

Company name  
Headline

**IAWS Group PLC**  
**Preliminary Results**

RNS Number:4591J  
IAWS Group PLC  
26 September 2006

IAWS GROUP, PLC  
Preliminary Results Announcement  
Year ended 31 July 2006

IAWS GROUP, plc the international lifestyle foods and agribusiness group,  
announces its Preliminary Results for the year ended 31.7.2006.

Financial Highlights	31 July, 2006
*EPS diluted increased by 13.5%	81.60c
*Profit before tax up 14.6%	€123.5m
*Group operating profit 13.5% higher	€111.8m
Share of profit of associates and JV up 19.2%	€25.7m
Group revenue increased 10.6%	€1.56bn
Free cash flow (excluding disposals) up 20.5%	€100.7m
Group net borrowing	€216.5m
Final Dividend of 6.78 cent increases total by 13.5%	13.49c
* adjusted for intangible amortisation and exceptional items	

Operational Highlights

- Continued growth in the Food Division, achieving revenues of €975.4m. Year on year revenue growth in Food was 15.4 per cent and operating profits \* were up 15.9 per cent to €87.8m.
- Improved performance from Agribusiness Division with revenue increasing by 3.4 per cent to €582.0m and operating profits \* up 5.4 per cent to €24.0m.
- Due to the strong operational performance during the year, the Group's free cash flow increased by 20.5% to €100.7m.
- The third phase of expansion at La Brea Bakery, New Jersey completed at a cost of €50 million bringing the total investment in the New Jersey site to over €100 million.

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- Food Europe benefited from the first full year contribution from Groupe Hubert which was acquired in December 2004.
- The Group increased its shareholding in Hiestand Holding AG by 10% in an investment totalling €35.1m. The total shareholding is now 32%.
- The implementation of the Group wide Enterprise Resource Planning System (ERP) was successfully rolled out across the entire Lifestyle Food UK operation.

Chief Executive's comment:

Commenting on the 2006 performance, IAWS Group Chief Executive, Owen Killian said:

"The Group made excellent progress in 2006 with strong performances right across the business. The hallmark of the Food Division's performance is revenue growth combined with margin stability against a backdrop of rising input costs. Food North America completed a major capital investment programme in La Brea Bakery, New Jersey, that will provide a strong platform for future growth. Food Europe benefited from an excellent first full year financial contribution from French acquisition, Groupe Hubert, together with an excellent performance from our businesses in Ireland and the UK operating in competitive markets. The Agribusiness Division rebounded this year with increased demand for animal feed

ingredients and fertiliser. Rising costs are a feature of all food businesses and make for a very challenging environment. Nevertheless, we remain confident about our prospects for growth."

The Preliminary Results Announcement is available on the Group website [www.iaws.com](http://www.iaws.com). The institutional presentation will be posted on the website during the day.

ENDS.

Tuesday, 26th September 2006

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#### PRELIMINARY RESULTS STATEMENT

IAWS Group, plc announces an increase of 13.5 per cent in diluted earnings per share\* for the year ending 31 July 2006 to 81.60c compared to 71.89c in the previous year.

#### Revenue -----

Group revenue was 10.6 per cent higher at €1.557 billion (€1.408bn). The outstanding feature of the year was the performance of the Group's Food Division which achieved revenue of €975.4m which represented an increase of 15.4 per cent over the prior year. Food Europe delivered revenue growth of 13.1 per cent at €836.3 million while Food North America (excluding the Joint Venture) reported a 31.4 per cent increase in the year to €139.1 million. Total underlying sales within Food Europe and Food North America were up 6.7 per cent and 26.1 per cent, respectively. Underlying sales in the Agribusiness Division grew 3.0 per cent to €582.0 million.

#### Operating Profit -----

Total profit before financing\* including share of profit of associates and joint venture increased by 14.5 per cent to €137.5 million from €120.1 million. The Operating profit \* from the Food Division before share of profit from associates and joint venture was €87.8 million compared with €75.8 million in 2005 - an increase of 15.9 per cent. The third phase of expansion at La Brea Bakery was completed during the year boosting revenue and profit growth in Food North America. Food Europe benefited from the first full year contribution from Groupe Hubert which was acquired in December 2004. The Agribusiness Division also performed well with operating profits \* of €24.0 million which is 5.4 per cent higher than last year. Total operating margin \* was 7.2 per cent. The operating margin within Food remained constant at 9.0 per cent while the Agribusiness margin improved by 10 basis points to 4.1 per cent.

