

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you are recommended to consult your stockbroker, bank manager, solicitor, accountant, fund manager or other independent professional adviser (being, in the case of Shareholders in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) or the Investment Intermediaries Act 1995 (as amended) and, in the case of Shareholders in the United Kingdom, an adviser authorised pursuant to the Financial Services and Markets Act 2000 of the United Kingdom (as amended) and, in the case of Shareholders in a territory outside Ireland and the United Kingdom, from another appropriately authorised independent financial adviser).

If you have sold or otherwise transferred your entire holding of ordinary shares in Glanbia, please forward this document, together with the enclosed Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee as soon as possible. However, such documents should not be forwarded or delivered in or into any jurisdiction in which such act would constitute a violation of the relevant laws in such jurisdiction. If you have sold or otherwise transferred part of your holding of shares in Glanbia, please consult the stockbroker, bank or other agent through or by whom the transfer or sale was effected.

Glanbia plc

(Incorporated and registered in Ireland, registered number 129933)

Proposed dairy processing joint venture with Glanbia Co-operative Society Limited and

Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Board of the Company which is set out on pages 6 to 17 of this document, which contains the recommendation of the Board to Shareholders to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to below. You should read this document in its entirety and consider whether or not to vote in favour of the Resolution in light of the information contained in this document.

Notice of an Extraordinary General Meeting to be held at Lyrath Estate Hotel, Old Dublin Road (R712), Kilkenny, Ireland on 20 November 2012 at 11.00 a.m. is set out at the end of this document. A Form of Proxy for use at the Extraordinary General Meeting is enclosed which, if you wish to validly appoint a proxy, should be completed and signed in accordance with the instructions printed thereon, and returned by post to the Company's Registrar, Computershare Investor Services (Ireland) Limited, at PO Box 954, Sandyford, Dublin 18, Ireland (if delivered by post) or at Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland (if delivered by hand) as soon as possible but in any event so as to be received by the Company's Registrar no later than 11.00 a.m. on 18 November 2012. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof, should you wish to do so.

Electronic proxy appointment is available for the Extraordinary General Meeting. This facility enables Shareholders to appoint a proxy by electronic means by logging on to www.eproxyappointment.com. To appoint a proxy on this website Shareholders need to enter a Control Number, a Shareholder Reference Number (SRN), a PIN and agree to the terms and conditions specified by the Registrar. The Control Number, the Shareholder Reference Number (SRN) and PIN can be found on the top of the Form of Proxy. Alternatively, for those Shareholders who hold ordinary shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Computershare Investor Services (Ireland) Limited (CREST participant ID 3RA50). In each case the proxy appointment must be received electronically by no later than 11.00 a.m. on 18 November 2012. The completion of either an electronic proxy appointment or a CREST Proxy Instruction (as the case may be) will not prevent you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof, should you wish to do so.

IBI Corporate Finance, which is regulated in Ireland by the Central Bank, is acting exclusively for Glanbia plc in connection with the Transaction and for no one else (including the recipients of this document) and will not be responsible to any other person for providing the protections afforded to clients of IBI Corporate Finance or for providing advice in relation to the Transaction, the contents of this document, or any other matter referred to in this document.

This document does not constitute, or form part of, any offer or invitation to sell, or any solicitation of any offer to purchase or subscribe for any shares in the Company in any jurisdiction.

The contents of this document should not be construed as legal, business or tax advice. Each shareholder should consult his, her or its own legal adviser, financial adviser or tax adviser for legal, financial or tax advice.

Information regarding Forward-Looking Statements

This document contains a number of forward-looking statements including, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. These statements may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act, as amended, and Section 21E of the Exchange Act. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words “may”, “will”, “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “target”, and similar expressions or the negative of these terms or similar expressions in this document. The management of the Group has based these forward-looking statements on its views with respect to future events and financial performance. Actual financial performance of Glanbia plc, the Group or Dairy Ingredients Ireland could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements.

Forward-looking statements represent estimates and assumptions only as of the date that they were made. None of Glanbia plc, GII or any other member of the Group undertakes any duty to update the forward-looking statements, and the estimates and assumptions associated with them, after the date of this document, except to the extent required by applicable law, the Listing Rules, the Disclosure Rules and Transparency Rules and other regulations. Shareholders should read this document carefully in its entirety as it contains important information about the business of Glanbia plc, the Group and Dairy Ingredients Ireland, future benefits of the Joint Venture, management plans and objectives and the risks faced.

Nature of financial information

Unless otherwise stated, the historical financial information relating to Glanbia, Dairy Ingredients Ireland and GII has been extracted without material adjustment from the consolidation schedules of the consolidated financial statements contained in the 2011 Glanbia annual report and the Glanbia unaudited interim results of 30 June 2012. The financial information has been prepared in accordance with the accounting policies used in the 2011 Glanbia annual report.

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DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Liam Herlihy† (<i>Chairman</i>)	Martin Keane† (<i>Non-Executive</i>)
	John Moloney*	Michael Keane† (<i>Non-Executive</i>)
	Siobhán Talbot*	Jerry Liston (<i>Non-Executive</i>)
	Kevin Toland*	Matthew Merrick† (<i>Non-Executive</i>)
	John Callaghan (<i>Non-Executive</i>)	John Murphy† (<i>Non-Executive</i>)
	William Carroll† (<i>Non-Executive</i>)	Patrick Murphy† (<i>Non-Executive</i>)
	Henry Corbally† (<i>Non-Executive</i>)	William Murphy (<i>Non-Executive</i>)
	Jeremiah Doheny† (<i>Non-Executive</i>)	Eamon Power† (<i>Non-Executive</i>)
	David Farrell† (<i>Non-Executive</i>)	Robert Prendergast† (<i>Non-Executive</i>)
	Patrick Gleeson† (<i>Non-Executive</i>)	
	Paul Haran (<i>Non-Executive</i>)	
	Brendan Hayes† (<i>Non-Executive</i>)	
	*executive director	
	†nominee of Glanbia Co-operative Society Limited	
Company Secretary	Michael Horan	
Registered Office	Glanbia House Kilkenny Ireland	
Sponsor and Financial Adviser	IBI Corporate Finance Limited 2 Burlington Plaza Burlington Road Dublin 4 Ireland	
Legal Advisers	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland	
Auditors and Reporting Accountants	PricewaterhouseCoopers Ballycar House Newtown Waterford Ireland	
Registrar	Computershare Investor Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18 Ireland	

