

**STRONG
PROGRESSIVE
SUPPORTIVE**

ANNUAL REPORT 2015



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ADOPTION OF FINANCIAL REPORTING STANDARD (FRS) 101 – REDUCED DISCLOSURE FRAMEWORK

Following the publication of FRS 100 – Application of Financial Reporting Requirements by the Financial Reporting Council, Glanbia Co-operative Society Limited is required to change its accounting framework for its entity financial statements, which is currently Irish GAAP, for its financial year commencing 3 January 2016. The Board considers that it is in the best interests of the Group for Glanbia Co-operative Society Limited to adopt FRS 101 – Reduced Disclosure Framework (FRS101). No disclosures in the current Irish GAAP financial statements would be omitted on adoption of FRS 101. We are required under the rules issued by the Financial Reporting Council to inform our shareholders about the adoption of FRS101, and to provide a reasonable opportunity for our shareholders to object. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in Glanbia Co-operative Society Limited may serve objections to the use of the disclosure exemptions on Glanbia Co-operative Society Limited, in writing, to its registered office address (Glanbia House, Kilkenny) not later than 31 May 2016.

¹ Based on closing Glanbia plc share price of €18.22 on 18 March 2016.

² Projected Value Distribution to members in 2015 / 2016.

YOUR SOCIETY IN NUMBERS



IRELAND'S NO. 1 DAIRY CO-OP



€13M

ANNUAL INCOME
FROM PLC DIVIDENDS



16,230

MEMBERS

LARGEST SHAREHOLDER
IN GLANBIA INGREDIENTS
IRELAND AND GLANBIA PLC

€1.97BN

ASSETS¹

c. €250M

SUPPORT TO MEMBERS IN 2015/2016²

10%

PROGRESSIVE
DIVIDEND
POLICY

CHAIRMAN'S STATEMENT

DEAR MEMBER,

2015 was a momentous year for Glanbia Co-operative Society ("the Society") and we can reflect on a number of very significant developments;

- Our largest asset, Glanbia plc, continued to perform strongly, leading to considerable growth in the value of your Society's assets;
- Members overwhelmingly endorsed a proposal to unlock approximately €250 million of value for distribution;
- Our Society welcomed almost 700 new members;
- The Society's annual dividend was increased to 10 cent per share; and
- Glanbia Ingredients Ireland ("GII"), in which we are a 60% shareholder, processed record volumes of milk as our members capitalised on EU milk quota abolition.

The Society has a clear strategy. This is focused on value creation, by supporting our investments in Glanbia plc and GI, and value distribution, through support for members and a progressive dividend policy. As members, you can be assured that the Society is in a very strong position. At the end of 2015, after distributing over €600 million of value to members in the past three years, your Society had net assets of almost €2 billion. On 14 May 2015, almost 3,000 Society members attended a Special General Meeting (SGM) in Gowran, Co Kilkenny where you overwhelmingly endorsed a number of very significant proposals from the Board.

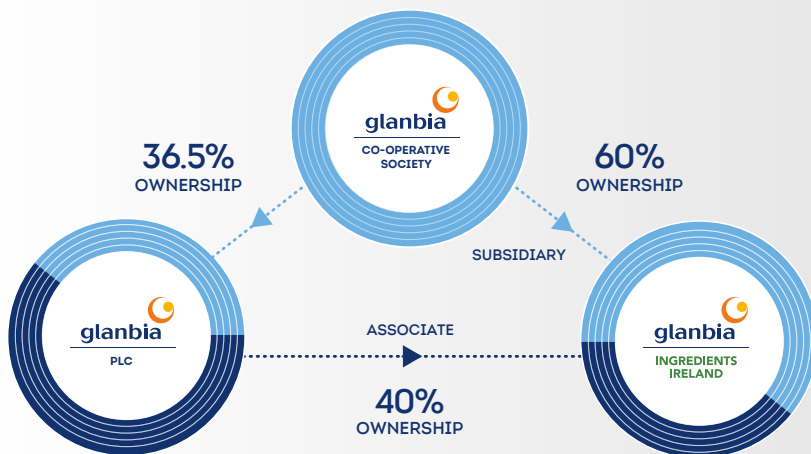
SOCIETY SHAREHOLDING

The Society holds a direct 60% shareholding in GI. The Society holds 107.9 million shares, 36.5% of the issued share capital in Glanbia plc, reduced from 121.9 million shares post the placing and spin-out approved by members on 14 May 2015.

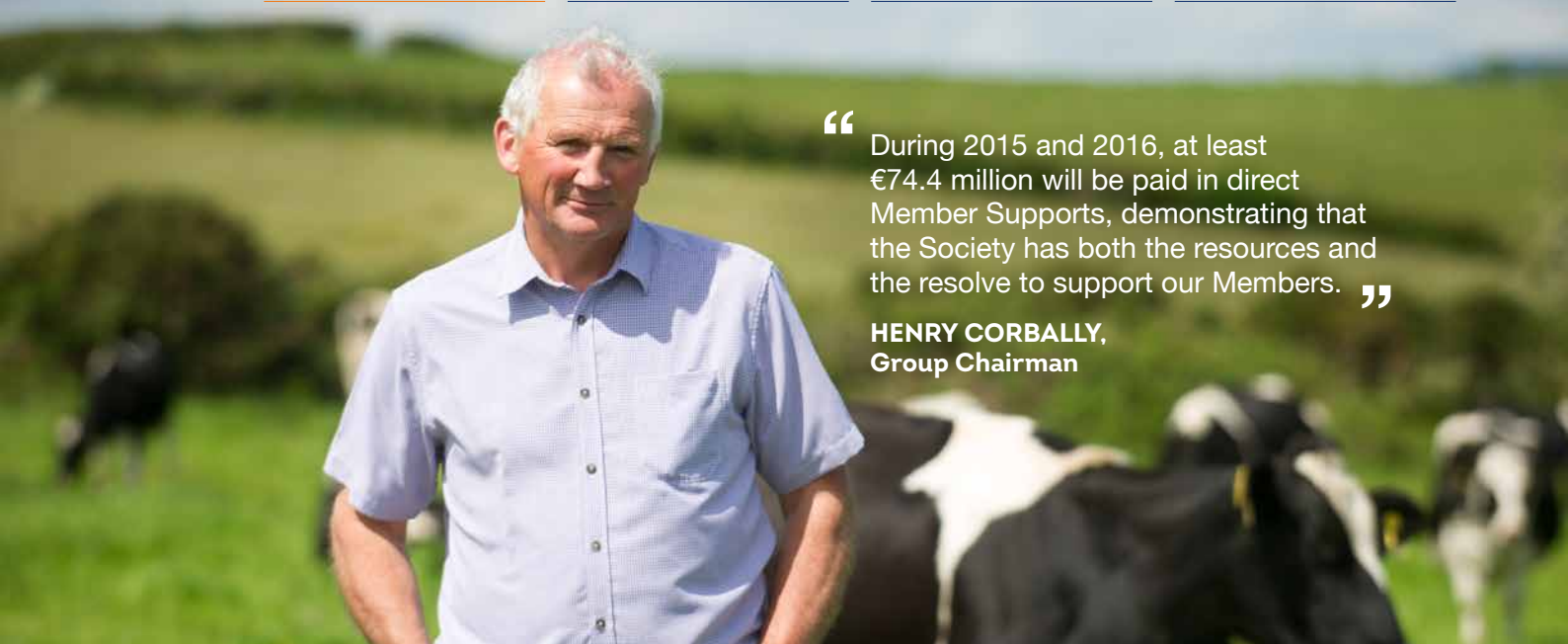
IN SUMMARY, THE KEY DECISIONS MADE BY MEMBERS IN GOWRAN IN 2015 WERE:

- Distribute, by way of a "spin-out", 10 million Glanbia plc shares (3.38% of the plc shares in issue) to all members based on their existing shareholding in the Society, valued at approximately €182 million¹. This was completed on 20 August 2015.
- Create a Members' Support Fund in cash for future patronage and special dividends through the sale of four million Glanbia plc shares (1.35% of plc shares in issue). As a result of the approvals secured at the SGM, the Society sold four million Glanbia plc shares on 15 May 2015 at €16.95 per share, thereby creating a Members' Support Fund of €67.4m, net of fees. The Board of the Society retained the discretion in relation to the timing and nature of the disbursement of this Fund, subject only to the provision that 75% of any funds distributed would be by way of patronage bonus and 25% of any funds distributed would be by way of special dividend to all members.
- Operate a Share Buy Back Scheme that will allow members to sell their Society shares back to the Society on a voluntary basis at €5 per share (up to a maximum of three million shares). Shares purchased from members under this Share Buy Back Scheme will be cancelled by the Society. This process will commence in 2016 and will be completed by 31 May 2017.
- Amend the rules of the Society to enable the issue of new shares in the Society to new members based on a requirement to hold the higher of 2,000 Society shares or one Society share per 200 litres of milk supplied, where applicable. The maximum number of shares to be issued will be three million at €5 per share;
- Amend the rules of the Society to require that any further reduction in shareholding in Glanbia plc below 33% would require member approval.

GLANBIA CO-OP SOCIETY HAS TWO STRONG PLATFORMS TO GROW VALUE FOR MEMBERS



¹ Based on closing Glanbia plc share price of €18.22 on 18 March 2016.



“ During 2015 and 2016, at least €74.4 million will be paid in direct Member Supports, demonstrating that the Society has both the resources and the resolve to support our Members. ”

HENRY CORBALLY,
Group Chairman

SUPPORT FOR MEMBERS

Since the latter part of 2014 we have been experiencing a decline in global dairy markets. As a Group we have sought to limit the extent to which these declines have been felt by our members, a strategy which was reflected by the strong relative position of Glanbia in the 2014 KPMG Milk Price Review. This position relative to our peers was possible as GII continued to pay a competitive market based milk price while the Society, recognising the challenges that difficult markets posed to our members in 2014, supported milk and grain price to members by a total of €8.2 million.

In 2015 the Board recognised early in the year that further direct member support was required. At meetings on 5 February and 14 May 2015 members approved a package of patronage and special dividend supports. In February members approved a patronage support package of €23.2 million for 2015 supply of milk and grain and the purchase of feed and fertiliser. In May members approved the creation of a further fund amounting to €67.4 million, with 75% to be paid by way of patronage support and 25% to be paid by way of special dividend to all members.