#### Profit for the Financial Year -----

The profit for the financial year was €99.1 million compared to €94.6 million in 2005. The 2005 comparative results include an exceptional profit after tax of €7.3 million arising, primarily, from an Agribusiness disposal while the 2006 results include the benefit of €0.5 million primarily due to the disposal of surplus property. Adjusted profit for the financial year \* (Note 7) increased by 14.4 per cent to €104.0 million compared with €90.9 million in 2005. A final dividend of 6.78 cent is proposed giving a total dividend for the year of 13.49 cent per share, an overall increase of 13.5 per cent.

#### Associates -----

Share of profit from associates and joint venture grew strongly increasing by over 19 per cent to €25.7 million compared with €21.5 million in 2005. The Tim Horton joint venture increased its contribution mainly due to favourable currency translation. The Group increased its shareholding in Hiestand Holding AG from 22 per cent to 32 per cent during the year with a consequent increase in contribution. In recent weeks Hiestand Holding AG reported half year results to 30 June 2006, showing revenue growth of 9.9 per cent with profits before interest and tax increasing by 12.7 per cent.

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#### Cash -----

Free cash flow excluding disposals increased by 20.5 per cent to €100.7 million confirming the continuing cash generative nature of the business.

#### Borrowings

Group net borrowings are €216.5m compared with €219.9m in 2005. The increase in shareholding in Hiestand Holding AG at a cost of €35.1 million accounts for the majority of acquisition investment expenditure of €43.1 million. New capital project investment expenditure of €67.9 million is principally accounted for by the investment in increased manufacturing capacity at La Brea Bakery, New Jersey, and continued investment in the Food Europe business. The Group also made a special contribution of €23.5m to the Group pension scheme. Interest cover at 9.9 times is in line with last year.

\*EPS, Pre-tax and Operating profit are stated here before intangible amortisation and exceptional items.

#### Review of Operations

##### Food Division

Food Europe: Food Europe which comprises the Lifestyle Food businesses in Ireland, the UK and France, as well as Shamrock Foods, increased revenue by 13.1 per cent to €836.3m. This reflects underlying sales growth of 6.7 per cent.

Operating profit\* in Food Europe increased by 12.9 per cent to €71.2 million. These results include a first full year contribution from Groupe Hubert which delivered strong revenue growth as the demand for premium quality, artisan product continues to increase. Groupe Hubert is a pioneer in the creation and distribution of bakery and savoury products to the craft and foodservice sectors in France. The company distributes a range of over 800 products to in excess of 20,000 customers. Research and development is a cornerstone of the company's success as the French market is demanding in terms of consumer tastes and food expectations.

Lifestyle Foods Ireland performed well during the year recording strong revenue growth in a very competitive marketplace. Successful development of new products in partnership with key customers is a major driver of revenue as is the consumer trend towards higher value premium products. Carroll Cuisine's €8.3 million Food Centre of Excellence in Tullamore, Co. Offaly which was completed in the year has doubled production capacity and offers customers a complete range of chilled food to go solutions. Shamrock Foods had a satisfactory year and continues to benefit from the growth in Roma and Shamrock branded product ranges.

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Lifestyle Foods UK delivered an excellent result in the year having undergone some substantial structural changes. The business now has a common IT platform to support future growth. The implementation of the Group wide ERP was successfully rolled out across the entire Lifestyle Foods UK operation. We now believe the UK business is structurally well positioned for future growth in what is a highly competitive marketplace.

Food North America: In North America the Group continues to make excellent progress. Revenue (excluding the Joint Venture) grew by 31.4 per cent to €139.1 million reflecting underlying sales growth of 26.1 per cent. Operating profit \* increased by 30.6 per cent to €16.6 million.

La Brea Bakery is now the established premium artisan bread brand in the US as confirmed by AC Nielsen. It is the only branded artisan bread programme offering nation wide coverage.

To satisfy growing demand the Group has continued its investment programme in production capacity at La Brea Bakery. The third phase of expansion at New Jersey has been completed. This €50 million development brings the total investment at the New Jersey facility to over €100 million. The benefits of this substantial and ongoing investment programme in the US are now beginning to flow. Operating from both the East and West Coast provides a distinct competitive advantage in the climate of rising fuel and transport costs. La Brea Bakery has absorbed substantial cost increases because it is operating at very high levels of efficiency and utilisation. The US market, while extremely competitive, offers substantial growth opportunities.