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Date of issue of this document	2 November 2012
Latest time and date for receipt of Forms of Proxy and CREST Proxy Instructions for the Extraordinary General Meeting	11.00 a.m. on 18 November 2012
Record date for the Extraordinary General Meeting	5.00 p.m. on 18 November 2012
Time and date of Extraordinary General Meeting	11.00 a.m. on 20 November 2012
Expected completion date of Joint Venture	by 25 November 2012

Notes

1. References to times and dates in this document are to times and dates in Dublin, Ireland.
2. The dates set out above and mentioned throughout this document may be adjusted by the Company. If there is an adjournment of the Extraordinary General Meeting, Glanbia will give notice of the change in accordance with the notice provisions in its articles of association and by issuing an announcement through a Regulatory Information Service. If the expected completion date of the Joint Venture changes, Glanbia will give notice of the change by issuing an announcement through a Regulatory Information Service and the change will be notified to the Irish Stock Exchange, the UK Listing Authority and the London Stock Exchange.
3. The Extraordinary General Meeting is being held at Lyrath Estate Hotel, Old Dublin Road (R712), Kilkenny, Ireland.

PART I – LETTER FROM THE BOARD

Glanbia plc

(Incorporated and registered in Ireland, registered number 129933)

Head and Registered Office: *Glanbia plc, Glanbia House, Kilkenny, Ireland*

Directors

Liam Herlihy† (*Chairman*)

John Moloney*

Siobhán Talbot*

Kevin Toland*

John Callaghan (*Non-Executive*)

William Carroll† (*Non-Executive*)

Henry Corbally† (*Non-Executive*)

Jeremiah Doheny† (*Non-Executive*)

David Farrell† (*Non-Executive*)

Patrick Gleeson† (*Non-Executive*)

Paul Haran (*Non-Executive*)

Brendan Hayes† (*Non-Executive*)

Martin Keane† (*Non-Executive*)

Michael Keane† (*Non-Executive*)

Jerry Liston (*Non-Executive*)

Matthew Merrick† (*Non-Executive*)

John Murphy† (*Non-Executive*)

Patrick Murphy† (*Non-Executive*)

William Murphy (*Non-Executive*)

Eamon Power† (*Non-Executive*)

Robert Prendergast† (*Non-Executive*)

*executive director

†nominee of Glanbia Co-operative Society Limited

Michael Horan (*Company Secretary*)

2 November 2012

To the Shareholders of Glanbia plc (“Glanbia”)

Proposed dairy processing joint venture with Glanbia Co-operative Society Limited

and

Notice of Extraordinary General Meeting

Dear Shareholder

1. INTRODUCTION

On 29 August 2012, Glanbia announced that it had agreed a non-binding memorandum of understanding with its majority shareholder, Glanbia Co-operative Society Limited (the “Society”), subject to contract and approvals, to enter into a dairy processing joint venture. In an update on 23 October 2012, the Company announced that it had signed contracts with the Society to enter into the joint venture, subject to relevant approvals.

The joint venture, to be named Glanbia Ingredients Ireland Limited (the “Joint Venture” or “GII”) will comprise the business and operations of Dairy Ingredients Ireland, a business unit currently within the Dairy Ireland segment of Glanbia. Dairy Ireland comprises the Agribusiness, Consumer Products Ireland and Dairy Ingredients Ireland business units of Glanbia.

The Joint Venture is expected to be established by 25 November 2012. On Completion, the Joint Venture will have full ownership and control of Dairy Ingredients Ireland and the shareholding of Glanbia and the Society in the Joint Venture will be split 40 per cent. and 60 per cent., respectively.

The Joint Venture will encompass the Irish dairy processing facilities at Ballyragget and Virginia, Glanbia's 45 per cent. shareholding in the Cormon Miloko joint venture and Glanbia's 23 per cent. shareholding in the Irish Dairy Board.

As the Society is the largest Glanbia shareholder, the establishment of the Joint Venture is, therefore classified as a related party transaction under the Listing Rules and is subject to, and conditional upon, the approval of the Independent Shareholders. Approval will be sought at an Extraordinary General Meeting of the Company to be held at Lyrath Estate Hotel, Old Dublin Road (R712), Kilkenny, Ireland at 11.00 a.m. on 20 November 2012. Under the Listing Rules, the Society is precluded from voting in relation to the establishment of the Joint Venture at the Extraordinary General Meeting. The Society will therefore not be eligible to vote on the Resolution.

The Society will also seek the approval of its members (by simple majority) for the transaction. The establishment of the Joint Venture is subject to certain other conditions, which are summarised in this Circular.

The Related Party Directors are not deemed to be independent for the purposes of the Transaction and have therefore not taken part in the Board's consideration of the establishment of the Joint Venture. John Moloney is the group managing director of Glanbia, a director of both Glanbia and the Society and he assisted the Society in its assessment of the Joint Venture. Mr Moloney absented himself when the Board of Glanbia considered the Joint Venture and approved the Transaction. Mr Moloney has confirmed to Glanbia that he did not partake in the decision process relating to the approval of the Transaction by the board of the Society.