Based on these approvals the Society paid €28.5 million directly to members as patronage on 2015 trading. We believe that this strategy combined with the market based milk price from GII will again position us in a strong relative position in the 2015 KPMG Milk Price Review. Of the €67.4 million Member Support Fund created following the May 2015 SGM, a sum of €6.1 million has been paid to members in 2015, leaving a balance of €61.3 million available for distribution.

Global dairy markets have continued to decline significantly and for 2016 the Society has both the resources and resolve to continue to support members as demonstrated by the recent announcement of the creation of a “**2016 Member Support Package**” worth at least €37.7 million (see panel below).

2016 MEMBER SUPPORT PACKAGE WILL PROVIDE SOCIETY MEMBERS WITH:

- At least €23.2 million of milk price support, equating to an average of at least 1 cent per litre (cpl) on all milk supplied by members in 2016. Consistent with 2015, patronage supports will be paid to members that have signed a valid Milk Supply Agreement with GII;
- Patronage support worth an estimated €4 million, consisting of:
 - a rebate of €7 per tonne on all 2016 feed and fertiliser purchased from Glanbia by members (worth 0.15 cpl to a typical milk supplier member purchasing all feed / fertiliser from Glanbia); and
 - a €5 per tonne rebate on green grain and €2 per tonne on dried grain (subject to a minimum spend of €40 per tonne on qualifying inputs).
- A Special Dividend totalling €10.5 million (share interest of 25 cent per share to all members).

This package will utilize a portion of the €67.4 million support fund created by the Society's sale of four million Glanbia plc shares in May 2015. While no minimum trading level is required in 2016, the Board has signalled an intention to consider a minimum trading requirement for future support payments.

NEW MEMBERS

Following member approval obtained at the SGM in May 2015, the Society undertook a process whereby eligible farmers were offered the opportunity to join the Society.

The Council of the Society approved the criteria for membership proposed by the Board, which is a requirement to hold the higher of 2,000 Society shares or one Society share per 200 litres of milk supplied. For existing milk suppliers, the base period was milk supply in 2014, while for new entrants that commenced milk production after 1 January 2014, milk forecasts were used to determine the appropriate level of shareholding.

All applications for membership were approved by the relevant Regional Committees of the Society prior to being recommended to the Council for admission. In 2015, the Society admitted 621 milk suppliers and 66 grain growers as new Society members. A total of 1.48 million new shares were issued to new members during 2015.

CHAIRMAN'S STATEMENT

All milk suppliers admitted as members of the Society in 2015 have signed Milk Supply Agreements to supply their milk exclusively to Gll. I am pleased to report that 97% of milk supplied to Gll is now coming from dairy farmers that are members of the Society. These suppliers will reap the full benefits of the Glanbia model. It also places Gll, in which the Society has a 60% ownership stake, on a very solid footing for future growth.

The Society will complete the process of admitting new members during the first half of 2016 when eligible customers of Glanbia Agribusiness will be invited to apply for Society membership. A small number of farmers that commenced milk supply to Gll in 2016 are also being offered the opportunity to join the Society.

POST QUOTA MILK SUPPLY GROWTH

For dairy farmers, 2015 allowed the expanded herd to produce to their potential without EU Milk Quota constraints. Milk supply to Gll from January to December 2015 was 18% higher than in 2014. In the post quota period from April to December, the rate of expansion was 22% versus the prior year.

As a result of the €235 million investment by Gll in recent years, the infrastructure was in place to handle this higher than forecast surge in milk supply. In this regard, the foresight of members in approving the changes to the Glanbia organisation's structure in 2012 was crucial.

LAUNCH OF €100 MILLION GLANBIA MILKFLEX FUND

On 9 March 2016, the Society and partners; the Ireland Strategic Investment Fund, Rabobank and Finance Ireland, announced the planned creation of a new €100 million 'Glanbia MilkFlex Fund' ('the Fund'). The Fund will offer flexible, competitively priced loans to Glanbia milk suppliers with loan repayments which can vary according to movements in milk price.

The details of this innovative Fund and the rationale for the Society's investment are set out in the Group Managing Director's statement on page 6. I commend the team at Gll for developing the MilkFlex Fund, which will provide Glanbia milk suppliers in the Republic of Ireland with an innovative funding product that helps protect farm incomes from the impact of dairy market volatility.

This new Fund complements the existing suite of volatility management tools available to milk suppliers from Gll, which is acknowledged as a global leader in this area.

BOARD RESPONSIBILITY AND COMPOSITION

The Society Board has overall responsibility for the strategic direction and management of the Society and is comprised of 15 members; the Group Managing Director and 14 members appointed through the representative structure.

Under current agreements the composition of the Board of Glanbia plc will reduce from 14 nominees from the Society to 10 nominees in 2016 and eight in 2018. Following the approval of the Board's proposals at the SGM in Gowran last May, the Society's representation on the Board of Glanbia plc will reduce by one further nominee by 2020, bringing the number of Society nominees on the board of Glanbia plc to seven. This reflects the reduction in the Society's shareholding in Glanbia plc from 54.4% in 2012 to 36.5% at the end of December 2015.

The regional composition of your Society Board will remain unchanged, as will the Society's 14 nominees to the Board of Gll.

REVOLVING SHARE PLANS

Since 2001 your Society has operated a series of Revolving Share Plans (RSP) which have assisted with financing the Society's activities as well as providing an attractive investment opportunity for members and other eligible investors.

In response to further demand from members your Board launched a 2015 RSP offer. This plan is for a three year term and has a projected return of 15% on monies invested. The total monies invested in this plan amounted to €22.4 million.

2015 SOCIETY RESULTS

The Society recorded a profit after taxation for the year of €72.6 million (2014: €10.0 million). The profit is derived from the dividend received from Glanbia plc of €13.3 million (2014: €12.7 million), the profit on disposal of 4 million Glanbia plc shares of €64.1 million, offset by the administrative costs of the Society.

The main appropriations from the reserves of the Society in 2015 included dividend payments of €4.2 million (2014: €3.4 million), the spin out of Glanbia plc investment of €8.1 million (2014: €0.2 million) and fertiliser / feed / milk / grain patronage of €36.7 million (2014: fertiliser bonus of €1.4 million). The Society's financial position remains strong with net cash and related balances, after taking account of Revolving Share Plan and loan receivable from Gll, of €56.9 million (2014: €18.8 million).

LEADERSHIP, TRAINING AND DEVELOPMENT

Investment in the training and development of current and future leaders of the Society is essential for safeguarding the future of the organisation. In early 2015, a comprehensive training and development programme was completed by 40 members of the Society's Regional Committees. Seven participants from that programme have subsequently joined the Society Council. We hope to build on that success by running further training initiatives for members of the representative structure in the second half of 2016. The Society also provides financial support to the Nuffield Farming Scholarship Trust Ireland, which provides a travel and study bursary to a number of scholars from our membership base.

STRENGTH OF RESOURCES

Given the level of support provided to members in recent years, and planned for 2016, members will be pleased to note from the financial summary on pages 28-31, that the Society remains in a healthy financial position. At the end of 2015, the Society had cash and related balances of approximately €56.9 million. The Board will continue to adopt a prudent approach to managing the utilisation and distribution of the Society's resources.

As part of the 2016 Member Support Package announced on 27 January, the Board has confirmed that all Society members will receive a Special Dividend totalling €10.5 million (share interest of 25 cent per share to all members). This is in addition to the 2015 ordinary dividend of 10 cent per share, that is being proposed at the Society's 2016 Annual General Meeting.

SOCIETY ANNUAL GENERAL MEETING

The Society's Annual General Meeting (AGM) will be held at the Newpark Hotel, Castlecomer Road, Kilkenny on Thursday 5 May 2016 at 11.00am.

APPOINTMENT OF NEW NON-EXECUTIVE DIRECTORS

At the AGM of your Society on 10 June 2015, David Farrell, Patrick Gleeson and Liam Herlihy retired as Directors on the Board of the Society. The vacancies created were filled by the election of Jim Gilsenan, Pat Hogan and Patsy Ahern.

On 15 December 2015, Tom Grant was appointed as a Director of the Society. This followed the retirement of William Carroll on 6 November 2015.

RETIREMENT OF LIAM HERLIHY

At the AGM in 2015, Liam Herlihy stepped down from his position of Chairman and retired from the Board of the Society. In doing so he completed a period of outstanding service to the Glanbia organisation, having been elected as the Castlelyons Board representative in 1997, Group Vice Chairman in 2001 and Group Chairman in 2008.

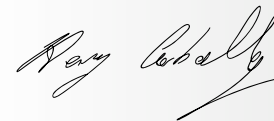
It was a great honour for me personally to be elected to serve as Group Chairman of Glanbia on 12 June 2015. I wish to thank the Board for placing their trust in me.

OUTLOOK

The above summary aims to capture a very active and positive year for Glanbia Co-operative Society. Almost all 2015 activity was linked to the significant decisions made by you, our members, at the SGM in Gowran last May. I want to take this opportunity to thank you for your support on that occasion – the large turnout of members and the 93% plus support for all of the proposals was a very strong democratic vote of confidence in the Society.

Given the weak state of global dairy and grain markets, we will continue to work hard as an organisation to shield our members from the extremes of price volatility. I would like to reassure members that the long term fundamentals of the markets in which our suppliers operate remain positive, driven by demographics, a rising middle class, plus the trend towards health and wellness.

Yours sincerely



Henry Corbally,
Group Chairman

GROUP MANAGING DIRECTOR'S STATEMENT



DEAR MEMBER,

The strategy of your Society is clear:

- Value creation through supporting our investments in Glanbia plc and Glanbia Ingredients Ireland (GII); and
- Value distribution through support for members and a progressive dividend policy.

As highlighted in this report, 2015 was a year in which the Society delivered on that strategy in very clear and tangible ways. Since our previous annual report, members have benefited from the “spin-out” of 10 million plc shares worth approximately €182 million to individual Society shareholders. As the Chairman has outlined, the Society has distributed 30 million plc shares worth over €500 million to our members in the past three years.

There cannot be value distribution without value creation. The main engine for the growth in the value of the Society continues to be a very significant shareholding in Glanbia plc. The growth in the value of Glanbia plc continues to grow the value of your Society. This was particularly evident in 2015, when the share price appreciated by 32%, from €12.81 to €16.95.

On 24 February, Glanbia plc reported a sixth consecutive year of double digit earnings growth. The Board of Glanbia plc also recommended a full year dividend of 12.1 cent per share, an increase of 10%. With 36.5% of the issued shares, your Society is the largest individual shareholder in Glanbia plc and will therefore benefit from a dividend stream of €13 million in 2016.

