (continued)

19. Financial instruments

	2015 €'000	2014 €'000
The Group has the following financial instruments:		
Financial assets at fair value through profit or loss		
Derivative financial instruments (ii)	**699**	472
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	**243,604**	305,107
Taxation debtors	**1,956**	1,111
Other debtors	**14,372**	12,722
Preferred shares in associate (i)	**10,837**	-
	270,769	318,940
Financial assets that are equity instruments measured at cost less impairment		
Other investments	**48**	147
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments (ii)	**-**	7,935
Call option liability (iii)	**3,352**	-
	3,352	7,935
Financial liabilities measured at amortised cost		
Trade creditors	**145,584**	217,723
Amount due to factor (note 17)	**165,009**	141,831
Accruals	**132,190**	120,386
Redeemable loan stock	**9,505**	10,140
Taxation creditors (note 16)	**16,997**	3,736
Deferred consideration on acquisitions	**3,197**	4,420
Bank overdrafts (note 17)	**8,231**	9,594
Loans	**175,000**	135,000
	655,713	642,830

(i) Financial assets - preferred shares in associate acquired as part of the disposal of DPI (note 11).

(ii) Derivative financial instruments
The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency debtors. At 26 December 2015 the contracts outstanding have an average maturity of 7 months (2014: 6 months). The foreign currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for EUR:USD and EUR:GBP at the end of the financial period. The fair value of the Group's financial instruments is listed in the above tables. During 2015, a hedging gain (net of taxation) of €5.0m (2014: loss of €4.6m) was recognised in Other Comprehensive Income. The Group's derivative financial instruments mainly relate to its commitments to sell USD and GBP and receive a fixed euro amount.

(iii) Call option liability
The fair value of the call option liability is based on the discounted value of the expected consideration to be paid on the exercise of the option at its expected exercise date (note 18).

Notes to the Financial Statements (continued)

20. Provision for liabilities

	Onerous Sales Contracts (i)	Disposal Related Provisions (ii)	Other Provisions (iii)	Total Provisions
	€ '000	€ '000	€ '000	€ '000
At beginning of period	10,082	-	3,876	13,958
Provided during the period	2,627	3,804	8	6,439
Utilised during the period	(10,082)	-	(1,179)	(11,261)
Translation adjustment	-	27	-	27
At end of period	**2,627**	**3,831**	**2,705**	**9,163**

(i) The onerous sales contracts provision relates to contracted sales whose revenues do not cover the cost of completing the contract.

(ii) Following disposal of the DPI business the Group has made provision (€3.8m) for certain costs that will be incurred by the Group subsequent to the disposal.

(iii) Other provisions includes the Group's insurance provision and the Group's Long Term Incentive Plan provision.

21. Share capital and reserves

	2015	2015	2014	2014
	No. of Shares	€'000	No. of Shares	€'000
Issued share capital				
"A" shares of €1 each	**13,335**	**13**	13,335	13
"B" shares of €1 each	**3,429**	**4**	3,429	4
"C" shares of €1 each	**267**	**-**	267	-
"D" shares of €1 each	**143**	**-**	143	-
Bonus shares of €1 each	**1,634,863**	**1,635**	1,589,843	1,590
Deferred ordinary shares of €1 each	**17,916,961**	**17,917**	17,916,961	17,917
		19,569		19,524

The number of issued and fully paid ordinary shares was as follows:	2015 No. of shares '000	2014 No. of shares '000
At beginning of period	**19,524**	19,523
Issue/redemption of shares	**45**	1
At end of period	**19,569**	19,524

The shareholding of the Parent Society is subdivided into a number of classes of shares.

The main classes of shares are A, B, C and D shares as well as bonus and deferred shares of €1 each.

The holders of "A" and "B" shares are entitled to bonus shares and convertible loan stock. They are also entitled to attend and vote at General Meetings of the Society.

Bonus shares rank pari passu with "A" and "B" shares. Bonus shares issued during the period relate to the redemption of loan stock.

The holders of "C" and "D" shares are not entitled to bonus shares or convertible loan stock issued nor are they entitled to vote at General Meetings of the Society.

The holders of deferred shares do not have the right to attend or vote at the General Meetings of the Society.