The purpose of this Circular is to provide Shareholders with details of the establishment of the Joint Venture, to convene the EGM and to explain why the Board (other than the Related Party Directors who did not take part in the Board's consideration of the establishment of the Joint Venture), considers the establishment of the Joint Venture to be in the best interests of the Company and its Shareholders as a whole. A notice convening the EGM, at which the Resolution will be proposed, is set out at the end of this Circular.

Separately the Society announced on 29 August 2012 that it intends to seek Society member approval to reduce its shareholding in Glanbia to 41.4 per cent. Further details of this proposal is set out in Section 7 of this Part I of the Circular.

2. BACKGROUND TO AND REASONS FOR THE TRANSACTION

The forthcoming abolition of EU milk quotas on 31 March 2015 is expected to result in a significant increase in milk production by farmers within the Glanbia milk pool in Ireland. The Board believes the opportunity to expand milk production is underpinned by a positive long-term outlook for global dairy markets and the comparative advantage that Ireland enjoys with its milk production being predominantly grass-based.

The Board envisages an investment programme to 2020 of approximately €180 million would be required in order to increase Glanbia's existing processing capacity in the dairy ingredients business by up to 60 per cent. This increased capacity requirement would be satisfied primarily by the development of a new greenfield facility at Belview, Co. Kilkenny. The planning permission process for this facility is progressing and is expected to conclude in early 2013. The Joint Venture seeks to facilitate this expansion agenda by sharing the investment between the Joint Venture Partners while also creating a structure which better aligns the business with the interests of Society members through its taking of a controlling interest in the Irish dairy ingredients processing assets.

The Board believes the Transaction and subsequent focus of financial resources on the international nutritional and cheese businesses to be in the best interests of shareholders as a whole as it:

- will allow Glanbia to continue to focus on its successful international growth strategy through development of its international nutritional and cheese businesses;
- provides a platform to fund the expansion of Irish dairy processing capacity to meet anticipated milk volumes from 2015;
- will reduce the level of earnings volatility as Glanbia's exposure to global dairy markets will be reduced; and
- will reduce Glanbia's working capital funding requirements.

The Board has also assessed the potential risks associated with the Transaction and has concluded that these are significantly outweighed by the anticipated benefits. As a minority shareholder in the Joint Venture, Glanbia will have a more limited influence on the activities of GII. However, this will be mitigated by a continued representation for Glanbia on the board of GII and the requirement for Glanbia's consent for certain matters which are outside the existing scope of the business. The scope of the business of GII has been defined in the Shareholders' Agreement and certain non-compete undertakings have been entered into by Glanbia, the Society and GII. Further detail as to the commercial arrangements between Glanbia, the Society and GII are set out in Section 4 of Part II and Section 9 of this Part I of the Circular. Section 4 of Part II and Section 9 of this Part I also summarises how certain of these arrangements will end in circumstances where the joint venture agreement terminates and/or the Society ceases to maintain Effective Control of Glanbia.

The new joint venture company will be a fully resourced standalone business. Once established (and following the initial equity investment by the Society and Glanbia described in Section 4 below) the financing of GII will be independent of the Joint Venture Partners. The other sources of investment to address the increased peak processing requirement include the cash flows of the existing business, contributions from expanding milk suppliers and bank debt.

The division of voting power of the board of GII will approximate the relative shareholdings of the Joint Venture Partners and the existing management of this business unit will remain in place.

3. INFORMATION ON DAIRY INGREDIENTS IRELAND

Dairy Ingredients Ireland is the largest dairy ingredients manufacturer in Ireland, processing a milk pool of c.1.6 billion litres annually, representing approximately 30 per cent. of the Irish milk pool, and processing it into c. 180,000 tonnes of dairy ingredients largely for export to over 50 countries worldwide. In 2011, Dairy Ingredients Ireland generated revenue of €738 million, operating profit of €33 million and EBITDA of €44 million. As at 31 December 2011, the value of the gross assets the subject of the Transaction amounted to €305 million.

Dairy Ingredients Ireland is a B2B international dairy business which manufactures and sells dairy products and ingredients and dairy-based ingredient blends in global markets. The business procures and assembles raw milk, cream, whey, permeate and other dairy inputs from direct farmer suppliers (being members and non-members of the Society), as well as other dairy processors.

Dairy Ingredients Ireland is a standalone business unit within the Dairy Ireland segment of Glanbia and employs over 450 people. Dairy Ingredients Ireland has two operating sites in Ballyragget, Kilkenny and Virginia, Cavan. The Ballyragget facility is one of the largest integrated dairy sites in Europe. Dairy Ingredients Ireland is a leading Irish supplier of lactose and other whey proteins to some of the largest infant formula manufacturers in the world. It is also Ireland's largest manufacturer of cheddar cheese. The Virginia facility produces a range of enriched milk powders and fresh creams. Dairy Ingredients Ireland is also the main supplier of milk powders to Nutricima Limited, a joint venture between Glanbia and PZ Cussons plc in Nigeria. The Group's interest in Nutricima Limited will be retained by Glanbia. Enriched milk powders are also exported to other West African countries, principally Senegal, Togo, Mali and Benin.

Since November 2005 the Group has owned a 45 per cent. interest in a joint venture with Corman S.A. for the manufacture of butter fractions and dairy spreads in Ireland. The Group's interest in the Corman Miloko joint venture will be assigned to GII as part of the Transaction.

The Group also has a 23 per cent. shareholding in the Irish Dairy Board. This shareholding has been transferred to GII in anticipation of the Transaction.