INVESTMENT IN MILKFLEX FUND

On 9 March 2016, the Society announced the planned creation of a new €100 million ‘MilkFlex Fund’ in conjunction with partners the Ireland Strategic Investment Fund, Rabobank and Finance Ireland.

Your Society’s investment of €5.68 million in the MilkFlex Fund is aligned to two of the three pillars of the Society’s strategy:

- Support the growth of GII; and
- Support active members.

The Society evaluated this investment both from the perspective of the value of the proposal to its ultimate participants and also the value of the investment to the Society itself. A commercial return will be earned by the Society from its investment and these returns will of course accrue to all members in the Society, regardless of direct participation or not in the scheme.

The creation of the MilkFlex Fund complements GII’s existing successful Fixed Milk Price schemes, by delivering competitively priced and appropriately structured dairy farm finance. This product is designed to match the cash flow generated by a dairy farm



Glanbia Group Managing Director Siobhán Talbot, Minister for Agriculture, Food, the Marine and Defence Simon Coveney and Glanbia Group Chairman Henry Corbally at the launch of the MilkFlex Fund.

enterprise, with no repayments during certain times of low prices and increased repayments at times of high prices. We are pleased that this fund will be available to all Republic of Ireland milk suppliers to Glanbia and are very appreciative of the support of our partners in bringing the Glanbia MilkFlex Fund to market.

MILK GROWTH IN 2015

As highlighted by the Chairman, milk supply to GII expanded by 18% in 2015 compared to the same period in 2014. This “new milk” from existing suppliers generated additional farm gate receipts of approximately €90 million compared to the previous year.

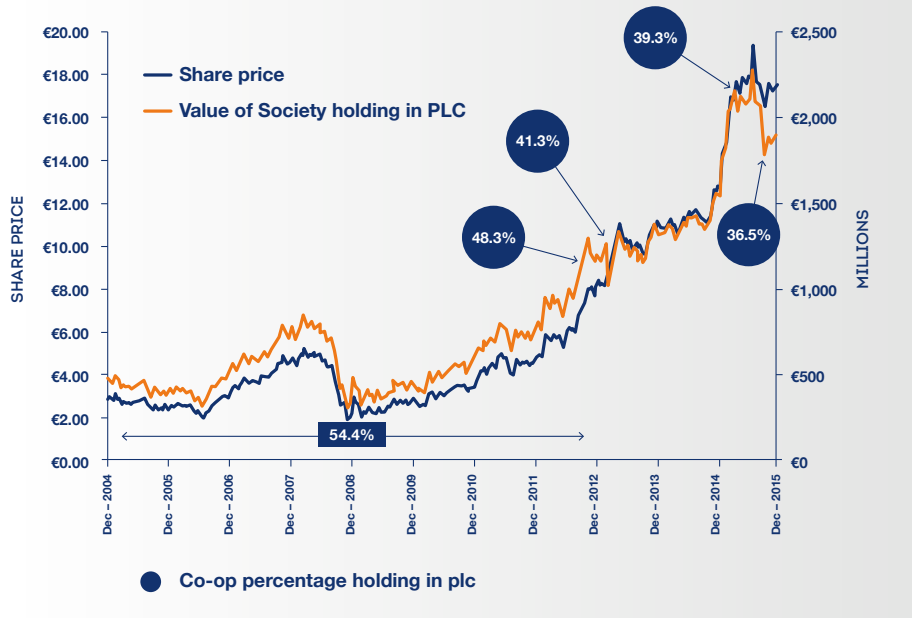
This higher milk output was sold into a challenging dairy market, particularly in the second half of the year. Thanks to the strength of the organisation, the Society was in a position to make direct support payments worth a total of €33.7 million to milk suppliers in 2015. This was done in a clear and transparent manner, with a monthly communication to suppliers of the GII “market milk price” and the level of Society support, where applicable.

Strong milk supply growth from our suppliers requires GII, with the support of Glanbia plc and the Society, to prepare for further milk processing capacity expansion. The GII Board recently announced plans to invest €35 million to double cheese processing capacity in Wexford. Over the 2013 to 2015 period, GII invested €235 million in its Irish milk processing assets.

GLANBIA CONNECT

In April 2015, the Glanbia organisation launched a high quality online portal, Glanbia Connect, to allow suppliers and customers engage efficiently with all strands of the organisation. The site, which is updated regularly with news, events and farm management information, has proven very popular. As well as an online store, the site has a very useful “My Account” section, where farmer suppliers and customers can gain safe and secure access to milk, grain or trading details. We will continue to develop Glanbia Connect to meet the evolving needs of our farmer suppliers and customers. For more information see www.glanbiacconnect.com.

VALUE CREATION – SOCIETY’S STAKE IN GLANBIA PLC NOW WORTH €1.9BN



STRONG SOCIETY

As this report demonstrates, 2015 was a significant year for the Society, with the notable addition of new members and a significant release of value to our members.

I believe that the Glanbia organisation now has a very effective structure in place that serves the interests of all stakeholders. The Society, as the largest individual shareholder in both Glanbia plc and GII, sits at the heart of the organisation.

For that reason, it is vitally important that we hear the views of our members. As summarised on pages 24-25, the Society has a very effective regional representative structure, with 11 Regional Committees, a Council and Board. This ensures that there is effective two-way communication on an on-going basis between Society management and shareholder representatives. The Society will continue to invest resources in the representative structure to ensure that it remains vibrant and effective.

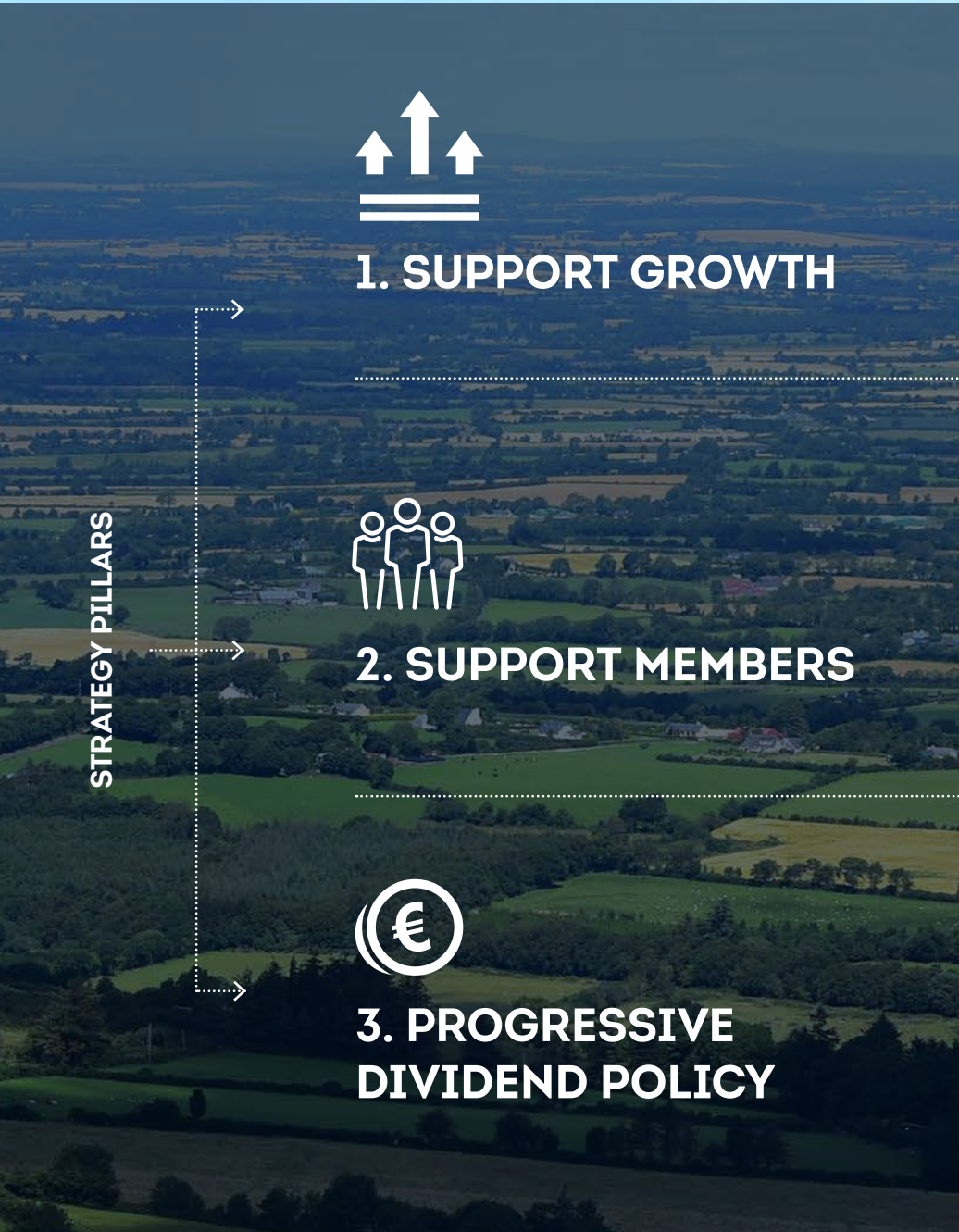
We have also recently completed a series of Regional Information Meetings where you had the opportunity to hear presentations from management and air your views on a range of issues.

As Society members, you can be assured that your organisation is in a strong financial position, has robust governance and is well placed to continue to be “strong, progressive and supportive” for all our members.

Yours sincerely

Siobhán Talbot,
Group Managing Director

2015 HIGHLIGHTS



IN GLANBIA INGREDIENTS IRELAND (GII) AND GLANBIA PLC
621 milk suppliers have joined the Society and have committed to supplying all
their milk to GII. 66 Glanbia plc grain suppliers have joined the Society.

€36.7 million paid to members
as direct patronage support
for 2014 and 2015

€37.7 million Member Support
Package announced for 2016

Dividend increased from
8 cent per share in 2014 to
10 cent per share in 2015

VALUE DISTRIBUTION

Distribution (spin-out) in 2015 of 10
million plc shares (worth approximately
€182 million) to members

Share Buy Back Scheme that will allow
members to sell their shares back to the
Society on a voluntary basis at €5 per
share (up to 3 million shares will be
purchased by the Society and cancelled)

€22.3 million invested in three year
Revolving Share Plan (RSP) with
projected return of 15%

2015 HIGHLIGHTS

2015 HIGHLIGHTS

€871M

SALES REVENUE

€30.4M

PROFIT AFTER TAX

60+

EXPORT MARKETS

2.03 BN

LITRES OF MILK PROCESSED

In 2015, Glanbia Ingredients Ireland (GII) processed a record 2.03 billion litres of milk. Key to this achievement was the coming on stream of a state of the art facility at Belview, which processed 311 million litres of milk into high quality powders in its commissioning season. GII's recently acquired Wexford plant produced a record 20,000 tonnes of high quality cheddar cheese, while Ballyragget and Virginia also processed record volumes of milk.