21. Share capital and reserves (continued)

A description of each of the classifications of reserves within equity are below:

- Revenue reserves have been created out of profit and represent the amount of profit not paid to shareholders in the form of dividends.
- Share premium is a capital reserve that is created when shares are issued at a premium (more than their nominal value).
- Cash flow hedging reserve represents the fair value of cash flow hedges net of taxation which have been deferred in equity.
- Capital levy account represents the excess of capital levy receipts for which deferred shares have not been issued.
- Annual bonus fund (note 7)
- Redeemable loan stock (note 7)

22. Net cash outflow from operations

	2015 €'000	2014 €'000
Operating profit before exceptional items	**34,104**	28,067
Depreciation	**13,600**	11,848
Amortisation	**11,110**	9,773
Increase in inventories	**(88,518)**	(69,372)
Decrease/(increase) in debtors	**2,587**	(47,120)
Increase/(decrease) in creditors	**13,668**	(9,016)
Post retirement liabilities	**(2,784)**	(748)
Exchange movements	**1,361**	(1,806)
Cash used in operations (before cash exceptional items)	**(14,872)**	(78,374)
Exceptional expenditure	**(3,680)**	(1,429)
Cash used in operations (after cash exceptional items)	**(18,552)**	(79,803)

Non-cash transactions

During the period the Group received common and preferred shares in Nextwave Distribution Holdings Inc. to the value of €12.0m as part of the consideration for the sale of DPI Specialty Foods, Inc (see note 11).

23. Cash and cash equivalents and net debt

	2015 €'000	2014 €'000
Cash and cash equivalents consist of:		
Cash and bank balances	**165,957**	45,266
Bank overdrafts (note 17)	**(8,231)**	(9,594)
	157,726	35,672
Loans (note 17)	**(175,000)**	(135,000)
Net debt	**(17,274)**	(99,328)

24. Restricted cash

	2015 €'000	2014 €'000
Restricted cash on deposit	**7,316**	7,833

Deposits of €7.3m (2014 : €7.8m) were held at period end within the Group's insurance company and are restricted for use by the Group other than for the purposes of insurance.

Notes to the Financial Statements (continued)

25. Capital commitments

	2015 €'000	2014 €'000
Commitments for which contracts have been placed	**18,840**	8,332
Commitments approved but not contracted for	**18,036**	44,562

26. Post employment benefits

The Parent Society and certain subsidiaries operate and contribute to defined benefit and defined contribution schemes in addition to a number of internally funded arrangements.

The total Income Statement credit in respect to defined benefit schemes for the Group was a credit of €0.8m (2014: charge of €3.2m) of which €3.1m (2014: €2.3m) has been charged against operating profit before exceptional items and €5.1m (2014: €nil) has been credited to exceptional items and €1.2m has been charged within other finance costs (2014 : €0.9m).

Contributions to defined contribution pension schemes in the period were €3.1m (2014 : €2.5m).

The trustees of the Parent Society scheme have obtained an actuarial valuation dated 1 January 2014 using the projected unit valuation method. The trustees of the Adams Foods Limited scheme have obtained an actuarial valuation dated 31 December 2012 using the projected unit valuation method. Valuations as at 26 December 2015 have been obtained for the internally funded schemes. These valuations, and the most recent actuarial valuations of the other post retirement schemes, have been updated by independent qualified actuaries to take account of the requirements of FRS 102, in order to assess the liabilities of the schemes as at 26 December 2015.

It has been agreed that an employer contribution rate of 20.6% of pensionable pay plus an additional €1.0m will apply in future years for the Irish scheme and the expected contributions for 2016 are €2.0m. For the other schemes it has been agreed that an employer contribution rate of 19% of pensionable salary plus an additional €0.4m will apply in future years and that the expected contributions for 2016 are €0.9m.

Financial assumptions

The major assumptions used by the actuaries to calculate scheme liabilities are:

	2015	2014	2015	2014
	Irish Scheme		Other Schemes	
	%	%	%	%
Inflation rate	**1.75**	1.75	**2.20**	2.10
Salary rate increases	**2.75**	2.75	**4.35**	4.25
Pension payment increases	**1.75**	1.75	**2.20**	2.10
Discount rate	**2.60**	2.10	**3.80**	3.50

In valuing the liabilities of the pension fund at 26 December 2015, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65 year old to live for a number of years as follows:

	Irish Scheme 2015		Irish Scheme 2014		Other Schemes 2015/2014	
- Current pensioner aged 65	24 years male	25 years female	23 years male	25 years female	23 years male	25 years female
- Future retiree* upon reaching 65	27 years male	28 years female	26 years male	27 years female	25 years male	27 years female

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

*Retiring in 25 years for the Irish scheme and in 20 years for other schemes.