##### Development

Subsequent to the year end the Group has announced a €180 million investment in a new world class facility at a greenfield site in Grangecastle, Co. Dublin. This new facility will encompass research and development, manufacturing, distribution, an innovation centre and a training academy amongst other functions. The Group has entered into an option to dispose of the current operating site in Tallaght in 2009 following the relocation of its operations to Grangecastle for a minimum consideration of €48 million. To ensure we proactively develop knowledge, intellectual property and brand investment we have established IAWS Technology & Global Services Ltd ("TGS"). The future development of TGS will ensure knowledge management, which is a fundamental part of the continued success of the Group.

##### Agribusiness Division

Agribusiness, encompassing agri inputs and marine proteins, increased revenue by 3.4 per cent to €582.0 million reflecting underlying sales growth of 3.0 per cent. Operating profit \* increased by 5.4 per cent to €24.0 million. The key driver of the improved performance has been increased demand for feed ingredients and fertiliser together with a major cost focus within the business. A combination of record livestock numbers on Irish farms, firm demand for beef and a shortfall in production against the Irish national milk quota were all contributory factors driving demand in Ireland.

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Following the first year of the single farm decoupled payment, it seems that farmers have adopted a wait and see approach as far as the impact of decoupling on production decisions is concerned. Market confidence is higher than anticipated and were this to continue, it would abate the potential negative impact of decoupling particularly on the Irish suckler herd which is key to maintaining livestock numbers at current levels.

The agriculture industry in the UK has come through a period of enormous change and increasing efficiency in the use of inputs has meant rising productivity. There is substantial investment in UK bio-fuel's projects which is a boost to UK cereal production. These new markets have the potential to improve returns for arable farmers. They help underwrite the future UK cereal crop area and augur well for fertiliser demand.

Marine proteins made progress in a very challenging market due to fluctuating product prices and rising energy costs. The Group operates out of strategically well located facilities in Killybegs, Aberdeen, Grimsby and the Shetlands. Location is becoming even more important with increasing fuel costs impacting substantially on the economics of operating fish trawlers. Killybegs is an optimal location for fish trawlers and the Group is planning a substantial investment to facilitate projected increased landings at this port. A full planning application has been lodged with Donegal County Council.

#### Dividend

The Board is recommending a final dividend of 6.78 cent per share compared with 6.052 cent per share in 2005. Together with the interim dividend of 6.71 cent per share, this raises the total dividend payment for the year to 13.49 cent per share, an increase of 13.5 per cent on the 2005 dividend.

#### Outlook

The Group is well placed to achieve further growth from continuing operations in the current financial year. In particular, the Lifestyle Foods market opportunity remains strong notwithstanding increased costs within the food industry.

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#### IAWS Group, plc Group income statement for the year ended 31 July 2006

	Pre- exceptional 2006	Exceptional 2006	Total 2006	Pre- exceptional 2005	Exceptional 2005	Total 2005
	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	1,557,305	-	1,557,305	1,408,174	-	1,408,174
Cost of sales	(1,204,238)	-	(1,204,238)	(1,110,506)	-	(1,110,506)
Gross profit	353,067	-	353,067	297,668	-	297,668
Operating costs, net	(241,252)	1,347	(239,905)	(199,120)	8,627	(190,493)
Operating profit before amortisation of intangible assets	111,815	1,347	113,162	98,548	8,627	107,175
Amortisation of intangible assets	(7,100)	-	(7,100)	(4,624)	-	(4,624)
Operating profit	104,715	1,347	106,062	93,924	8,627	102,551
Share of profit of associates and joint venture	25,653	-	25,653	21,520	-	21,520

Profit before financing costs	130,368	1,347	131,715	115,444	8,627	124,071
Financing income	4,964	-	4,964	3,818	-	3,818
Financing costs	(18,893)	-	(18,893)	(16,118)	-	(16,118)
	-----	-----	-----	-----	-----	-----

Profit before tax	116,439	1,347	117,786	103,144	8,627	111,771
Income tax expense	(17,800)	(857)	(18,657)	(15,772)	(1,363)	(17,135)
	-----	-----	-----	-----	-----	-----