The Belview facility is making significant progress in gaining all-important plant and product approval from major infant nutrition customers. Supplies of commercial volumes to this valuable sector commenced early in 2016. In February 2016, GII announced that it is to seek planning permission for a major expansion at its Wexford cheese plant. The proposed €35 million investment will double peak milk processing capacity at the plant. If approved by the planning authorities, building work will commence in September 2016 and the facility is expected to be commissioned in early 2017. This latest investment is part of Glanbia's commitment to meet the growth ambitions of the company's milk suppliers. In the past three years, GII has invested €235 million at its milk processing plants at Virginia (Co Cavan), Ballyragget and Belview (Co Kilkenny).

FINANCIAL PERFORMANCE

GII recorded sales of €871 million in 2015, representing a decrease of 3.2% over the previous year. While sales volumes grew by 18%, this was offset by price deflation of 21%. Global dairy markets continued to be impacted in 2015 by sluggish Chinese demand and the continuing Russian ban on the importation of dairy products from the European Union and the United States. Demand from oil-exporting countries also fell due to reduced oil price levels which had a consequential impact on the affordability of dairy products. On the supply side, global milk production increased strongly, especially in Europe following the abolition of EU milk quotas. Irish milk supply was significantly ahead of 2014 and recorded a 13.3% increase in supply in the calendar year, while the like-for-like increase in supply from GII's milk suppliers outpaced the level of Irish growth with an 18.1%

GII OFFERS A WIDE RANGE OF DAIRY INGREDIENTS WHICH ARE SOLD INTO A NUMBER OF KEY MARKET SECTORS



INFANT NUTRITION



PERFORMANCE NUTRITION



CLINICAL NUTRITION



AFFORDABLE NUTRITION



BAKERY



CONSUMER BRANDED BUTTER AND CHEESE



BUSINESS TO BUSINESS CHEESE



Joe Kehoe, GII Farm Development Manager, Glanbia Board Member Eamon Power, Tom Lonergan, Wexford Plant Manager and Glanbia Board Member John Murphy at the announcement of plans for the investment of €35 million at GII Wexford Cheese plant.

increase versus the prior year. In the nine month period after milk quota abolition, GII milk supply increased by 22% compared to the same period in the previous year. This momentum has continued into the early months of 2016. It is worth noting that, as highlighted in the graphic below, this growth was widely dispersed, with 85% of farms increasing their milk supply to GII in 2015.

The challenging dairy market environment caused a sharp reduction in dairy pricing during the year which was offset by higher volumes and cost reduction. GII paid a competitive milk price to farmer suppliers throughout the year and, together with the direct support to members provided by the Society, this is likely to be reflected in a strong ranking relative to peers in the 2015 KPMG Milk Price Review which will be published in mid 2016.

A STRONG BUSINESS SUPPORTING OUR SUPPLIERS

After a €235 million investment programme in Ballyragget, Belview, Virginia and Wexford, GII now has a high quality milk processing infrastructure in place across a range of products. There is also a significant investment programme across GII's four key strategic pillars of Infant Nutrition, Affordable Nutrition, Clinical Nutrition and Performance Nutrition. In order to optimise business performance, GII utilises the Glanbia Performance System (GPS) to drive improved efficiencies across the business.

SUPPORTING MILK SUPPLIERS

As highlighted in the following section, GII invests in a large programme of activity in order to support our milk suppliers in Ireland.

FIXED MILK PRICE SCHEME

GII's seven fixed milk price schemes since 2011 have been acknowledged as an innovative tool that help farmers and customers cope with the market price volatility challenge. In 2015 and 2016, GII's innovative fixed milk price schemes are delivering real benefits to participating

farmers. GII has continued to evolve its offering, with an ambition to have multiple initiatives in place to manage income volatility for their supply base. In 2015, for the first time, Scheme 6 from GII included an optional feed element. This innovative partnership between GII and Glanbia Agribusiness gave dairy farmers the option of fixing the price for a set tonnage of Glanbia Agribusiness concentrate feeds for delivery and payment between August and December 2016. The Scheme, which was heavily over-subscribed, offered a base price of 30.25cpl including VAT for milk at 3.6% butterfat and 3.3% protein. Scheme 7 was launched on 26 February 2016, offering a base price of at least 29 cent per litre (including VAT) from 1 April 2016 until the end of 2018.

€100 MILLION MILKFLEX FUND

Building on the success achieved with the fixed milk price schemes, GII focused on addressing other areas that impact on the profitability / stability of milk suppliers' business, specifically the availability of competitively priced and appropriately structured farm funding. A considerable investment of energy and resources by the GII team resulted in the launch, on 9 March 2016, of the €100 million MilkFlex Fund. The announcement (see page 13) received a very positive response from independent commentators in Ireland and internationally, with EU Commissioner for Agriculture Phil Hogan describing it as "ground-breaking".

Finance Ireland will manage the origination of loans from the Fund and will require a clear business case in order to justify the lending decision. Each applicant must meet eligibility and underwriting criteria. It is important to stress that GII will not be involved in lending decisions or in the provision of advice or otherwise to individual suppliers in relation to participating in the Fund.

MILK PRICE STABILITY FUND

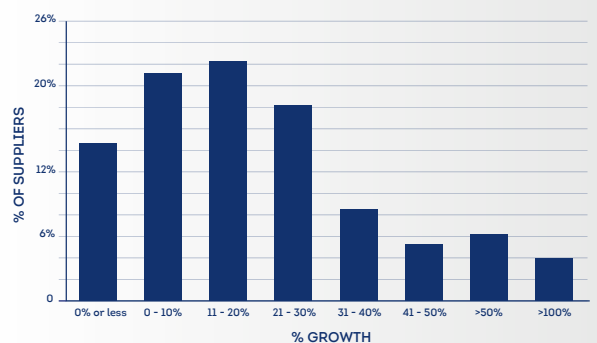
In the June 2015 milk payment, GII released the entire €2.6 million remaining of the €5 million Milk Price Stability Fund (MPSF) created during very strong dairy markets in 2013. For June milk, all GII suppliers received a minimum of 1.0 cpl including VAT from the MPSF.

ORNUA BONUS

Ornua announced on 13 January 2016 that it would pay an additional cash bonus of €15 million to its member suppliers. The cash bonus represents part of the proceeds from the December 2015 disposal of DPI, a speciality foods distribution business in the United States.

On 14 January 2016, the Board of GII announced that it will pay out the entire proceeds of the additional cash bonus from Ornua directly to milk suppliers. The payment will be made by GII to manufacturing milk suppliers as soon as practical.

DISTRIBUTION OF DAIRY EXPANSION 2015 V 2014



In 2015 85% of GII dairy farmers increased their milk supply to GII when compared with 2014.

2015 HIGHLIGHTS

SUSTAINABILITY A HIGH PRIORITY FOR 2016

Gil is a trusted, global supplier of milk and dairy ingredients, committed to the highest standards of milk quality and food safety. The goal of the Gil team is to ensure that customers and consumers can enjoy milk and dairy ingredients that are of the highest quality and can be traced to the dairy farm and herd of origin. Considerable resources are being invested in ensuring that Gil's leadership position in this area is maintained. The excellent environmental sustainability of Gil supplier farms provides a collective "licence to grow" and is one of Gil's key competitive advantages in a global marketplace. By the end of December, over

92% of Gil suppliers had been submitted for approval to Bord Bia's Sustainable Dairy Assurance Scheme (SDAS). The Gil Sustainability Advisory team will continue to work hard to help suppliers achieve compliance with the SDAS requirements.

In order to assist farmer suppliers to improve the environmental sustainability of their holdings, Gil and Glanbia Agribusiness provided a market leading soil testing service in the autumn, with over 3,000 samples collected and analysed in order to optimise on-farm nutrient management.



Gil won the 2015 Bord Bia sustainability award beating more than 40 other companies to take home the prestigious accolade. Gil's presentation on which the award was adjudicated focused on the company's sustainability achievements on farm, in plant and - uniquely to Gil - the efforts to protect farm incomes through a fixed milk price volatility programme delivering on the goal of economic sustainability for milk suppliers. Pictured receiving the award are Michael Carey, Chairman Bord Bia, Audrey O'Shea, Gil Sustainability Manager, Seán Molloy, Director of Strategy Gil, and Minister for Agriculture, Food, the Marine and Defence Simon Coveney.

IMPROVED MILK CONSTITUENTS IN 2015

A notable feature in 2015 was the significant improvement in the average butterfat and protein content of milk supplied to Gil. The final average weighted butterfat for all deliveries was 4.06% (2014: 4.03%) while average milk protein increased to 3.54% (2014: 3.44%).

Apart from favourable weather conditions and more compact calving, the main driver of this valuable improvement in milk solids appears to have been farmer

investment in improved grassland management and genetics (EBI). It is also worth highlighting the positive contribution of Gil's central testing laboratory in Dungarvan, which ensures prompt delivery of accurate milk constituent test results to our milk suppliers.

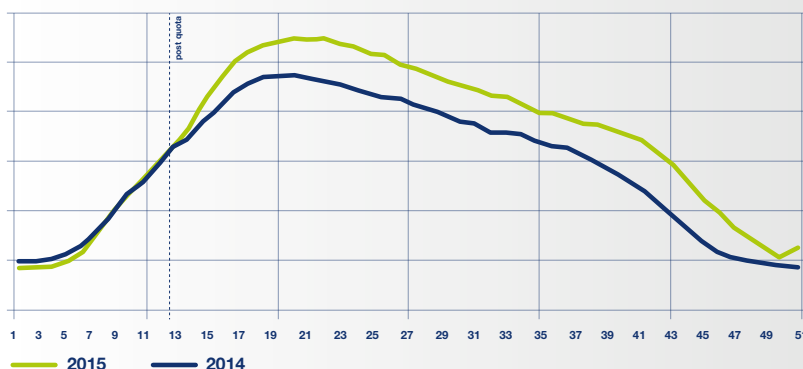
Glanbia's investment in animal health initiatives and the farm development programme (e.g. Monitor Farms and Greenfield) are also acknowledged as positive contributory factors.