26. Post employment benefits (continued)

	2015	2014	2015	2014	2015	2014
	Irish Scheme		Other Schemes		Total	
	€'000	€'000	€'000	€'000	€'000	€'000
Equities	**56,335**	45,960	**36,614**	32,871	**92,949**	78,831
Bonds	**16,298**	13,346	**13,089**	12,344	**29,387**	25,690
Property	**2,249**	2,062	**739**	4,434	**2,988**	6,496
Other	**11,381**	21,066	**774**	648	**12,155**	21,714
	86,263	82,434	**51,216**	50,297	**137,479**	132,731
Actuarial value of liabilities	**(108,047)**	(121,590)	**(63,450)**	(61,976)	**(171,497)**	(183,566)
Net deficit in the schemes	**(21,784)**	(39,156)	**(12,234)**	(11,679)	**(34,018)**	(50,835)

	2015	2014	2015	2014	2015	2014
	Irish Scheme		Other Schemes		Total	
	€'000	€'000	€'000	€'000	€'000	€'000
Analysis of the amount charged to the Group Income Statement during the period:						
Current service cost	**2,067**	1,515	**1,017**	772	**3,084**	2,287
Negative past service cost (note 4)	**(5,087)**	-	**-**	-	**(5,087)**	-
Net interest expense	**741**	723	**417**	233	**1,158**	956
	(2,279)	2,238	**1,434**	1,005	**(845)**	3,243

Movement in benefit obligations during the period	**2015 €'000**	**2015 €'000**	**2015 €'000**
Benefit obligations at beginning of period	121,590	61,976	183,566
Current service cost	2,067	1,017	3,084
Negative past service cost	(5,087)	-	(5,087)
Interest expense	2,466	2,257	4,723
Plan participant's contributions	315	165	480
Actuarial gain	(10,505)	(2,360)	(12,865)
Benefits paid	(2,799)	(3,415)	(6,214)
Exchange adjustments	-	3,810	3,810
Benefit obligations at end of period	**108,047**	**63,450**	**171,497**

Movement in plan assets during the period			
Fair value of plan assets at beginning of period	82,434	50,297	132,731
Interest income	1,725	1,840	3,565
Remeasurement gains / (losses):			
Return on plan assets excluding interest income	2,579	(1,896)	683
Employer's contributions	2,009	1,058	3,067
Plan participant's contributions	315	165	480
Benefits paid from plan	(2,799)	(3,415)	(6,214)
Exchange adjustments	-	3,167	3,167
Fair value of plan assets at end of period	**86,263**	**51,216**	**137,479**
Deficit in schemes	**(21,784)**	**(12,234)**	**(34,018)**
Actual return on plan assets	**4,304**	**(56)**	**4,248**

Notes to the Financial Statements (continued)

27. Financial commitments

a) Operating leases

At 26 December 2015, the Group had future minimum payments under noncancellable operating leases as follows:

	2015 €'000	2014 €'000
Payments due:		
Not later than 1 year	**1,703**	12,861
Later than 1 year and not later than 5 years	**4,717**	20,410
Later than 5 years	**-**	3,013
	6,420	36,284

b) Bank guarantees

The Group had outstanding guarantees at the period end as follows:

	2015 €'000	2014 €'000
Bank guarantees	**13,009**	8,086

c) Other financial commitments

The Group had the following outstanding forward currency contracts at the period end in respect of foreign exchange risk on sales contracts entered into during the period in accordance with its foreign exchange hedging policy:

	2015 €'000	2014 €'000
Forward foreign currency contracts	**355,571**	294,093

28. Related party transactions

The principal related party relationships requiring disclosure in the consolidated financial statements of the Group pertain to transactions with members of the Parent Society entered into by subsidiaries of the Group.