Profit for the financial year	98,639	490	99,129	87,372	7,264	94,636
	=====	=====	=====	=====	=====	=====

Attributable as follows:

Equity shareholders			98,798			94,360
Minority interest			331			276
			-----			-----
			99,129			94,636
			=====			=====

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IAWS Group, plc  
Other financial information  
for the year ended 31 July 2006

Earnings per share	2006	2005
Basic		
'- After exceptional items and intangible amortisation	78.68c	75.86c
Diluted		
'- After exceptional items and intangible amortisation	77.77c	74.87c
Basic		
'- Before exceptional items and intangible amortisation	82.55c	72.84c
Diluted		
'- Before exceptional items and intangible amortisation	81.60c	71.89c
Free Cash flow per diluted ordinary share (including disposals)	82.87c	80.27c
Free Cash flow per diluted ordinary share (excluding disposals)	79.23c	66.26c
Dividend per ordinary share	13.49c	11.89c

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IAWS Group, plc  
Group statement of recognised income and expense  
for the year ended 31 July 2006

2006	2005
€'000	€'000

Items of income and expense recognised directly in equity

Foreign exchange translation adjustment	(57)	(1,097)
Share of associates' foreign exchange translation adjustment	524	-
Actuarial gain/(loss) on Group and associate defined benefit pension schemes	4,811	(10,175)
Deferred tax effect of actuarial (loss)/gain	(469)	1,063
Gains relating to cash flow hedges	153	-
Deferred tax effect of cash flow hedges	(40)	-
	-----	-----

Net income/(expense) recognised directly in equity	4,922	(10,209)
Profit for the financial year	99,129	94,636
	-----	-----

Total recognised income and expense for the year	104,051	84,427
	=====	=====

Attributable as follows:

Equity shareholders	103,699	84,226
Minority interest	352	201
	-----	-----

Total recognised income and expense for the year	104,051	84,427
	=====	=====

Impact of first time adoption of financial instrument standards, IAS 32 and IAS 39

Cash flow hedges	711	
Deferred tax relating to cash flow hedges	(89)	
	-----	
	622	
	=====	

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IAWS Group, plc  
Group balance sheet  
as at 31 July 2006

2006	2005
€'000	€'000

ASSETS

Non current assets		
Property, plant and equipment	308,388	287,578
Goodwill and intangible assets	334,024	336,028
Investments in associates and joint venture	159,221	116,087
Other investments	203	242
Deferred tax assets	8,474	15,029
	-----	-----

Total non current assets	810,310	754,964
	-----	-----

Current assets		
Inventory	88,539	88,299
Trade and other receivables	206,178	173,514
Derivative financial instruments	1,532	-
Cash and cash equivalents	74,556	47,687
	-----	-----

Total current assets	370,805	309,500
	-----	-----

TOTAL ASSETS	1,181,115	1,064,464
	=====	=====

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IAWS Group, plc  
Group balance sheet (continued)  
as at 31 July 2006

	2006	2005
	€'000	€'000
<b>EQUITY</b>		
Called up share capital	37,856	37,471
Share premium	51,899	43,745
Retained earnings and other reserves	388,071	298,215
	-----	-----
Total equity attributable to equity shareholders of parent	477,826	379,431
Minority interest	2,910	3,924
	-----	-----
<b>TOTAL EQUITY</b>	<b>480,736</b>	<b>383,355</b>
	-----	-----
<b>LIABILITIES</b>		
Non current liabilities		
Interest bearing loans and borrowings	285,945	237,555
Employee benefits	8,876	36,852
Deferred government grants	3,006	3,359
Other payables	345	450
Deferred tax liabilities	49,902	51,785
Provisions	30,360	31,950
	-----	-----
Total non current liabilities	378,434	361,951
	-----	-----
Current liabilities		
Interest bearing borrowings	5,136	30,001
Trade and other payables	299,570	273,465
Corporation tax payable	13,832	11,027
Derivative financial instruments	747	-
Provisions	2,660	4,665
	-----	-----
Total current liabilities	321,945	319,158
	-----	-----
<b>TOTAL LIABILITIES</b>	<b>700,379</b>	<b>681,109</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,181,115</b>	<b>1,064,464</b>
	=====	=====

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IAWS Group, plc  
Group cash flow statement  
for the year ended 31 July 2006