In anticipation of the Transaction, the business of Dairy Ingredients Ireland has been transferred into GII pursuant to the terms of the Hive Down Agreement entered into between the Company and GII. All employees of Dairy Ingredients Ireland previously employed by companies in the Group have transferred to GII under the terms of the Hive Down Agreement. GII is 100 per cent. owned by Glanbia. Under the terms of the Transaction, the Society will subscribe for a 60 per cent. shareholding in GII.

4. TRANSACTION PROCEEDS AND EQUITY INVESTMENT

4.1 *Transaction Proceeds*

While the basis for determining the amount of the Transaction Proceeds which will be received by Glanbia has been agreed by the parties, the exact amount will not be known until after Completion as the Transaction Proceeds are subject to adjustment by reference to the Completion Accounts as described in Section 9.1 of this Part I.

Under the terms of the Transaction, the Society will acquire 60 per cent. of GII. This will be effected by way of an initial subscription for new shares in GII and a redemption of some of the GII shares currently held by Glanbia. The proceeds payable to Glanbia in consideration for the redemption of these GII shares (i.e. the Transaction Proceeds) will equate to the subscription amount which the Society will pay for its initial subscription. The parties have agreed that this initial subscription amount will equate to 60 per cent. of the net fixed assets of GII less an agreed associated pension deficit. The respective advisers to Glanbia and the Society engaged in detailed negotiations to agree a valuation of the net fixed assets which are the subject of the Transaction. The negotiated valuation amounts to a €20 million Discount to the carrying value of those assets. Based on balances as at 31 December 2011, this would equate to a net fixed asset valuation of €90.4 million (net of the above discount).

For transaction purposes, the pension deficit relating to the relevant membership (as described in Section 9 of this Part I) has been valued at €16.3 million. The pension deficit under an IAS 19 accounting basis was €11.4 million as at 31 December 2011 (30 June 2012: €34.7 million). As at the most recent reporting date of 30 September 2012, the relevant pension schemes remain on target to meet the funding position agreed with the Irish pension regulator.

Based on the numbers above, and by way of illustration, the agreed valuation would have been €74.1 million as at 31 December 2011 and the Society would therefore have subscribed €44.5 million for a 60 per cent. shareholding in GII. The Transaction Proceeds which Glanbia would therefore have received in this illustration would have been €44.5 million. This figure is given for illustration purposes only, as the parties have agreed that the final amount of the Transaction Proceeds will reflect any movements in net fixed asset values up to the date of Completion, with the exception of capital expenditure post Hive Down which will be discharged by GII.

As part of the Transaction, the Society will also retain an option to acquire the remaining 40 per cent. shareholding in GII that it will not acquire as part of the initial transaction. Should the Society exercise this option, Glanbia would no longer be a party to the Joint Venture. Further detail in relation to the option is set out in Section 9.2 of this Part I of this Circular.

4.2 *Equity Investment by the parties*

The parties have agreed to provide equity of €29.6 million to GII at Completion by way of a share subscription. This investment will be made in proportion to their respective shareholdings (i.e. the

Society will provide €17.8 million and Glanbia will provide €11.8 million). This equity is in addition to the initial subscription which will be made by the Society as described in Section 4.1 above.

4.3 *Society's funding of Transaction Proceeds and its share of the Equity Investment*

To provide its share of the equity investment and to fund its initial subscription for a 60 per cent. interest in GII, the Society has agreed to reduce its Glanbia shareholding from 54.4 per cent. to 51.4 per cent.. Should the proceeds of the share sale be insufficient to fully satisfy the equity investment and the initial subscription, the balance, if any, of the consideration payable to Glanbia will be satisfied by a Loan Note from the Society. A summary of the terms of the Loan Note are set out in Section 4 of Part II of this Circular.

For illustrative purposes, using a share price of €7.00, the Society would realise approximately €61.9 million from the disposal of Glanbia shares equivalent to 3 per cent. of the issued share capital. Of this amount, the Society is required to apply €17.8 million towards its agreed share of the new equity contribution of €29.6 million cash to GII. That would leave a cash balance amount of approximately €44.1 million. The Transaction Proceeds of approximately €44.5 million (based on the illustrative numbers above) would therefore be satisfied by cash of approximately €44.1 million and a loan note of approximately €0.4 million. If the share price at which the Society sells shares in Glanbia is less than the amount of €7.00 used in the illustration above, the loan note element of the Transaction Proceeds will increase and the cash element will reduce accordingly.

5. USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE JOINT VENTURE

The net proceeds received by Glanbia from the Transaction will be used to partially repay existing bank debt.

As explained above, the exact amount of the Transaction Proceeds will be determined by the valuation of net fixed asset balances as at the date of Completion. For illustrative purposes, using the balances as at 31 December 2011, Glanbia would have received Transaction Proceeds of approximately €44.5 million, comprising of cash and a loan note.

In addition, GII's working capital balance at Hive Down and subsequent movement in working capital and capital expenditure since the Hive Down has been financed by Glanbia by way of inter-company funding. Post completion, GII will avail of new bank finance. This new bank facility will be used to repay Glanbia the inter-company funding balance, in cash, by 29 December 2012 or, if later, at Completion. The cash received by Glanbia will be used to repay existing bank debt.

Based on management information, Dairy Ingredients Ireland had average working capital of €112 million in 2011. Working capital as at 31 December 2011 was €76 million.

Glanbia will invest approximately €11.8 million of new equity into GII, being its share of the total of €29.6 million new equity to be invested in GII at Completion.

As Completion is expected to take place in 2012, the transaction will therefore be reflected in the Group's accounts for the financial year ending 29 December 2012.

Profits and losses of GII up to Completion shall be for the account of Glanbia. If GII does not have sufficient distributable reserves to declare a dividend equal to the full amount of any profits due to Glanbia, the proportion of profits which cannot be distributed will be offset against Glanbia's equity contribution to GII.