Sales to members during the financial period ended 26 December 2015 amounted to €29.2m (2014 : €22.1m) and purchases from members amounted to €785.4m (2014 : €900.6m). Amounts receivable from and payable to members arising from the aforementioned sales and purchases transactions as at the balance sheet date are €6.6m (2014 : €5.0m) and €47.6m (2014 : €65.4m) respectively.

In general, the transfer pricing policy implemented by the Group across its subsidiaries is market-based. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with members are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to related party receivables and payables. In addition to the trading transactions outlined, the Group has also made a proposed transfer to the annual bonus fund which will be payable to the members. The Group has also agreed to pay an additional cash bonus to members out of the gain arising on the sale of DPI (see note 11).

There were no transactions with Directors or key management during the period apart from the payment of remuneration as set out below.

There were no Director loans in existence during the period or outstanding at period end.

Notes to the Financial Statements (continued)

28. Related party transactions (continued)

Key management personnel

Key management personnel comprises the Board of Directors and the executive committee who manage the business and affairs of the Company. The remuneration of key management personnel was as follows:

	2015 €'000	2014 €'000
Total Directors fees (14 Directors in 2015 & 2014)	509	452
Global Executive remuneration (9 Executives in 2015 & 2014):		
Basic salary	2,310	2,207
Performance related bonus/LTIP	1,132	1,705
Other benefits	232	304
Employers pension contribution	309	318
Employers PRSI	426	331
Total Global Executive remuneration	4,409	4,865

Executive remuneration at Ornua is subject to full oversight by the Board and specifically its Personnel and Remuneration sub-committee. The Remuneration Committee has been delegated responsibility for the implementation of the remuneration policy of the Board, determining the remuneration arrangements for the Members of the Board, Chief Executive and Senior Executives. The process includes Review and Assessment against comparable organisations, ensuring that remuneration arrangements are consistent with Shareholder interest and the Vision, Mission and Values of the Society. The resources of Independent Professional Advisers were used in the Review and Assessment process.

29. Share based payment

The Group operates a Long Term Incentive Plan (LTIP) for a limited number of executives and senior management. The purpose of the LTIP is to align the interest of participants and members to support the growth of Ornua. The LTIP is a cash settled share-based payment scheme which provides for awards to be granted to employees. Options are granted to employees based on the value of a Notional Company "Ornua Long Term Incentive Plan" (Ornua LTIP). The value of Ornua LTIP is primarily derived from an adjusted Group EBIT calculation adjusted to reflect product prices returned to members and some other variables. Participation in the plan and the number of options to be granted is at the sole discretion of the Personnel and Remuneration Sub-Committee on the recommendation of the Chief Executive.

The maximum number of options that may be granted to any employee in any year is such that the number of options granted by the notional share price does not exceed the employee's annual salary. The scheme commenced on 1 January 2013 and terminates on 31 May 2022. Options granted vest after 3 years provided the employee remains in employment of the Group over the period and provided specified performance conditions are met. Options will only vest after 3 years if the annualised compound growth in the value of Ornua LTIP as calculated in accordance with the rules of the scheme over the 3 previous years is at least equal to 5% plus the growth in the Consumer Price Index. Vested awards are settled by way of a cash payment (over the following 3 years) to employees based on the growth in the value of the notional shares over which each participant has been awarded options. The Group has recognised a credit of €0.7m (2014: expense of €1.3m) within employee costs in relation to the LTIP.

30. Significant subsidiary companies and associates

The parent society changed its name from The Irish Dairy Board Co-operative Limited to Ornua Co-operative Limited on 31 March 2015. The parent society is a Co-operative and is incorporated in Ireland and its registered address is Grattan House, Mount Street Lower, Dublin 2.