Glanbia has also made significant investment in the area of herd health, which is a significant contributory factor in animal performance. There were 3,018 participants in the Glanbia Bulk Milk Disease Screening service in 2015.

An innovative new "Milk Culturing" service was launched in September 2015. It aims to help farmer suppliers cut costs by reducing the incidence of mastitis and lowering the need for expensive antibiotics. In 2015, Gil suppliers also availed of cash flow workshops run by the Gil Farm Development Team.

2014 & 2015 WEEKLY MILK SUPPLY CURVES

Post quota supply growth **+22%** Calendar year supply growth **+18%**



GLANBIA SUPPORT UCD DAIRY RESEARCH AND EDUCATION FACILITY

University College Dublin (UCD) recently opened a state of the art Dairy Research and Education Facility at Lyons Research Farm. The investment of €2.3 million at Lyons has provided excellent new facilities for teaching students in Agriculture and Veterinary Medicine.

Glanbia has supported the project through a joint investment by Gil and Glanbia Agribusiness. The farm's 200 cow research herd will be particularly beneficial to our winter and liquid milk producers.

LAUNCH OF GLANBIA MILKFLEX LOAN FUND

On 9 March, your Society, together with the Ireland Strategic Investment Fund, Rabobank and Finance Ireland announced the planned creation of a new €100 million 'Glanbia MilkFlex Fund'. The Fund will offer flexible, competitively priced loans to Glanbia milk suppliers with loan repayments which can vary according to movements in milk price.

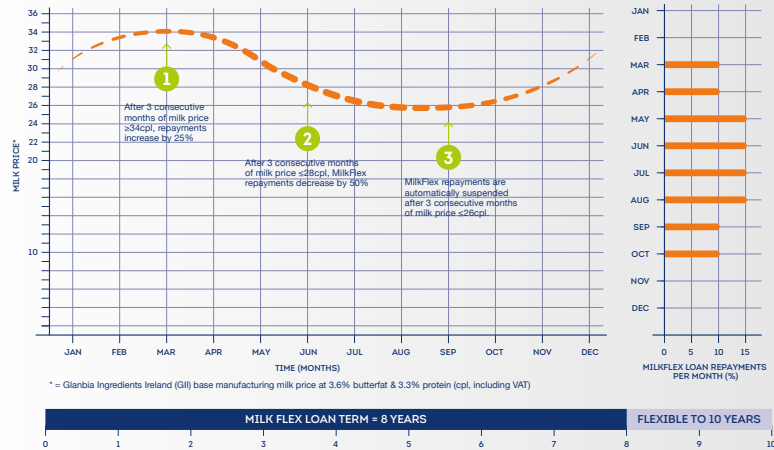
This is the first fund of its kind and offers Irish farmers access to finance through non-traditional lending structures.

A key feature of this innovative loan product is that it will have inbuilt 'flex triggers' that can adjust the repayment terms in line with movements in GII manufacturing milk price, thereby providing farmers with cash flow relief when most needed.

Rabobank, the Ireland Strategic Investment Fund, Finance Ireland and Glanbia Co-Operative Society plan to invest in the Fund while Finance Ireland will also originate the loans and manage all aspects of the Fund. Subject to underwriting criteria, the interest rate charged on the loans will be a variable rate of 3.75% above the monthly Euribor cost of funds (with a Euribor floor of zero). The loans will have a standard term of eight years, but may be extended by up to a maximum of a further two years when volatility triggers are enacted.



MILK FLEX – KEY FEATURES



THE KEY FEATURES OF THE PROPOSED LOAN PRODUCT ARE:

- A temporary reduction in loan repayments, when the GII base manufacturing milk price falls below 28 cent per litre (including VAT) for three consecutive months;
 - A moratorium on loan repayments for a period, when the GII base manufacturing milk price falls below 26 cent per litre for three consecutive months or when the outbreak of a notifiable disease reduces milk output materially on the previous year; and
 - An increase in loan repayments, when the GII base manufacturing price goes above 34 cent per litre for three consecutive months.
- From a milk supplier perspective, other key features of the Glanbia MilkFlex Fund include:**
- Loan repayments will be automatically deducted from the supplier's milk payments by GII.
 - The profile of repayments will reflect the seasonal milk supply curve, with no loan repayments – interest or principal – during the low milk production months from November to February inclusive;
 - Loans will be available for amounts of between €25,000 and €300,000;
 - Loans will be unsecured however, repayments will be made by a priority deduction from milk payments;
 - Loans can be drawn down for investment in on-farm productive assets to support an existing or growing dairy farm enterprise (including livestock, milking platform infrastructure and land improvement); and
 - Lending decisions will be based on the merit of a farmer's business plan as opposed to the asset value of their farm, subject to meeting eligibility and underwriting criteria.



GII CEO Jim Bergin with Glanbia Group Managing Director Siobhán Talbot at the opening of the Belview processing facility.

GLANBIA AT A GLANCE

Glanbia plc is a global nutrition group, dedicated to delivering better nutrition for every step of life's journey. We employ over 6,000 people across 32 countries and our products are sold or distributed in over 130 countries. Our major production facilities are located in Ireland, the US, the UK, Germany and China. We have four segments; Glanbia Performance Nutrition, Global Ingredients, Dairy Ireland and Joint Ventures & Associates. Our shares are listed on the Irish and London Stock Exchanges (symbol: GLB).

GLANBIA PERFORMANCE NUTRITION

Glanbia Performance Nutrition (GPN) is the number one global performance nutrition brand portfolio comprising of Optimum Nutrition, BSN, Isopure, thinkThin, Nutramino, ABB and trusource, each with its own brand essence. Our mission is to inspire consumers everywhere to achieve their performance and healthy lifestyle goals. We produce the full range of performance nutrition products with broad consumer appeal, and we are the market leader in innovation and new product development.

WHERE YOU WILL FIND OUR PRODUCTS

Whether it's a protein smoothie in the morning, a pre-workout energy drink, a post-workout protein shake to repair and build muscle, or an on-the-go protein bar, professional athletes and everyday fitness enthusiasts all over the world rely on GPN products for their nutritional needs.



GLOBAL INGREDIENTS

Global Ingredients has a portfolio focused on both dairy and non-dairy nutritional ingredients. We deliver nutritional and functional ingredient solutions, and precision premixes for use in the nutrition-enhanced mainstream food and beverage markets, infant and clinical nutrition and functional nutrition markets. We are also a large-scale manufacturer and marketer of American-style cheddar cheese.

WHERE YOU WILL FIND OUR PRODUCTS

Our specialised value-added protein systems and solutions and precision premixes are found in everyday products such as Ready-To-Drink (RTD) beverages, protein-enriched bars and snacks, bakery and dairy products, health and wellness supplements and sports nutrition. Our American-style cheddar cheese is predominately used in the retail and food service channels.





DAIRY IRELAND

Dairy Ireland is comprised of two businesses. Consumer Products is the leading supplier of branded consumer dairy products to the Irish market. It also produces long-life products for export. Agribusiness supplies inputs to the Irish agriculture sector and is the leading purchaser and processor of grain and the leading manufacturer of branded animal feed in Ireland.

WHERE YOU WILL FIND OUR PRODUCTS

Our consumer product portfolio extends across a range of dairy products, including standard and fortified milks, cheese, butter and cream, and a range of chilled soups. We also produce long-life liquid milk and cream for export to markets such as China, Europe and the Middle East. Agribusiness has a network of over 50 retail stores focused on the Irish agriculture sector.



JOINT VENTURES & ASSOCIATES

We have three strategic Joint Ventures & Associates: Glanbia Ingredients Ireland, Glanbia Cheese in the UK and Southwest Cheese in the US. These are strategically important partnerships, not only in their own right, but also in terms of the synergies and growth opportunities they bring to the wholly owned Group.

WHERE YOU WILL FIND OUR PRODUCTS

Glanbia Ingredients Ireland (GI) is a supplier of dairy ingredients to key global customers including the infant formula, clinical nutrition and food and beverage sectors. Glanbia Cheese is the #1 mozzarella producer in Europe. Cheese and dairy products produced by Southwest Cheese are all commercialised by Global Ingredients.



2015 GLANBIA PLC HIGHLIGHTS

SIXTH YEAR OF DOUBLE DIGIT GROWTH

On 24 February 2016, Glanbia plc was pleased to report a sixth consecutive year of double digit growth. We achieved a reported growth of 29.4% in adjusted earnings per share (10.6% increase constant currency). We also achieved a 29.9% increase in EBITA (10.5% constant currency) with margin expansion of 160bps (130bps constant currency) and strong operating cashflow of €281.4 million. We are increasing our dividend by 10% to 12.1 cent per share. The outlook is positive and we are guiding 8% to 10% growth in adjusted earnings per share, constant currency, for 2016.

	Reported change	Constant currency change
ADJUSTED EARNINGS PER SHARE		
79.14c	+29.4%	+10.6%
REVENUE		
€2.8bn	+9.3%	-3.6%
EBITA		
€271.0m	+29.9%	+10.5%
EBITA MARGIN		
9.8%	+160bps	+130bps
OPERATING CASHFLOW		
€281.4m	+36.5%	+16.6%

2015 PERFORMANCE

Glanbia plc had a strong year in 2015. We made good progress against our strategic priorities and this enabled us to achieve a reported growth in adjusted earnings per share of 29.4%. From a management perspective we focus on the performance of the business excluding the impact of currency translation and on a constant currency basis delivered 10.6% adjusted earnings per share growth.

This was our sixth consecutive year of double digit constant currency growth. We also achieved a return on capital employed of 13.9%, thereby delivering on our two key strategic performance metrics.

As in any business of our scale, there were lots of opportunities and challenges during the course of the year. It is a real testament to the resilience of the Glanbia model and the natural portfolio hedges within the Group, that we sustained our growth despite challenging conditions in global dairy markets.

We have a strong portfolio of nutritional ingredients and branded products and we believe that our deep sector knowledge provides us with a unique opportunity to capitalise on key growth trends in the nutrition industry. We are ambitious and will continue to invest to sustain this momentum.

“ **2015 WAS A VERY GOOD YEAR AT GLANBIA PLC. WE ACHIEVED STRONG EARNINGS AND CASH GROWTH AND DELIVERED ON OUR CAPITAL INVESTMENT AND ACQUISITION PROGRAMMES.** ”

SIOBHÁN TALBOT
Group Managing Director

GROWTH DRIVERS

Our performance was underpinned by another year of strong growth in Glanbia Performance Nutrition (GPN) with EBITA up 28.3%, constant currency and margins at 14.7% up 250 basis points, constant currency. Our recently acquired Isopure brand performed well in 2015. We also completed the acquisition of the US based snack bar business – thinkThin – a brand that very much complements our existing GPN portfolio.