Post completion of the Transaction, Glanbia will account for its interest in GII as an associate, recognising its share of the entity's results through the Group income statement. The transaction is not expected to have a materially dilutive effect on the adjusted earnings per share of Glanbia.

6. SOCIETY VOTE

The Society's board of directors will seek the approval of its members (by a simple majority) for the Transaction. Subject to approval, the Society will dispose of shares equal to 3 per cent. of the issued share capital of Glanbia to provide its equity investment into GII and to part-fund the subscription for its 60 per

cent. shareholding in GII. This will reduce the Society's shareholding in Glanbia from 54.4 per cent. to 51.4 per cent.

7. SOCIETY SPIN OUT, FURTHER SHARE SALE AND POSSIBLE FURTHER EQUITY INVESTMENT

Separately, but related to the Transaction, the Society has announced that it is seeking approval from its members to reduce its shareholding in Glanbia below 51 per cent.. Subject to approval, it is the intention of the Society to reduce this shareholding from 51.4 per cent. to 41.4 per cent.. This would comprise the additional disposal of shares equal to 3 per cent. of the issued share capital of Glanbia and a distribution of Glanbia shares to Society members equivalent to approximately 7 per cent. of the issued share capital of Glanbia.

The reduction in the Society shareholding below 51 per cent. will require a 75 per cent. vote in favour at two special general meetings of the Society. Seeking approval to reduce the Society shareholding below 51 per cent. is contingent on the Transaction being approved. If the Transaction is not approved the shareholding reduction proposal will not proceed. However, the Transaction can still proceed even if the proposal to reduce the Society's shareholding below 51 per cent. is not approved by the members of the Society.

If the reduction in its shareholding in Glanbia below 51 per cent. is approved by the members of the Society and implemented, the Loan Note, if any, shall become immediately repayable in full.

Furthermore, in such circumstances Glanbia and the Society will inject an additional €29.6 million in equity into GII in proportion to their respective shareholdings. This will bring the total equity investment in the Joint Venture to €59.2 million. In these circumstances, the total cash equity contributions of the Society and Glanbia to GII will be increased to €35.5 million and €23.7 million, respectively.

If the shareholding reduction proposal is approved by its members, the Society will also be proposing a rule change for adoption by its members that will provide that its shareholding in Glanbia will only be allowed to go below 38 per cent. if a two thirds majority of the voting members of the Society approve it in one vote at a general meeting.

8. GLANBIA BOARD COMPOSITION

On Completion, and subject to the Society reducing its shareholding in Glanbia below 51 per cent., the following governance arrangements will apply with respect to the composition of the Board of Glanbia:

- For the years 2013 to 2015 (inclusive) the number of Directors on the Board of Glanbia, who are also directors of the Society ("Society Nominees"), will continue at 14.
- For 2016 and 2017, the number of Society Nominees will reduce to 10.
- For 2018 and subsequent years the number of Society Nominees will reduce to 8.

It is the intention that the Chairman of the Board will be a Society Nominee until 2020.

Up to 8 of the Directors on the Board will be made up of executives and independent (of the Society) non-executive Directors. The parties will co-operate to ensure (as far as practicable) that the independent non-executive Directors will be appointed on the recommendation of the nomination committee of the Board of Glanbia, the majority of whose members will be independent non-executive Directors. If the number of non-Society Nominees on the Board of Glanbia changes, the number of Society Nominees set out above will change *pro rata*. If the Society's shareholding in Glanbia falls below 40 per cent., discussions are to take place regarding a further reduction in the size of its representation on the Board of Glanbia.

9. PRINCIPAL TERMS AND CONDITIONS OF THE TRANSACTION

9.1 *Share Subscription and Redemption Agreement*

The Share Subscription and Redemption Agreement was signed by Glanbia, the Society and GII on 22 October 2012. The following is a summary of the principal terms and conditions of the Share Subscription and Redemption Agreement.

The Share Subscription and Redemption Agreement provides for the calculation and the payment of the Transaction Proceeds and the Equity Investments referred to in Sections 4 and 7 of this Part I of the Circular.

Pension arrangements

GII has undertaken the pension obligations under the relevant Glanbia Irish pension schemes in respect of all members relevant to Dairy Ingredients Ireland. The Share Subscription and Redemption Agreement provides that for the purposes of the Transaction, the pension obligations of GII have an agreed valuation of €16.3 million. The pension deficit applicable to the relevant members of the schemes was €11.4 million as at 31 December 2011 (30 June 2012: €34.7 million) under an IAS 19 accounting basis. As at the most recent reporting date of 30 September 2012, the relevant pension schemes remain on target to meet the funding position agreed with the Irish pension regulator.

Post Completion Adjustments

The Share Subscription and Redemption Agreement sets out how the Completion Accounts are to be prepared. If Glanbia or the Society disputes any matter arising in respect of the Completion Accounts before they are finalised, the Share Subscription and Redemption Agreement sets out how the dispute is to be resolved. The Share Subscription and Redemption Agreement includes provisions relating to the means by which the final agreed net fixed assets and net working capital of GII as at Completion are to be calculated and agreed and the means by which the resulting adjustments (if any) to the Transaction Proceeds are to be paid and the GII inter-company funding balance is to be discharged.

Once the net fixed assets and the working capital of GII at Completion (the “Relevant Amounts”) are agreed or determined any balancing payments will be made by the relevant party.