	Incorporated in and operating from	% Holding	Activities
Ornua Limited*	Ireland	100	Marketing food products
IDB Investment Limited*	Ireland	100	Group financing
Ornua Insurance Designated Activity Company	Ireland	100	Group captive insurance
IDB Treasury Limited	Ireland	100	Group factoring and financing
Kerrygold Irish Cream Liqueur Limited	Ireland	100	Manufacturing and distributing drink products
Kerrygold Butter Packing Ireland Limited	Ireland	100	Packaging of dairy products
Salsola Limited*	Ireland	100	Group financing
Al Wazeen Trading Company LLC	Saudi Arabia	75	Manufacturing, marketing and distributing dairy products
Ornua Ingredientes España SL	Spain	100	Manufacturing, marketing and distributing dairy products
IDB Global BV	The Netherlands	100	Group financing
Adams Foods Limited	United Kingdom	100	Manufacturing, marketing and distributing dairy products
Adams Food Ingredients Limited	United Kingdom	100	Manufacturing, marketing and distributing dairy products
Dairy Ingredients (UK) Limited	United Kingdom	100	Marketing and distributing dairy products
Ornua Ingredients UK Limited	United Kingdom	100	Manufacturing, marketing and distributing dairy products
Ornua Deutschland GmbH*	Germany	100	Manufacturing, marketing and distributing dairy products
Irish Dairy Board (Shenzhen) Co., Limited	China	100	Marketing and distributing dairy food products
Shanghai En Bo Lu Food Co., Limited, China	China	75	Marketing and distributing dairy food products
Ornua Foods North America Inc.	U.S.A.	100	Marketing food products
Ornua (Wisconsin) Ingredients LLC	U.S.A.	100	Manufacturing, marketing and distributing dairy products
Ornua (Minnesota) Ingredients LLC	U.S.A.	100	Manufacturing, marketing and distributing dairy products
Nextwave Distribution Holdings Inc	U.S.A.	20	Marketing and distributing food products

In accordance with section 17 of the Companies (Amendment) Act 1986, the Parent Society has undertaken to indemnify the creditors of its subsidiary companies incorporated in Ireland in respect of all losses and liabilities as referred to in section 5 (c) of that Act. The subsidiaries covered by this guarantee are An Bord Bainne (Management) Limited, IDB Treasury Limited, IDB Investment Limited, An Bord Bainne (Sales) Limited, Ornua Limited, IDB Premier Limited, An Bord Bainne (Services) Limited, An Bord Bainne (Exports) Limited, Kerrygold Limited, Kerrygold Irish Cream Liqueur Limited and Kerrygold Butter Packing Ireland Limited.

* These subsidiary companies are directly owned by the Parent Society.

Notes to the Financial Statements (continued)

31. Transition to FRS 102

This is the first year the Group has presented its results under FRS 102. The last financial statements prepared under the previous Irish GAAP were for the period ended 27 December 2014. The date of transition was 29 December 2013. Set out below are the changes in accounting polices which reconcile profit for the period ended 27 December 2014 and total equity as at 29 December 2013 and 27 December 2014 between Irish GAAP as previously reported and FRS 102.

Reconciliation of profit	2014 €'000
Profit after taxation for the period (as previously stated under Irish GAAP)	21,601
Adjustments: (net of tax where relevant)	
Holiday pay accrual	(15)
Defined benefit pension scheme	(1,181)
Reverse discounting of deferred tax	742
Recognition of derivative financial instruments	(2,355)
Profit after taxation for the year as restated under FRS 102	18,792

Reconciliation of equity	**27 December 2014** **€'000**	29 December 2013 €'000
Equity (as previously stated under Irish GAAP)	**436,010**	417,369
Adjustments:		
Holiday pay accrual	**(501)**	(474)
Reverse discounting of deferred tax	**742**	-
Recognition of derivative financial instruments	**(6,593)**	365
Retranslation of goodwill arising on previous business combinations	**5,002**	589
Equity as restated under FRS 102	**434,660**	417,849

The following are the main accounting policy changes adopted on the move to FRS 102.

(i) Holiday Pay Accrual

FRS 102 requires short term employee benefits to be charged to the Income Statement as the employee service is rendered which was not required under previous GAAP. This has resulted in the Group recognising a liability for holiday pay of €0.5m on transition to FRS 102. In the period to 27 December 2014 a charge of €15k was booked to the Income Statement and the liability at 27 December 2014 was €0.5m.

(ii) Defined Benefit Scheme

Under previous GAAP the Group recognised an expected return on defined benefit plan assets in the Income Statement. The difference between expected returns on plan assets and the actual return was recognised in the Statement of Total Recognised Gains and Losses as part of the actuarial gain or loss on defined benefit pensions. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the Income Statement. The difference between the net interest expense and the actual return on plan assets is recognised in Other Comprehensive Income as part of the remeasurement of the net defined benefit liability. There has been no change in the defined benefit liability at either 29 December 2013 or 27 December 2014. The effect of the change has been to increase the charge to the Income Statement in the period to 27 December 2014 by €1.2m and increase the credit in Other Comprehensive Income by an equivalent amount.