In addition, we saw a recovery of margins in Dairy Ireland by 140 basis points to 4.5%. Our decision in recent years to sustain investment levels both in our leading brands and in the infrastructure of the business delivered returns and we saw revenue growth and margin recovery in that segment of the business.

Global Ingredients (GI) experienced a challenging market environment in 2015 as a consequence of difficult US and global dairy markets. This resulted in an 11.6% EBITA decline, constant currency, while margins at 8.8% were up 20 basis points constant currency. However, the team had a number of significant successes in 2015. We continue to invest in our strategy of adding value to our whey streams and completed the high-end whey investment in our Idaho plant during the year.

We had particular success in 2015 in the bar sector in the US and equally, on the non-dairy side, our Customised Solutions business and our emerging platforms such as grains and vegetable proteins are all developing well with good revenue growth. Our strategic Joint Ventures & Associates progressed well in 2015. The JV model is one which we are very comfortable with; we see it as very complementary to our GI business. Clearly, as our Joint Ventures & Associates are predominantly large scale dairy businesses, market conditions were challenging but overall the businesses delivered extremely well against their strategic plans.

BOARD CHANGES

During the year Henry Corbally was appointed Group Chairman following the retirement of Liam Herlihy. Throughout his tenure, Liam's depth of experience and knowledge of the Group provided strong and focused Board leadership.

Three Non-Executive Directors nominated by Glanbia Co-operative Society Limited; David Farrell, Patrick Gleeson and William Carroll retired from the Board during the year. Patrick Murphy was appointed Group Vice-Chairman following Henry's appointment as Group Chairman. Patsy Ahern, Jim Gilsean, Patrick Hogan and Tom Grant were also appointed to the Board as nominees of the Society.

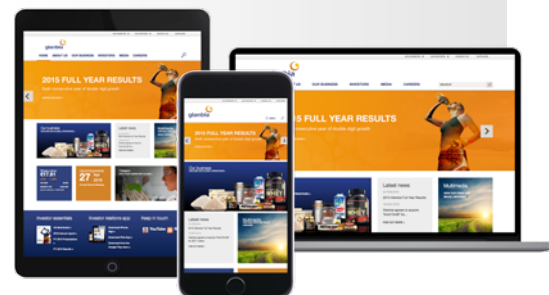
2016 OUTLOOK

Our outlook for 2016 is to sustain our growth and we are guiding growth in adjusted earnings per share of 8% to 10%, constant currency. The growth profile of Glanbia will continue to be a blend of organic growth through innovation and strategic capital investment and acquisition.

We have an active development pipeline and will look for opportunities to invest in complementary technologies, ingredients and brands that extend our customer and consumer reach.

In terms of our individual segments, we are ambitious to continue the momentum in our two key global platforms and believe that the prospects are positive for Glanbia Performance Nutrition and Global Ingredients for 2016. Dairy Ireland and Joint Ventures & Associates are expected to be broadly in line with 2015 performance.

While there are challenges in the global economic and dairy market landscape, we believe that our market leading positions and strong execution skills will sustain our growth momentum in 2016.



WWW.GLANBIA.COM

REPRESENTATIVE STRUCTURE

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

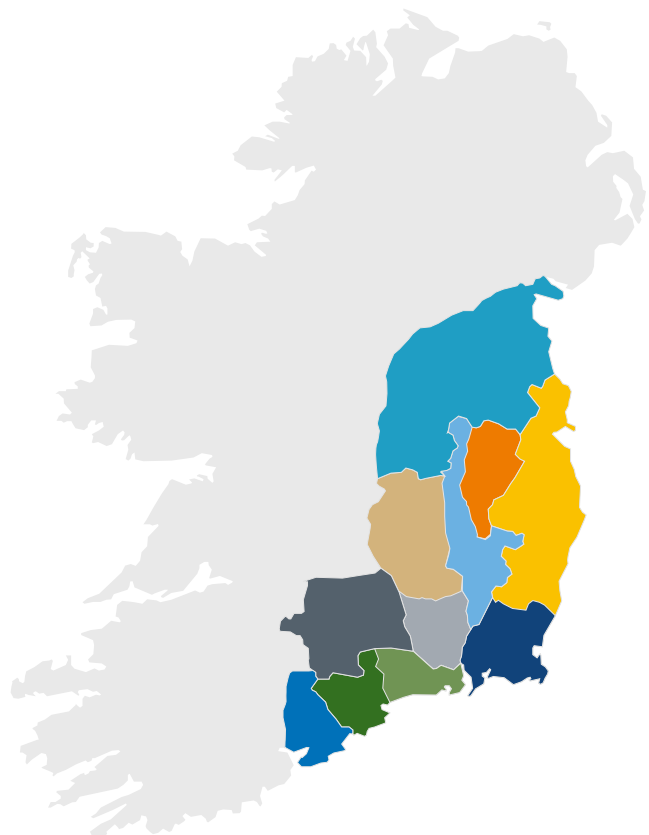
This structure acts as a mechanism for communication between members and the Board and management of the Society. The Committees also facilitate two-way communication within the representative structure and provide a training forum for potential Council and Board members.

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



11 REGIONS

- Barrowvale
- Castlelyons
- Donaghmore / Monasterevin
- East Waterford
- Northern
- North Kilkenny
- North Wexford / East Wicklow
- South Kilkenny
- South Tipperary
- South Wexford
- West Waterford



COUNCIL MEMBERS

at 31 December 2015

Members of the Council are elected by Area and Regional Committees. The Council is responsible for all aspects of the Society membership and shareholding and for ratifying nominations by the Regional Committees for election to the Society's Board. The Council is a forum for discussion of Society business matters with the Board and Management. It also provides a training forum for potential Board members.

BARROWVALE

W. Barrett
B. Dunne
V. Gorman
L. Hannon
R. Prendergast
S. O'Shea
M. Purcell
J. Ryan

DONAGHMORE / MONASTEREVIN

P. Ennis
K. Flynn
M. Keane
J. Mahon
M. McEvoy
M. Merrick
J. Murphy
S. O'Loughlin

NORTH WEXFORD / EAST WICKLOW

R. Boyd
J. Byrne
P. Darcy
A. Evans
C. Hill
G. Lyons
J. Murphy
D. O'Neill

SOUTH TIPPERARY

D. Butler
W. Carroll
T. Grant
D. Kennedy
D. Norton
M. Walsh

CASTLELYONS

P. Ahern
J. Buttimer
M. Hogan
L. Kearney
J. Mulcahy
T. Murphy
Ty. Murphy

EAST WATERFORD

B. Hayes
J. Kiersey
N. Moore
J. P. Nugent
R. Shanahan
J. Tighe

NORTHERN

A. Brogan
H. Corbally
J. Gilsenan
J. Maxwell
E. McEnteggart
K. Meade
J. Murphy
M. O'Flaherty
D. O'Sullivan
A. Rogers

SOUTH WEXFORD

P. Barron
J. Fitzgerald
R. Hammell
D. O'Dwyer
J. O'Neill
E. Power

CORPORATE

R. Cody
P. Cormack
P. Daly
J. Hogan
P. Hogan
P. Kennedy
J. Power

NORTH KILKENNY

V. Cunningham
J. Doherty
M. Healy
P. Mullan
J. Robinson
J. Regan
P. Walshe

SOUTH KILKENNY

N. Kelly
P.J. Malone
P. Murphy
J. O'Brien
J. Walsh (Carrigeen)
J. Walsh (Piltown)
M. Walsh

WEST WATERFORD

D. Dower
P. Fennell
J. Harty
M. Keane
Patrick Kiely
Peter Kiely
N. Looby



BOARD MEMBERS

BACK ROW (LEFT TO RIGHT)

Eamon Power (aged 61) was re-appointed to the Board on 26 May 2011 and has served four full years on the Board in the current term. He previously served nine full years on the Board. Eamon has completed the University College Cork Diploma in Corporate Direction.

Vincent Gorman (aged 59) was appointed to the Board on 27 June 2013 and has served two full years on the Board.

Patsy Ahern (aged 58) was appointed to the Board on 12 June 2015 and has served less than one full year on the Board.

Brendan Hayes (aged 55) was re-appointed to the Board on 30 May 2014 and has served one full year on the Board in the current term. He previously served three full years on the Board. He has completed the University College Cork Diploma in Corporate Direction.

Michael Horan (aged 51) was appointed as Group Secretary on 9 June 2005, having previously held the position of Group Financial Controller since June 2002. He joined the Glanbia Group in 1998 as Financial Controller of the Fresh Pork business in Ireland. Michael previously worked with Almarai Company Limited in Saudi Arabia and BDO Simpson Xavier. A fellow of the Institute of Chartered Accountants in Ireland, Michael graduated from the National University of Ireland, Galway with a Bachelor of Commerce.

Siobhán Talbot (aged 52) was appointed as Group Managing Director on 12 November 2013, having been appointed Group Managing Director Designate on 1 June 2013. She was previously Group Finance Director and her role encompassed responsibility for Group strategic planning. She has been a member of the Group Executive Committee since 2000 and the Board since 2009 and has held a number of senior positions since she joined the Group in 1992.

She is also a director of the Irish Business Employers' Confederation (IBEC). Prior to joining the Group, she worked with PricewaterhouseCoopers in Dublin, Ireland and Sydney, Australia. A fellow of the Institute of Chartered Accountants in Ireland, Siobhán graduated from University College Dublin with a Bachelor of Commerce and Diploma in Professional Accounting.

Matthew Merrick (aged 64) was appointed to the Board on 9 June 2005 and has served ten full years on the Board. He has completed the University College Dublin Diploma in Corporate Governance.



Michael Keane (aged 63) was re-appointed to the Board on 29 June 2010 and has served five full years on the Board in the current term. He previously served two full years on the Board.

John Murphy (aged 53) was appointed to the Board on 29 June 2010 and has served five full years on the Board. He is Vice Chairman of the National Dairy Council Board. He has completed the University College Cork Diploma in Corporate Direction.

Jim Gilsenan (aged 56) was re-appointed to the Board on 12 June 2015 and has served less than one full year on the board in the current term. He previously served 11 full years on the Board. Jim has completed the University College Cork Diploma in Corporate Direction.

Jer Doheny (aged 61) was appointed to the Board on 29 May 2012 and has served for three full years on the Board. Jer has completed the University College Cork Diploma in Corporate Direction.