Conditions to Completion

Completion of the Joint Venture is conditional upon:

- (i) the approval of the Joint Venture Resolution by an ordinary resolution of the Independent Shareholders at the EGM;
- (ii) the approval by a simple majority of the members of the Society of the Transaction by means of an advisory ballot;
- (iii) there being no material adverse change to the business of Dairy Ingredients Ireland between the date of the Share Subscription and Redemption Agreement and Completion; and
- (iv) GII having obtained a bank facility for working capital purposes in an aggregate amount of not less than €120 million.

The earliest date that these conditions could be satisfied is 20 November 2012 and, if so, Completion would be expected to take place by 25 November 2012. If any of these conditions are not satisfied by 28 February 2013, either Glanbia or the Society may terminate the Share Subscription and Redemption Agreement.

Completion of the Joint Venture is not conditional upon any regulatory approvals having been obtained.

Warranties and Indemnities

In the Share Subscription and Redemption Agreement Glanbia has provided the Society with certain warranties relating to (i) title to the shares in GII and its subsidiaries and associates, (ii) authority to enter into the Share Subscription and Redemption Agreement (and any other related agreements to be entered into by Glanbia), (iii) title to the fixed assets of GII, (iv) title to the shares in the Irish Dairy Board, Moorepark Technology Limited, Greenfield Dairy Partners Limited (and the milk quota attaching thereto) and Irish Dairy Industries Association Limited, (v) the beneficial ownership by GII of certain trademarks and trade mark applications used by Dairy Ingredients Ireland, and (vi) that the Completion Accounts when prepared and audited will show a true and fair view of the assets and liabilities of GII on Completion. Glanbia will not be liable under the warranties until the aggregate of all claims exceeds €2.8 million. The aggregate maximum liability of Glanbia in respect of the warranties is equal to the Transaction Proceeds which are receivable pursuant to the redemption (approximately €44.5 million based on 31 December 2011 balances). The warranties expire 21 months after Completion. The above limitations do not apply to warranties as to title to shares and the ownership of trademarks of GII. Any liability under the warranties may be discharged, in the first instance, by a reduction in the Society's liability under the Loan Note, if any.

The Share Subscription and Redemption Agreement provides for mutual access rights to be given to each of Glanbia and GII in respect of the other's records, advisers and employees for the purpose of obtaining appropriate information which is required for a period of seven years following Completion for matters regarding title to the assets, tax, employment issues, disputes, trading and similar purposes.

Third Party Contracts relating to Dairy Ingredients Ireland

It is not expected that certain pre-existing guarantees given and obligations entered into by Glanbia in respect of the business of Dairy Ingredients Ireland which has been transferred to GII will be removed or novated to GII before Completion. Glanbia and GII will use all reasonable endeavours following Completion to procure the removal of Glanbia as guarantor of any obligations relating to GII (save as may otherwise be agreed) or the novation to GII of obligations entered into by Glanbia in respect of the Dairy Ingredients Ireland business.

Having regard to the following:

- (i) the past experience of Glanbia in respect of these guarantees and obligations;
- (ii) the fact that the existing Dairy Ingredients Ireland personnel have all transferred to GII;
- (iii) the rights of Glanbia as a 40 per cent. shareholder in GII;
- (iv) the fact that in most cases the guarantees are likely to be removed and the obligation novated to GII within a reasonable period following Completion; and
- (v) the insurance arrangements in place in Glanbia and GII.

the Board of Glanbia is satisfied that there is no material risk for Glanbia associated with these guarantees and obligations remaining in place.

Governing Law

The Share Subscription and Redemption Agreement is governed by Irish law.

9.2 Shareholders' Agreement

The parties to the Shareholders' Agreement are Glanbia, the Society and GII.

The key terms of the Shareholders' Agreement are as follows:

The board of directors of GII will comprise 14 directors appointed by the Society, 6 directors appointed by Glanbia (the "PLC Appointees") and up to 2 executive directors. The PLC Appointees

will be appointed from the executive directors of Glanbia, the independent (of the Society) non-executive directors of Glanbia and such other persons as may be approved by the nomination committee of the Board of Glanbia. Each of the PLC Appointees will have 1.5 votes at any meeting of the board of directors of GII. All of the other directors on the board of directors of GII will have one vote each.

The prior written consent of Glanbia and the Society will be required for certain matters relating to GII, including agreeing the annual budget and the three year rolling business plan, changes to the business being carried on by GII, issuing shares in GII, making material investments, acquisitions and disposals or incurring material new debt.

Any proposed transfer of shares in GII must be offered first to the other shareholder.

If the Society proposes to dispose of its shares in GII so that the Society ceases to own a majority of the issued shares in GII, Glanbia (as a condition to completion of any such sale by the Society) will be entitled to sell its shares to the buyer in the same proportion and on the same terms as the proposed disposal by the Society (to include any non-cash consideration and non-compete covenants (limited to 2 years and only the business and geographical scope of GII's business at the time of sale) agreed by the Society, if applicable).

Apart from the Equity Investments, future capital contributions will be considered by shareholders on a case by case basis (without any binding commitment).

The shareholders are required to agree a business plan for GII which provides, *inter alia*, for the delivery of a minimum retained profit in the business equivalent to 1 cent per litre of milk processed, post the expansion investment period. In addition, post the expansion investment in a year of low dairy pricing, GII can reduce the profit retained in the business to 0.5 cent per litre in any one financial year of a four year cycle commencing with the 2017 financial year.

The GII business plan will also provide for a levy on milk supplies in respect of their growth milk (being in respect of each individual supplier, the volume of milk supplied by that supplier over the supplier's core milk). Any such levy contributions shall be non-interest bearing and repaid over a 10 year period from the period following the final contribution, subject to agreed leverage ratios.

Call Option in favour of the Society

Under the Shareholders' Agreement the Society has a call option (the "Call Option") exercisable over the six year period post Completion to acquire Glanbia's remaining 40 per cent. interest in GII. Should the Society exercise this option, Glanbia would no longer be a party to the Joint Venture.