(iii) Discounting of Deferred Tax

Previous GAAP permitted discounting of deferred tax but FRS 102 prohibits it. The effect of the change is to increase profit after tax for the period to 27 December 2014 by €0.7m and to increase equity by this amount as at 27 December 2014.

(iv) Recognition of Derivative Financial Instruments

FRS 102 requires derivative financial instruments to be recognised at fair value on its Balance Sheet. Previous GAAP did not recognise these instruments in the financial statements. On transition to FRS 102 the Group has adopted cash flow hedging to manage its exposure to foreign currency exchange risk arising on the Group's sales in foreign currencies. Accordingly at transition an asset of €0.4m (net of tax) was recognised. A loss of €2.4m (net of tax) was recognised in the Income Statement for the period ended 27 December 2014.

31. Transition to FRS 102 (continued)

(v) Fair Value Adjustments
Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments relating to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation shall be treated as assets and liabilities of the foreign operation. Under previous GAAP such fair value adjustments could be carried in the functional currency of the Group. The effect of the change has been to increase equity by €0.6m as at 29 December 2013 and by €5.0m at 27 December 2014.

(vi) Other Adjustments
In addition to the transition adjustments identified above which affect profit for the period, the following adjustments have arisen which had no effect on equity or profit but which have affected the presentation of these items in the Income Statement or Balance Sheet:

(a) Computer Software, with a net book value of €9.3m has been reclassified on transition from tangible assets to intangible assets as required under FRS 102. This has no effect on the Group's net assets or profit, except that previous depreciation charge is now described as amortisation and has been reclassified as such in the Income Statement.

(b) Under FRS 102 the deferred tax asset at 29 December 2013 of €3.8m arising on the post employment benefit liability is now included within deferred tax on the Balance Sheet. Under previous GAAP such a deferred tax asset was offset against the post retirement liability on the Balance Sheet.

(c) Under FRS 102 spare parts related to items of tangible assets are carried within tangible assets. Under previous GAAP they were carried within inventory. On transition to FRS 102 an amount of €0.1m in relation to spare parts was transferred from inventory to tangible assets.

(d) Under FRS 102 the Group's Research & Development tax credit should be accounted for within operating profit. Under previous GAAP it was accounted for within taxation. The effect is that for the period to 27 December 2014 a credit of €0.3m is reclassified from taxation to operating profit.

(e) Under FRS 102 in general more other intangible assets get recognised on acquisition with less amounts of goodwill being recognised. The Group has taken the option under FRS 102 to apply this provision only to acquisitions that occurred after the date of transition to FRS 102. The effect of this is that an amount of €22.7m was transferred from goodwill to other intangible assets as at 27 December 2014.

(f) Under FRS 102 certain items that were previously carried within creditors are now carried within provisions. The effect is that for the period to 27 December 2014 an amount of €11.9m is reclassified from creditors to provisions.

(vii) Statement of Cash Flows
The FRS 102 cash flow statement is presented in a different format from that required by Irish GAAP, with cash flows split into three categories of activity – operating activities, investing activities and financing activities. In preparing the cash flow statement under FRS 102, cash and cash equivalents include cash at bank and in hand, highly liquid interest bearing securities with original maturities of three months or less, and bank overdrafts.

