

Chairman's statement

"Groupe Hubert made an excellent contribution in its first full financial year within the Group. This business supplies over 20,000 customers in France, offering freshly pre-prepared, ready to consume products to the world's most sophisticated food market."

I am pleased to report on a year of excellent growth from IAWS Group, plc. Group revenue grew by 10.6 per cent while pre tax profits* increased by 14.6 per cent to €123.5m. Adjusted fully diluted earnings per share* have risen by 13.5 per cent year on year to 81.6 cent.

The Food division performed very well, increasing revenue by 15.4 per cent to €975.4m and contributing 81 per cent of IAWS Group, plc's operating profit* (including associates and joint venture). A good performance in Agribusiness saw revenue increasing by 3.4 per cent to €581.9m and operating profits* up 5.4 per cent at €24.0m.

During the year, the Group completed the third phase of expansion in La Brea Bakery's New Jersey facility at a total cost of €50m, bringing our total North American investment to €194m. La Brea Bakery's artisan bread sales have grown significantly since its acquisition in 2001. Revenue in our Food business in the USA reached €139.1m in 2006.

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20,000 customers in France, offering freshly pre-prepared, ready to consume products to the world's most sophisticated food market.

2006 saw another strong contribution from the Group's associates and joint venture, amounting to €25.7m in the year. This represents an increase of 19.2 per cent over 2005.

In December 2005, the Group announced that it had further increased its shareholding in Hiestand Holding AG, by 10 per cent, in an investment totalling €35.1m. The Group's total shareholding is now 32 per cent.

Board changes

Mr. Jim Moloney, who had served IAWS Group, plc as both Director and Chairman during the period since its formation, retired in January 2006. His sudden death in April caused a great sense of loss among his former fellow board





Denis Lucey
Chairman

members. Jim was a much valued colleague, and was greatly respected throughout the wider business community. He contributed greatly to the success of IAWS Group, plc. On behalf of the board, I wish to express sincere condolences to Jim's wife Una, his daughter Aoifean and their family.

Management and staff

The success of IAWS Group, plc is directly attributable to the commitment and effort of the management and staff within the Group. The Board would like to thank them for their contribution to making IAWS the success it is today. The Board would also like to acknowledge the continued vision and commitment of Owen Killian, CEO, which has resulted in another successful year for the Group.

IAWS continues to build knowledge and systems in partnership with suppliers and customers. This is driving annual investments in infrastructure that are in turn feeding the Group's potential for future growth. As a result, I feel the Group is well placed to perform in the competitive marketplaces in which it operates.

Denis Lucey

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Chairman

25 September 2006



*EPS, pre-tax profit and operating profit are stated here before intangible amortisation and exceptional items.