The Call Option will be exercisable for a four month period following the end of each financial year or as otherwise may be agreed. Glanbia cannot sell its shares in GII so long as the Call Option remains exercisable without the prior consent of the Society. The price payable by the Society on completion of the Call Option shall be an amount equal to 40 per cent. of the higher of:

- (i) the audited book value of the net assets (subject to adjustment in respect of any pension deficit of GII as described below and adjusted upwards for an amount, if any, by which the assets of GII have been written down by reference to the €20 million Discount) of GII as at the end of the financial year prior to the date of exercise of the Call Option; or
- (ii) 5.5x 12 months audited EBITDA of GII (calculated as the average of the last 3 financial years prior to the exercise of the Call Option). The equity consideration under this formula will be on a debt-free, cash-free basis.

A cap has been placed on the total consideration which may be payable in respect of a disposal of GII (i.e. being the initial 60 per cent. sale to the Society and the further sale of the remaining 40 per cent. on the exercise of the Call Option by the Society). This is to avoid a technical requirement for explicit shareholder approval at the point of entry into the option and is not intended as an estimate of the total

consideration likely to be achieved. The Board believes it is highly unlikely that the aggregate consideration would reach the agreed cap of €425 million.

The IAS 19 pension deficit of GII for the purposes of calculating the equity value pursuant to the Call Option will be calculated by valuing the scheme liabilities using the average of the yields to calculate such liabilities on each of the last 4 reporting dates (June, December) ending on the financial year ended immediately prior to the exercise of the Call Option.

If, following the exercise of the Call Option by the Society, GII continues to be a participating employer in the Glanbia pension scheme, the Society will guarantee to Glanbia the due performance of its obligations under the scheme.

Effect of Termination of the Joint Venture

If Glanbia ceases to have any shareholding in GII:

- any outstanding Loan Note issued by the Society to the Group will become immediately due and payable;
- the proposed licence arrangements for use by GII of the Avonmore and Premier trademarks will terminate;
- GII will change its name to a new name which does not include the name “Glanbia” and the Company will pay to GII 50 per cent. of the vouched reasonable costs of rebranding up to a maximum liability for the Company of €500,000 (i.e. 50 per cent. of €1 million); and
- unless the Society effects a change of its name to one which does not include the name “Glanbia” within a prescribed period from the date on which the Company ceases to have any shareholding in GII, the Society will bear the reasonable and vouched costs of the Company and its subsidiaries rebranding to a name which does not include the name “Glanbia”.

9.3 Non-Competition Agreement

All of the following non-compete restrictions are to terminate in the event that Glanbia ceases to be under the Effective Control of the Society, except that in that event the non-competes described below in favour of GII will continue to be binding on Glanbia for as long as it is a shareholder in GII and for a period of two years thereafter.

Non-Competes given by Glanbia in favour of GII

Glanbia has agreed not to enter into additional dairy ingredient processing on the island of Ireland except for any expansions in liquid milk, fresh dairy products and/or mozzarella (including any whey processing associated with such an expansion in mozzarella processing).

Glanbia has undertaken:

- not to manufacture EMP globally or to become involved in the distribution or sale of EMP in ingredient format;
- not to distribute or sell certain EMP consumer products in Latin America (excluding Mexico) or Asia Pacific except through a joint venture with GII; and
- only to distribute and sell certain EMP consumer products in Africa (with the exception of Senegal, Togo and Mali) and the Middle East through Glanbia’s existing 3rd party joint ventures.

Glanbia has also given certain additional non-compete undertakings, including the following material undertakings, namely that Glanbia will not:

- sell cream to any cream liqueur manufacturers;

- sell cheddar cheese, butter or cream in England, Wales and Scotland; and
- sell butter or bulk cream in Germany.

Glanbia will be bound by the terms of the Corman Joint Venture agreement and has undertaken not to sell spreads outside the island of Ireland except with the agreement of the Board of CMIL.

The Society has also given non-compete undertakings to GII equivalent to those provided to it by Glanbia as summarised above.

Consumer Products Ireland will only procure milk products for the purpose of manufacturing liquid milk and/or fresh dairy products to be sold by Consumer Products Ireland.

Non-Competes given by the Society and GII in favour of Glanbia

GII/the Society have undertaken that they will not:

- enter into agri-trading activity in any sales channel and/or in any product including, but not limited to, animal feed, fertiliser or other farm inputs;
- enter into manufacture, sale or distribution of consumer sports and consumer performance nutrition products;
- enter into manufacture, sale or distribution of vitamins and minerals blending and premix; and
- sell liquid milk, cream, butter, cheddar cheese and spreads on the island of Ireland (save for sales to Consumer Products Ireland) through retail and foodservice channels.

Both GII and the Society will observe the terms agreed within the Nutricima Joint Venture agreement between Glanbia, PZ Cussons and Nutricima.

Both GII and the Society will observe the terms of the Glanbia Cheese Joint Venture agreement between Glanbia, Leprino Foods and Glanbia Cheese Limited.

9.4 ***Other Agreements***

In Section 4 of Part II of this Circular there is a summary of various long term supply and purchase agreements which are to be entered into with GII as part of the Transaction. These agreements will have no adverse effects on the trading incomes of Group companies.

Certain services will be provided by Glanbia to GII for a minimum of five years following Completion at agreed rates. This includes arrangements for general maintenance service for IT systems, group shared services, and corporate services for the Joint Venture following Completion. A summary of these Services Agreements is contained in Section 4 of Part II of this Circular.