32. Approval of financial statements
The financial statements were approved by the Board of Directors on 9 March 2016.

Board of Directors*

Aaron Forde
Chairman

Jim Russell
Vice-Chairman

Jim Bergin
John Comer
Denis Cregan
Michael Hanley
Martin Keane

James Lynch
Dan MacSweeney
Ted O'Connor
Dermot O'Leary

Sean O'Leary
Conor Ryan
Pat Sheahan
Jim Woulfe

Executive*

Kevin Lane
Chief Executive

Donal Buggy
Group Finance Director

Joe Collins
Managing Director
Ornua Trading & Ingredients

Bernard Condon
Director
Ornua Trading & Ingredients

Majella Darcy
Group Human Resources Director

John Jordan
CEO
Ornua Foods Europe

Gisbert Kügler
Managing Director
Ornua Deutschland GmbH

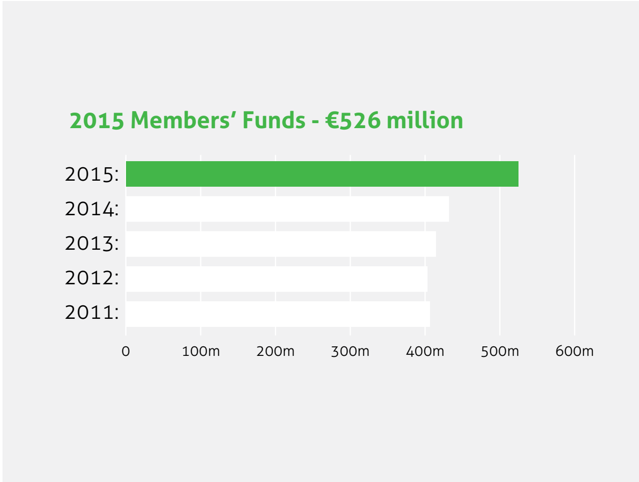
Fergal McGarry
CEO Ornua Foods International & Global Marketing Director

Anthony Proctor
Chief Operating Officer

Anne Randles
Secretary & Director of Administration

*At date of approval of Financial Statements

Group Five Year Review



	2011 € '000	2012 € '000	2013 € '000	2014 € '000	2015 € '000
a) Historical values					
Turnover	1,981,126	2,028,167	2,124,088	2,339,784	2,543,413
EBITDA	38,005	42,130	45,860	49,688	58,814
Operating profit	20,285	20,677	25,836	28,067	34,104
Profit before taxation and exceptional items	15,426	16,348	22,373	23,995	28,265
Net debt/(cash)	143,749	(10,729)	(51,905)	99,328	17,274
Members' funds	408,146	404,744	416,006	433,272	525,821
b) Financial ratios					
EBITDA as % of turnover	1.9%	2.1%	2.2%	2.1%	2.3%
Operating profit as % of turnover	1.0%	1.0%	1.2%	1.2%	1.3%
Leverage (Net debt/(cash)/EBITDA) (times)	3.8x	(0.3x)	(1.1x)	2.0x	0.3x
Interest Cover (EBITDA/Interest Payable) (times)	8.2x	12.8x	15.0x	15.9x	12.6x

Figures are reported under previously applied Irish GAAP for the years 2011–2013, and under FRS 102 for 2014 and 2015

Irish Product Utilisation Overview

Total Irish Milk Supply (million litres)

	2015	2014
January	115	132
February	215	214
March	454	471
April	784	697
May	875	786
June	819	728
July	771	689
August	696	609
September	606	520
October	538	434
November	347	237
December	179	137
Totals	6,399	5,654

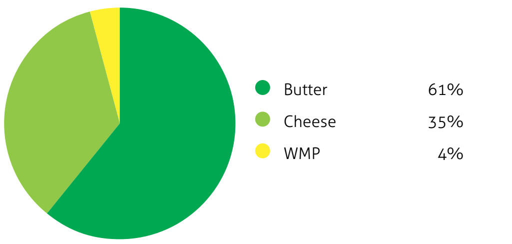
Total Irish Product Output (Tonnes)

	2015	2014
Butter	200,100	165,800
Cheese	204,600	188,300
WMP	25,900	24,850
SMP	121,800	70,600

Whole Milk Utilisation in Processing (%)

	2015	2014
Butter	61%	65%
Cheese	35%	32%
WMP	4%	3%

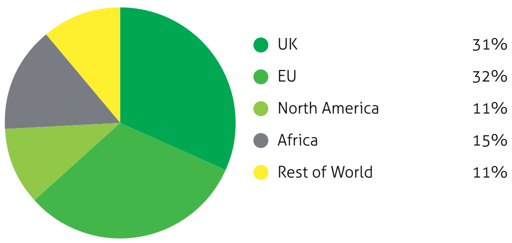
2015 Whole Milk Utilisation in Processing (%)



2015 Ornua Sales from Ireland by Destination (%)

	2015	2014
UK	31%	32%
EU	32%	30%
North America	11%	9%
Africa	15%	16%
Rest of world	11%	13%

2015 Ornua Sales from Ireland by Destination (%)



Notes

THE HOME OF IRISH DAIRY

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