	2006	2005
	€'000	€'000
<b>Cash flows from operating activities</b>		
Profit before tax	117,786	111,771
Financing costs, net	13,929	12,300
Share of profit of associates and joint venture	(25,653)	(21,520)
Depreciation of property, plant and equipment	27,631	23,932
Amortisation of intangible assets	7,100	4,624
Amortisation of government grants	(354)	(438)
Employee share-based payment charge	1,550	867
Loss/(profit) on termination of operations	572	(8,627)
(Profit)/loss on disposal of non current assets	(1,919)	454
Foreign exchange (gains)/losses	(684)	728
Special pension contribution	(23,496)	-
	-----	-----

Operating profit before changes in working capital	116,462	124,091
(Increase)/decrease in inventory	(84)	4,598
(Increase) in trade and other receivables	(32,124)	(26,229)
Increase in trade and other payables	21,189	18,049
	-----	-----
Cash generated from operating activities	105,443	120,509
Interest paid	(11,880)	(12,411)
Income tax paid	(11,583)	(18,771)
Dividends paid to minority interests	-	(205)
	-----	-----
Net cash inflow from operating activities	81,980	89,122

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IAWS Group, plc  
Group cash flow statement (continued)  
for the year ended 31 July 2006

	2006	2005
	€'000	€'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	4,448	2,451
Purchase of property, plant and equipment		
+ Ongoing	(7,910)	(7,363)
+ New investments	(67,947)	(43,931)
Acquisition of subsidiaries, businesses and associates, net of cash acquired	(2,644)	(94,141)
Disposal of subsidiaries and businesses	-	14,743
Disposal of other investments	655	-
Dividends received	19,118	16,223
Purchase of minority interest	(1,366)	-
Investments in and advances to associates and joint venture	(35,061)	(3,304)
Deferred consideration and acquisition costs paid	(3,988)	(6,788)
Other	(480)	33
	-----	-----
Net cash flow from investing activities	(95,175)	(122,077)
	-----	-----
Cash flows from financing activities		
Proceeds from issue of share capital	8,539	6,121
Drawdown of loan capital	67,144	46,409
Capital element of finance lease liabilities	(20,453)	(565)
Equity dividends paid	(16,036)	(14,052)
	-----	-----
Net cash flow from financing activities	39,194	37,913
	-----	-----
Net increase in cash and cash equivalents	25,999	4,958
Translation adjustment	380	(155)
Cash and cash equivalents at start of year	43,419	38,616
	-----	-----
Cash and cash equivalents at end of year	69,798	43,419
	=====	=====

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IAWS Group, plc  
Notes to the Preliminary results statement  
for the year ended 31 July 2006

#### 1 Basis of preparation

The auditor has issued an unqualified audit opinion on the Group financial statements for the year ended 31 July 2006 from which certain financial information included on pages 7 to 21 of this preliminary results statement has been extracted

#### 2 International financial reporting standards

As required by European Union (EU) law, from 1 August 2005 the Group financial statements have been prepared in accordance with International

Financial Reporting Standards (IFRSs) as adopted by the EU.

These are the Group's first financial statements prepared in accordance with IFRS as adopted by the EU and IFRS 1, First-time Adoption of International Financial Reporting Standards has been applied.

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IAWS Group, plc  
Notes to the Preliminary results statement (continued)  
for the year ended 31 July 2006

3 Segmental information

(a) Analysis by business segment

(i) Segment revenue and result	FOOD EUROPE		FOOD NORTH AMERICA		AGRI		ELIMINATIONS*		TOTAL GROUP	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Segment revenue	836,278	739,350	191,972	152,707	581,955	563,004	(52,900)	(46,887)	1,557,305	1,408,174
Operating profit before exceptional items	71,190	63,052	16,631	12,734	23,994	22,762	-	-	111,815	98,548
Exceptional items	-	-	(228)	-	1,575	8,627	-	-	1,347	8,627
Operating profit before amortisation of intangible assets	71,190	63,052	16,403	12,734	25,569	31,389	-	-	113,162	107,175
Amortisation of intangible assets	(6,612)	(4,429)	(264)	(27)	(224)	(168)	-	-	(7,100)	(4,624)
Operating profit	64,578	58,623	16,139	12,707	25,345	31,221	-	-	106,062	102,551
Share of profit of associates and joint venture	9,155	6,800	14,793	12,598	1,705	2,122	-	-	25,653	21,520
Profit before financing costs	73,733	65,423	30,932	25,305	27,050	33,343	-	-	131,715	124,071