Tom Grant (aged 61) was appointed to the Board on 15 December 2015 and has served less than one full year on the Board.

Patrick Hogan (aged 64) was appointed to the Board on 12 June 2015 and has served less than one full year on the Board.

SEATED (LEFT TO RIGHT)

Patrick Murphy (aged 57) was appointed Vice-Chairman on 12 June 2015. Patrick was appointed to the Board on 26 May 2011 and has served four full years on the Board. Patrick is a Director of Farmer Business Developments plc.

Henry Corbally (aged 61), was appointed Group Chairman on 12 June 2015. Henry was appointed to the Board on 9 June 1999 and has served 16 full years on the Board. Henry holds a certificate of merit in Corporate Governance from University College Cork. He is a former Vice-Chairman of the National Dairy Council.

Martin Keane (aged 60), Vice-Chairman, was appointed to the Board on 24 May 2006 and has served nine full years on the Board. Martin has completed the ICOS Co-operative Leadership Programme. Martin is President of Irish Co-operative Organisation Society Limited and a Director of Ornuia Co-operative Limited.

RETIRING GLANBIA COUNCIL MEMBERS IN 2015

“A number of Council members retired during 2015 and I would like to sincerely thank them for their contribution and commitment to the Society over the course of their tenure. I would also like to welcome our new Council members and wish them every success for the future.”

HENRY CORBALLY,
Group Chairman



1 – Glanbia Group Chairman Henry Corbally, with Donal Howard, Bernie Howard and Edel Corbally. Donal retired last year having served 17 years on the Council.

2 – Glanbia Group Chairman Henry Corbally, with Michael Parsons, Mary Parsons and Edel Corbally. Michael retired last year having served on the Council since the early 1990's.



3 – Glanbia Group Chairman Henry Corbally, with Trevor Bennett, Nancy Bennett and Edel Corbally. Trevor retired last year having served one year on the Council.

4 – Glanbia Group Chairman Henry Corbally, with David Farrell, Josephine Farrell and Edel Corbally. David retired from the Board last year having served four years and he also retired from the Council having served since 2010.

GROUP CHAIRMAN LIAM HERLIHY RETIRES



1

1 – Pictured at a dinner held on 1 October 2015 to mark the contribution of former Group Chairman Liam Herlihy to Glanbia were (left to right) Glanbia Chairman Henry Corbally and his wife Edel, Mary and Liam Herlihy with Siobhan Talbot, Glanbia Group Managing Director.



2



4

2 – Edmond Connolly, CEO, Macra Na Feirme with Billy Murphy GII Board member and John Harnedy, retired General Manager of GII Virginia attending Liam Herlihy's retirement dinner.

3 – Glanbia Board member Patsy Ahern and Tony Murphy, Glanbia Council member attending Liam Herlihy's retirement dinner.

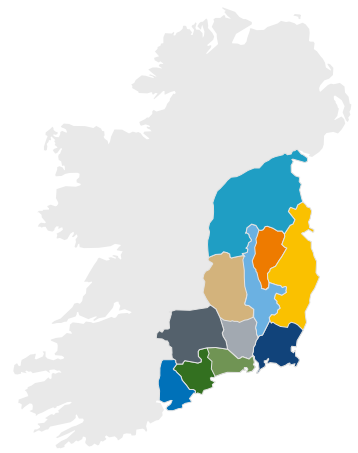
4 – Fiona Murphy, Annette Kearney, Larry Kearney, Tom Murphy, Mary Murphy and David Murphy attending Liam Herlihy's retirement dinner.



3

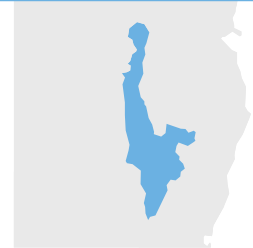
REGIONAL COMMITTEE MEMBERS

at 31 December 2015



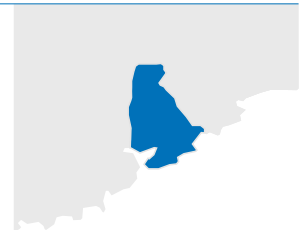
BARROWVALE

W. Barrett	A. Finnegan	B. Kehoe	N. O'Donnell	M. Purcell
E. Donohoe	J. Flood	P. Kelly	J. O'Gorman	J. G. Ryan
P. Donohue	V. Gorman	D. Leigh	C. O'Kelly	J. Ryan
J. Duffy	L. Hannon	W. Lennon	E. O'Mahoney	L. Walsh
M. Dunne	D. Kavanagh	C. Moran	S. O'Shea	R. Whelan
B. Dunne	E. Kealy	E. Murphy	R. Prendergast	



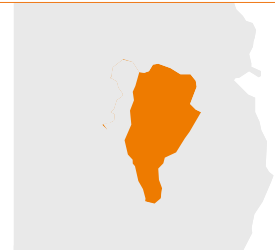
CASTLELYONS

P. Ahern	F. Hayes	T. Kearney	D. Murphy	S. Roche
J. Barry	S. Healy	L. Kearney	J. Murphy	
J. Buttimer	T. Hegarty	J. Leamy	T. Murphy	
S. Fitzgerald	P. Hegarty	D. Lynch	Ty. Murphy	
S. Fleming	M. Hogan	J. Mulcahy	O. O'Brien	
P. Fouhy-Barry	D. Howard	K. Moloney	M. O'Riordan	



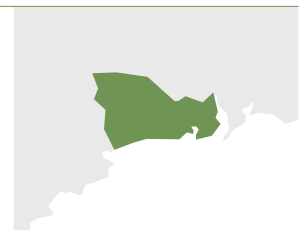
DONAGHMORE / MONASTEREVIN

M. Bergin	T. Garry	A. Lalor	N. Moriarty	A. Stephenson
E. Cummins	N. Graham	M. Mahon	J. Murphy	J. Talbot
N. Dooley	M. Guinan	J. Mahon	H. Murphy	D. Tierney
J. Dwyer	T. Horan	M. McEvoy	S. O'Loughlin	J. Walsh
P. Ennis	P. Hyland	B. McGlynn	J. J. O'Rourke	
T. Fitzgerald	M. Keane	P. McWey	T. Phelan	
K. Flynn	P. Keegan	M. Merrick	S. Phelan	



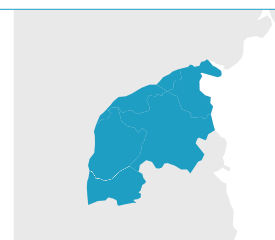
EAST WATERFORD

R. Callanan	M. Hahessy	J. Mackey Jnr.	M. O'Brien	S. Power
P. Cusack	M. Hanley	R. Mahony	W. O'Callaghan	J. Quigley
G. Dowdall	B. Hayes	N. Moore	P. O'Connell	R. Shanahan
M. Foran	M. Hayes	J. Mulligan	J. O'Donnell	J. Skehan
T. Galvin	M. Kent	W. Murphy	J. Phelan	J. Tighe
P. Gough	J. Kiersey	A. Murphy	E. Phelan	C. Walsh
T. Hahessy	M. Kirby	J. P. Nugent	P. Power	D. Walsh



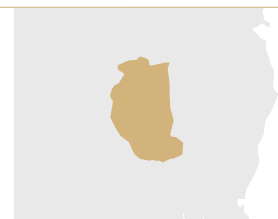
NORTHERN

E. Bray	S. Donohoe	P. Holton	D. Mullen	D. O'Sullivan
A. Brogan	D. Fagan	J. Howell	J. Murphy	A. Rogers
B. Carey	D. Farrell	D. Lally	P.J. Nangle	M. Stafford
D. Carroll	S. Finnegan	J. Maxwell	B. O'Donoghue	V. Ward Jnr.
J. Clinton	A. Gerraghty	E. McEnteggart	M. O'Flaherty	
S. Commons	S. Gibney	K. Meade	T. O'Halloran	
H. Corbally	J. Gilsenan	P. Morrin	P. O'Sullivan	



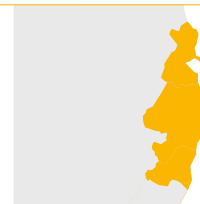
NORTH KILKENNY

T. Cooke	J. Dowling	J. Mulhall	J. Robinson	Padraig Walshe
W. Costigan	J. Gannon	P. Mullan	M. Rowe	Patrick Walsh
V. Cunningham	M. Healy	T. Murphy	J. Ryan	
N. Deevy	K. Hoyne	M. Parsons	M. Treacy	
J. Doheny	T. Kearney	J. Regan	J. Walsh	



NORTH WEXFORD / EAST WICKLOW

R. Boyd	N. Darcy	E. Healy	D. O'Neill
M. Byrne	D. Devereux	C. Hill	S. Rose
J. Byrne	A. Evans	B. Kehoe	JJ. O'Shaughnessy
E. Copeland	C. Fox	G. Lyons	T. Short
P. Darcy	V. Gahan	J. Murphy	S. Tracey



SOUTH KILKENNY

M. Aylward	M. Downey	N. Kelly	J. O'Dwyer	J. Walsh (Carrigeen)
R. Barry	B. Dunne	P. Kirwan	P. O'Hanlon	J. Walsh (Piltown)
P. J. Byrne	J. Fitzpatrick	T. Mackey	R. O'Neill	M. Walsh
T. Corcoran	T. Heffernan	P. J. Malone	M. Phelan	P. Walsh
W. Crowley	W. Heffernan	J. Murphy	S. Reid	S. Walsh
B. Daniels	P. J. Irish	P. Murphy	J. Ryan	T. Walsh
G. Doherty	W. Kearns	J. O'Brien	A. Smyth	



SOUTH TIPPERARY

D. Butler	P. Feehan	D. Kennedy	R. O'Connell	B. Sheehy
N. Butler	P. Flaherty	G. Leahy	D. O'Loughlin	M. Walsh
W. Carroll	T. Grant	M. Madden	P. Quigley	
D. Corcoran	E. Hall	D. Morrissey	J. Ryan	
M. Croke	M. Horan	D. Norton	M. Ryan	



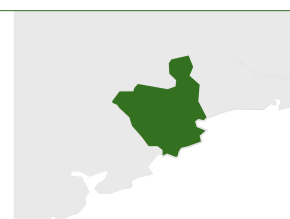
SOUTH WEXFORD

B. Barnwell	J. Cullen	R. Hammell	Anthony O'Connor	W. Quaid
F. Barron	F. Curtis	A. Murphy	D. O'Dwyer	T. Quinn
P. Barron	G. Dunne	J. Murphy	T. O'Hanlon	A. Redmond
R. Barron	J. Fitzgerald	M. Murphy	J. O'Neill	N. Roberts
T. Brennan	W. Gleeson	W. O'Brien Jnr	J. Pollard (R.I.P.)	S. Windsor
T. Corcoran	S. Grace	Aidan O'Connor	E. Power	



WEST WATERFORD

P. Cooney	L. Fenton	Peter Kiely	W. O'Donoghue	M. Sheehan
L. Curran	J. Harty	N. Looby	M. O'Gorman	C. Smiddy
D. Dower	M. Hennebry	V. McCarthy	S. Osborne	T. Walsh
P. Drohan	M. Keane	J. McKeon	E. Power	
N. Dunphy	J. Keating	J. O'Brien	T. Power	
P. Fennell	Patrick Kiely	G. O'Brien	W. Shanahan	



FARMER ENGAGEMENT 2015

Our farmer suppliers and Society members are at the heart of our organisation and understanding your views is important to us.

