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Ireland

29 January 2010

Peter Godsall
Accounting Standards Board
5th Floor, Aldwych House
71-91 Aldwych
London
WC2B 4HN
UK

Dear Sir

Re: Policy Proposal - The future of UK GAAP

I welcome the invitation to respond to the 'Policy Proposal - The future of UK GAAP'. I write on behalf of Glanbia plc and its subsidiary undertakings ('the Group'). Glanbia plc ('the Group') is a leading international cheese and nutritional ingredients Group, headquartered in Ireland. The Group has operations in Ireland, Europe, USA, Canada and China with joint ventures in the UK, USA and Nigeria. Glanbia plc was formed in 1997 from the merger of two of Ireland's leading publicly quoted dairy food companies - Avonmore Foods plc and Waterford Foods plc. The Group is listed on the London and Irish Stock Exchanges (Symbol GLB). Glanbia plc prepares its consolidated financial statements in accordance with EU adopted IFRS. Glanbia plc, an Irish registered entity is the ultimate parent entity of approx 100 legal entities in the UK and Ireland. These subsidiaries currently prepare their financial statements in accordance with UK or Irish GAAP as applicable.

While we broadly support the overall proposals, we have some concerns in relation to the impact of the proposals on the statutory accounts of our UK and Irish registered entities. We have therefore taken this opportunity to express our concerns in relation to the Board's proposals.

We suggest that the Board should give further consideration to what is the basis for the most appropriate and efficient reporting requirements for wholly owned subsidiaries of listed entities that prepare consolidated financial statements in accordance with EU adopted IFRS. Assuming the proposals become effective in the near future, in the current format, we would be faced with making a decision as to whether to transition the financial statements of our UK and Irish subsidiaries to full EU adopted IFRS or IFRS for SMEs.

We believe that there would be strong efficiencies to be achieved throughout the Group in having the local GAAP financial statements of our UK and Irish subsidiaries prepared applying the recognition and measurement principles that are consistent with those applied for the purposes of the Group consolidated financial statements, while being able to apply reduced disclosure requirements in statutory accounts. We believe that adopting IFRS for SMEs for the statutory accounts of our UK and Irish subsidiaries would most likely create a second set of complex reconciliations from Group reporting results and financial position, to local statutory accounts. We suggest that the complexity inherent in the reconciliation process will be exacerbated going forward as a result of pending and expected changes to full IFRS in the near future in areas such as

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JE Callaghan, HV Corbally, N Dunphy, EP Fitzpatrick, JA Gilsenan, P Gleeson, PM Haran,
CL Hill, M Keane, JV Liston, GJ Meagher, MJ Merrick, WG Murphy, A O'Connor,
M Parsons, R Prendergast and KE Toland*

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Registered in Ireland as a public
limited company
Number: 129933*

provisions, business combinations, leasing and pensions. The costs associated with such a complex reconciliation process could be considerable and would lead to ongoing risk of significant divergence occurring between the two sets of financial information for our UK and Irish subsidiaries. We would also suggest that by applying EU adopted IFRS for recognition and measurement principles, the subsidiaries are applying a more developed, sophisticated and higher level of accounting policy, i.e. that of the parent entity.

We believe that the Board should be giving strong consideration to the level of disclosure requirements that would be appropriate for unlisted wholly owned subsidiaries were such subsidiaries to prepare their financial statements in accordance with recognition and measurement principles of EU adopted IFRS. The majority of the Glanbia subsidiaries are 100% owned and, with few exceptions, the vast majority of users focus on the Group's consolidated financial statements rather than the individual entity financial statements. We therefore ask that consideration be given to providing reductions in or exemptions from certain disclosure requirements of full IFRS for such entities. There are a number of specific areas where reduced disclosures would greatly improve overall efficiency and lower administration costs, without hindering a users understanding of the financial statements. We suggest that such areas include; IAS 7 Cash Flow Statements, IAS 19 Employee Benefits where a defined benefit pension scheme is part of a group scheme, IFRS 7 Financial Instrument disclosures, IFRS 2 Share Based Payment disclosures and IAS 24 Related Party Disclosures. Such an approach, if adopted, would be consistent with current UK/Irish GAAP whereby reduced disclosures are permitted in areas such as FRS 1, Cashflow Statements and FRS 29, Financial Instruments. We also understand that a similar approach of reduced disclosure has been adopted in Australia and South Africa, successfully.

We trust you will give our comments due consideration. If you have any questions or require clarification on any of the issues raised in our response, please do not hesitate to contact me.

Yours faithfully



TJ Kelly

Glanbia plc, Group Financial Controller

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