\* The eliminations detailed above consist of the joint venture revenues within the Food North America business

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IAWS Group, plc  
Notes to the Preliminary results statement (continued)  
for the year ended 31 July 2006

3 Segmental information (continued)

a. Analysis by business segment (continued)

(ii) Segment assets	FOOD EUROPE		FOOD NORTH AMERICA		AGRI		TOTAL GROUP	
	2006	2005	2006	2005	2006	2005	2006	2005
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Segment assets excluding investments in associates and joint venture	567,000	552,341	170,678	159,419	199,451	173,659	937,129	865,419
Investments in associate and joint venture	85,463	40,463	65,577	65,753	8,181	9,871	159,221	116,087
Segment assets	652,463	592,804	236,255	225,172	207,632	183,530	1,096,350	1,001,506

Reconciliation to total assets as reported in Group balancesheet

Listed investments

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Derivative

financial instruments	1,532	-
Cash and cash Equivalents	74,556	47,687
Income tax and deferred tax assets	8,474	15,029
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Total assets as reported in Group balance sheet	1,181,115	1,064,464
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IAWS Group, plc  
Notes to the Preliminary results statement (continued)  
for the year ended 31 July 2006

3 Segmental information (continued)

a. Analysis by business segment (continued)

(iii) Segment liabilities	FOOD EUROPE		FOOD NORTH AMERICA		AGRI		TOTAL GROUP	
	2006	2005	2006	2005	2006	2005	2006	2005
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Segment liabilities	208,455	215,083	23,565	23,421	112,797	112,237	344,817	350,741
	=====	=====	=====	=====	=====	=====		
Reconciliation to total liabilities as reported in Group balance sheet								
Interest bearing loans and liabilities							291,081	267,556
Derivative financial instruments							747	-
Income tax and deferred tax liabilities							63,734	62,812
							-----	-----
Total liabilities as reported in the Group balance sheet							700,379	681,109
							=====	=====

(iv) Other segment information

Depreciation	15,846	12,537	5,532	4,812	6,253	6,583	27,631	23,932
Capital expenditure - property, plant and equipment	18,041	45,924	27,006	17,306	8,545	8,225	53,592	71,455
Capital expenditure - computer related intangibles	4,586	3,145	-	281	108	415	4,694	3,841
Capital expenditure - brand related intangibles	-	-	-	-	782	-	782	-
	-----	-----	-----	-----	-----	-----	-----	-----
Total capital expenditure	22,627	49,069	27,006	17,587	9,435	8,640	59,068	75,296
	=====	=====	=====	=====	=====	=====	=====	=====

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IAWS Group, plc  
Notes to the Preliminary results statement (continued)  
for the year ended 31 July 2006

3 Segmental information (continued)

(b) Analysis by geographical segment

	EUROPE		NORTH AMERICA		TOTAL GROUP	
	2006	2005	2006	2005	2006	2005
	€'000	€'000	€'000	€'000	€'000	€'000
Segment revenue	1,418,233	1,302,354	139,072	105,820	1,557,305	1,408,174
Segment assets	860,095	776,334	236,255	225,172	1,096,350	1,001,506
Capital expenditure	32,062	57,709	27,006	17,587	59,068	75,296

4 Earnings per Share

The calculation of basic earnings per share is based on the weighted average number of ordinary shares in issue during the year. For the calculation of diluted earnings per share, the weighted average number of shares in issue during the year has been adjusted as follows:

Weighted average number of ordinary shares used in the basic calculation	125,568	124,381
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Effect of share options with a dilutive effect	1,469	1,645
Weighted average number of ordinary shares (diluted) for the year	127,037	126,026

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IAWS Group, plc  
Notes to the Preliminary results statement (continued)  
for the year ended 31 July 2006

4 Earnings per Share (continued)

The Earnings per Share adjusted for exceptional items and intangible amortisation is set out below:

	2006 €'000	2006 Per share € cent	2005 €'000	2005 Per share € cent
Basic				
Profit for the financial year	98,798	78.68	94,360	75.86
Adjustments:				
Amortisation of intangible assets	7,100	5.65	4,624	3.72
Amortisation of related deferred tax liability	(1,749)	(1.39)	(1,117)	(0.90)
Exceptional items, net of tax	(490)	(0.39)	(7,264)	(5.84)
Adjusted basic earnings per share	103,659	82.55	90,603	72.84
	=====	=====	=====	=====
	2006 €'000	2006 Per share € cent	2005 €'000	2005 Per share € cent
Diluted				
Profit for the financial year	98,798	77.77	94,360	74.87
Adjustments:				
Amortisation of intangible assets	7,100	5.59	4,624	3.67
Amortisation of related deferred tax liability	(1,749)	(1.38)	(1,117)	(0.89)
Exceptional items, net of tax	(490)	(0.38)	(7,264)	(5.76)
Adjusted fully diluted earnings per share	103,659	81.60	90,603	71.89
	=====	=====	=====	=====

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IAWS Group, plc  
Notes to the Preliminary results statement (continued)  
for the year ended 31 July 2006

5 Exceptional items	2006 €'000	2005 €'000
Profit on disposal of operations (i)	-	10,001
Loss on termination of operations (ii)	(572)	(1,374)
Profit on disposal of property, plant and equipment (iii)	1,304	-
Profit on disposal of other investments (iv)	615	-
	1,347	8,627
	=====	=====

i. Profit on disposal of operations

In 2005, the profit on disposal of operations represented the profit on the early

termination of an agreement with Irish Agricultural Wholesale Society

Limited in respect of the disposal of two businesses in the Agri business.

ii. Loss on termination of operations

In 2006 the loss on termination of operations consists primarily of the loss on

the disposal of Premier Petfoods Limited, an Irish based company engaged in the distribution of pet foods.

In 2005, the loss on termination of operations represented the costs of closing two operations within the Agri business.

iii. Profit on disposal of property, plant and equipment

In 2006 the profit on disposal of property, plant and equipment relates to gain arising on the sale of properties. One of the Group's Agri

businesses disposed of property located in Co. Waterford  
and the Food North America business disposed of a property located in Chicago.

iv. Profit on disposal of other investments

The profit on disposal of other investments relates to the sale  
of investments.

6 Adjusted profit on ordinary activities before taxation

	2006	2005
	€'000	€'000
Profit on ordinary activities before taxation	117,786	111,771
Add: Intangible amortisation	7,100	4,624
Less: Exceptional profit	(1,347)	(8,627)
	-----	-----
Adjusted profit on ordinary activities before taxation	123,539	107,768
	=====	=====

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IAWS Group, plc  
Notes to the Preliminary Results Statement (continued)  
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7. Adjusted profit for the financial year after taxation

	2006	2005
	€'000	€'000
Profit for the financial year after taxation	99,129	94,636
Add: Intangible amortisation	7,100	4,624
Less: Related deferred tax liability	(1,749)	(1,117)
Less: Exceptional items, net of tax	(490)	(7,264)
Adjusted profit for the financial year after taxation	103,990	90,879

8 Statement of changes in Shareholders' Equity

	Share premium	Cash flow hedge reserve	Share option reserve	Other reserves	Foreign currency translation reserve	Retained earnings	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
At 1 August 2005	43,745	-	1,517	3,198	(1,097)	294,597	341,960
Impact of adoption of IAS 32 and IAS 39	-	711	-	-	-	-	711
Related deferred tax	-	(89)	-	-	-	-	(89)
	-----	-----	-----	-----	-----	-----	-----
At 1 August 2005, adjusted Foreign exchange translation	43,745	622	1,517	3,198	(1,097)	294,597	342,582
	-	-	-	-	(57)	-	(57)
Group and associate defined benefit pension schemes	-	-	-	-	-	4,811	4,811
Deferred tax on Group defined benefit schemes	-	-	-	-	-	(469)	(469)
Gains relating to cash flow hedges	-	174	-	-	-	-	174
Deferred tax relating to cash flow hedges	-	(40)	-	-	-	-	(40)
Profit for the period attributable to equity holders	-	-	-	-	-	98,798	98,798
Issue of ordinary shares	8,154	-	-	-	-	-	8,154
Share based payments	-	-	1,550	-	-	-	1,550
Dividends paid	-	-	-	-	-	(16,036)	(16,036)
Share of associates other reserve movements	-	(21)	-	-	524	-	503
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At 31 July	51,899	735	3,067	3,198	(630)	381,701	439,970

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