Last year, we held a number of farmer engagement events which offered an excellent opportunity to engage with our members.



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1 – John Barrett from Togher Co. Cork, who bred the winner of the 2015 Diageo Baileys Champion Dairy Cow Competition pictured with (l-r) Henry Corbally, Glanbia Group Chariman, Mairead McGuinness MEP and Breffni O'Reilly, Diageo.

2 – David Kerr, Portlaoise speaking to MC Kieran O'Connor, and George Ramsbottom, Teagasc at the Glanbia seminars during the 2015 National Ploughing Championships.

3 – Minister for Agriculture and Defence Simon Coveney, Group Chairman Henry Corbally, Fionnuala Malone, GII senior milk quality manager, and some of the recipients of the 2015 CellCheck milk quality awards.

4 – A selection of the crowd attending the Glanbia stand during the 2015 National Ploughing Championships.

5 – Glanbia farmers attending an open day as part of the Teagasc / Glanbia monitor farm programme.



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6 – A selection of the 3,000 Society members attending the Special General Meeting at Gowran on 14 May 2015.

7 – Pictured at the Teagasc Moorepark Dairy Open Day in Fermoy, Co. Cork were Mattie Murphy, Glenville, Jerry Cronin, Glanbia, Shane Fitzgerald, Ballynoe, Pdraig Higgins, Ballynoe and Dr Karina Pierce, UCD.

8 – A group of Glanbia farmers attending the Glanbia milk quality workshop at Teagasc, Kildalton, Co. Kilkenny.

9 – Pat Murphy, winner of the GAIN Champion Yearling Heifer class at the Clonmel Show with Board Member Brendan Hayes.



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JOHN DUGGAN – PLUNKETT AWARD

Former Chairman of Avonmore and Glanbia co-operatives, John Duggan, was recognised for his lifelong contribution to the Irish co-operative movement when he was awarded the Plunkett Award for co-operative endeavour. The Plunkett Award is the premier honorary award made by ICOS annually. It is presented to one individual each year who is regarded as having made an outstanding lifelong contribution to the co-operative movement in Ireland. As the Chairman of Avonmore Co-operative and plc, John Duggan was instrumental in the formation of Glanbia Co-operative through the amalgamation of Avonmore and Waterford Co-operatives in 1997, following which he was elected as its first Chairman, a position he held until 2000. In recognition of this award, John received a presentation from Glanbia Group Chairman Henry Corbally and Council delegates from his South Tipperary region.

From left to right – David Kennedy, Dan Butler, Tom Grant, Henry Corbally, John Duggan, Michael Walsh, Dan Norton and William Carroll.



SUMMARY PROFIT AND LOSS ACCOUNT

FOR THE SOCIETY AND ITS SUBSIDIARIES (EXCLUDING GLANBIA PLC AND GII)

	2015	2014
	€'000	€'000
Dividend income from Glanbia plc	13,281	12,699
Representative structure fees and expenses	(911)	(1,126)
Administration costs	(1,905)	(1,207)
Operating profit	10,465	10,366
Profit on sale of Glanbia plc shares	64,128	–
2015 SGM costs	(3,102)	–
Revaluation of investments – gain in year	400	400
Finance income / (costs)	647	(1,089)
Profit before taxation	72,538	9,677
Taxation	39	324
Profit after taxation	72,577	10,001
Appropriations from reserves		
Dividends	(4,193)	(3,416)
Spin out of Glanbia plc investment	(8,092)	(155)
Agribusiness fertiliser / feed / milk / grain patronage	(36,748)	(1,369)
Total appropriations	(49,033)	(4,940)
Net profit for the year after appropriations	23,544	5,061

SUMMARY BALANCE SHEET FOR THE SOCIETY AND ITS SUBSIDIARIES (EXCLUDING GLANBIA PLC AND GII)

	2015	2014
	€'000	€'000
Fixed Assets	1,421	1,539
Investments*	51,310	62,258
Cost of 60% investment in GII	84,808	84,808
Working capital	681	(3,173)
Revolving share plans	(23,056)	(8,355)
Pension obligations	(884)	(1,118)
Total cash and Glanbia plc balances at end of year	15,743	27,159
Receivable from GII	64,200	–
	194,223	163,118

* Investments in Glanbia plc are included in the summary balance sheet at cost. The market value of the 107.9 million (2014: 121.9 million) shares held in Glanbia plc was €1,965.9 million (2014: €2,075.9 million) based on a share price of €18.22 as at 18 March, 2016, (2014: €17.03 on 13 March, 2015).

SUMMARY CASHFLOW

FOR THE SOCIETY AND ITS SUBSIDIARIES (EXCLUDING GLANBIA PLC AND GII)

	2015 €'000	2014 €'000
Revolving share plan – proceeds from issue of new C shares	14,024	8,355
Dividend income from Glanbia plc	13,281	12,699
Disposal of 4 million Glanbia plc shares	67,400	–
Inflow	94,705	21,054
Dividend payment	(3,979)	(2,346)
Revolving share plan – purchase of C shares	(19)	(23,747)
Issue of shares in Glanbia Co-operative Society Limited	3,364	–
Interest, administration and other costs	(4,539)	(2,502)
Agribusiness fertiliser / feed / milk / grain patronage	(36,748)	(1,369)
Loan to GII	(64,200)	–
(Outflow)	(106,121)	(29,964)
Net (outflow) of funds	(11,416)	(8,910)
Total cash and Glanbia plc balances at start of year	27,159	36,069
Total cash and Glanbia plc balances at end of year	15,743	27,159

SUMMARY NET CASH AND RELATED BALANCES FOR THE SOCIETY AND ITS SUBSIDIARIES (EXCLUDING GLANBIA PLC AND GII)

	2015 €'000	2014 €'000
Total cash and Glanbia plc balances at end of year	15,743	27,159
Loan receivable from GII	64,200	–
Revolving share plans	(23,056)	(8,355)
Net cash and related balances at end of year	56,887	18,804

To maximise the returns to the Society an amount of €45 million has been lent to GII repayable on the demand of the Society. The balance of €19.2 million lent to GII matches the repayment term of the 2015 Revolving Share Plan as previously communicated to Society members.

EXTRACTS FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF GLANBIA CO-OPERATIVE SOCIETY LIMITED

CONSOLIDATED GROUP INCOME STATEMENT

for the financial year ended 02 January 2016

	Pre- exceptional 2015 €'000	Exceptional 2015 €'000	Total 2015 €'000	Pre- exceptional 2014 €'000	Exceptional 2014 €'000	Total 2014 €'000
Revenue	3,627,811	–	3,627,811	3,415,881	–	3,415,881
Earnings before interest, tax and amortisation (EBITA)	306,185	(29,452)	276,733	241,179	(15,949)	225,230
Intangible asset amortisation	(32,318)	–	(32,318)	(23,487)	–	(23,487)
Operating profit	273,867	(29,452)	244,415	217,692	(15,949)	201,743
Finance income	2,005	–	2,005	1,764	–	1,764
Finance costs	(26,618)	–	(26,618)	(26,532)	–	(26,532)
Share of results of Joint Ventures & Associates	14,583	–	14,583	13,289	–	13,289
Profit before taxation	263,837	(29,452)	234,385	206,213	(15,949)	190,264
Income taxes	(40,930)	2,543	(38,387)	(31,751)	1,870	(29,881)
Profit for the year	222,907	(26,909)	195,998	174,462	(14,079)	160,383
Attributable to:						
Equity holders of the Parent			84,381			73,427
Non-controlling interests			111,617			86,956
			195,998			160,383

On behalf of the Board

H Corbally S Talbot Mn Keane
Directors

EXTRACTS FROM THE CONSOLIDATED FINANCIAL STATEMENTS OF GLANBIA CO-OPERATIVE SOCIETY LIMITED

CONSOLIDATED GROUP BALANCE SHEET

as at 02 January 2016

	2015 €'000	2014 €'000
ASSETS		
Non-current assets		
Property, plant and equipment	942,950	794,522
Intangible assets	962,290	671,559
Investments in associates	7,063	11,401
Investments in joint ventures	64,513	73,679
Trade and other receivables	1,850	9,863
Deferred income tax assets	43,556	36,959
Available for sale financial assets	16,054	14,555
	2,038,276	1,612,538
Current assets		
Inventories	484,915	465,138
Trade and other receivables	459,650	392,521
Derivative financial instruments	562	1,279
Cash and cash equivalents	230,008	142,361
	1,175,135	1,001,299
Total assets	3,213,411	2,613,837
EQUITY		
Issued capital and reserves attributable to equity holders of the Parent		
Share capital and share premium	46,217	42,018
Other reserves	157,814	118,707
Retained earnings	362,319	282,663
	566,350	443,388
Non-controlling interests	682,856	477,266
Total equity	1,249,206	920,654
LIABILITIES		
Non-current liabilities		
Borrowings	910,693	785,583
Deferred tax liabilities	213,783	135,781
Retirement benefit obligations	128,785	170,984
Provisions	49,274	34,296
Capital grants	23,216	20,786
Derivative financial instruments	584	583
	1,326,335	1,148,013
Current liabilities		
Trade and other payables	542,944	499,141
Current tax liabilities	18,969	3,115
Borrowings	52,028	11,776
Derivative financial instruments	2,455	2,030
Provisions	19,480	29,108
Capital grants	1,994	–
	637,870	545,170
Total liabilities	1,964,205	1,693,183
Total equity and liabilities	3,213,411	2,613,837

On behalf of the Board

H Corbally S Talbot Mn Keane
 Directors

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