10. EXTRAORDINARY GENERAL MEETING

A notice convening the Extraordinary General Meeting to be held at Lyrath Estate Hotel, Old Dublin Road (R712), Kilkenny, Ireland on 20 November 2012 at 11.00 a.m. is set out at the end of this Circular. The purpose of the meeting is to consider, and if thought fit, to approve the Resolution. The Resolution is an ordinary resolution to approve the establishment of the Joint Venture (as it is a related party transaction in accordance with the Listing Rules) and gives authority to the Directors to complete the Joint Venture.

11. ACTION TO BE TAKEN

A Form of Proxy for use at the Extraordinary General Meeting is enclosed.

Whether or not you wish to attend the Extraordinary General Meeting, you should complete and sign the Form of Proxy and return it to the Company's Registrar, Computershare Investor Services (Ireland) Limited, by post to PO Box 954, Sandyford, Dublin 18, Ireland or by hand to Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland so as to arrive no later than 11.00 a.m.

on 18 November 2012. The return of the Form of Proxy will not prevent you from attending and voting in person at the EGM, or any adjournment thereof, should you wish to do so.

Electronic proxy appointment is available for the Extraordinary General Meeting. This facility enables a Shareholder to appoint a proxy by electronic means by logging on to www.eproxyappointment.com. To appoint a proxy on this website Shareholders need to enter a Control Number, a Shareholder Reference Number (SRN), a PIN and agree to certain terms and conditions specified by the Registrar. The Control Number, the Shareholder Reference Number (SRN) and PIN can be found on the top of the Form of Proxy. Alternatively, for those Shareholders who hold Ordinary Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Computershare Investor Services (Ireland) Limited (CREST participant ID 3RA50). In each case the proxy appointment must be received electronically by no later than 11.00 a.m. on 18 November 2012. The completion of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should you wish to do so.

12. RECOMMENDATION

The Board, who has been so advised by IBI Corporate Finance, considers that the establishment of the Joint Venture on the terms as described herein, is fair and reasonable as far as the Shareholders are concerned. In providing such advice to the Board, IBI Corporate Finance has taken into account the Board's commercial assessment of the Joint Venture.

The Board considers the establishment of the Joint Venture to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends to the Independent Shareholders that they vote in favour of the Resolution as the Independent Directors intend to do so in respect of their own respective beneficial holdings, which amount, at the date of this Circular, in aggregate to 498,631 Ordinary Shares, representing approximately 0.17 per cent. of the Existing Issued Share Capital. The Society has undertaken not to vote on the Resolution and the Society has undertaken to take all reasonable steps to ensure that its associates will not vote on the Resolution. John Moloney and those Directors on the Board who are also directors of the Society, have not taken part in the Board's consideration of the Joint Venture and will not vote on the Resolution.

Yours sincerely

John Callaghan

Senior Independent Director

For and on behalf of the Board

PART II – ADDITIONAL INFORMATION

1. THE COMPANY

Glanbia has its origins in the Irish Co-operative movement that evolved over the last century. The Company was incorporated and registered in Ireland on 10 March 1988 pursuant to the Companies Acts, 1963 to 1986, under the name Avonmore Foods Limited (registered number 129933). On 11 May 1988, the Company re-registered as a public limited company, Avonmore Foods plc, under the Companies Acts, 1963 to 1986. On 4 September 1997, the Company changed its name from Avonmore Foods plc to Avonmore Waterford Group plc (“AWG”) following the merger of Avonmore Foods plc and Waterford Foods plc. AWG was renamed and rebranded Glanbia plc on 8 March 1999 under the Companies Acts 1963 to 1990. The Company’s registered office is at Glanbia House, Kilkenny, Ireland (Telephone +353 56 777 2200).

2. DIRECTORS AND OTHER INTERESTS

2.1 *Directors’ and Secretary’s shares in Glanbia*

As at close of business on the Latest Practicable Date, the interests (all of which are beneficial unless otherwise stated) of the Directors and Secretary which have been notified by each Director and Secretary to the Company pursuant to Sections 53 or 64 of the Companies Act 1990 or which are required pursuant to Section 59 of the Companies Act 1990 to be entered into the register referred to therein were:

	Ordinary Shares	% of Share Capital
<i>Directors</i>		
L Herlihy (<i>Group Chairman</i>)	91,804	0.03%
H Corbally (<i>Group Vice-Chairman</i>)	9,995	0.00%
Mn Keane (<i>Group Vice-Chairman</i>)	20,000	0.01%
J Moloney (<i>Group Managing Director & Executive Director</i>)	202,459	0.07%
J Callaghan (<i>Senior Independent Director</i>)	65,000	0.02%
W Carroll (<i>Non-Executive Director</i>)	–	0.00%
J Doheny (<i>Non-Executive Director</i>)	6,496	0.00%
D Farrell (<i>Non-Executive Director</i>)	500	0.00%
P Gleeson (<i>Non-Executive Director</i>)	24,923	0.01%
P Haran (<i>Non-Executive Director</i>)	7,462	0.00%
B Hayes (<i>Non-Executive Director</i>)	16,353	0.01%
M Keane (<i>Non-Executive Director</i>)	26,489	0.01%
J Liston (<i>Non-Executive Director</i>)	25,000	0.01%
M Merrick (<i>Non-Executive Director</i>)	3,600	0.00%
J Murphy (<i>Non-Executive Director</i>)	4,000	0.00%
P Murphy (<i>Non-Executive Director</i>)	21,692	0.01%
W Murphy (<i>Non-Executive Director</i>)	230,827	0.08%
E Power (<i>Non-Executive Director</i>)	37,550	0.01%
R Prendergast (<i>Non-Executive Director</i>)	4,007	0.00%
S Talbot (<i>Executive Director</i>)	65,062	0.02%
K Toland (<i>Executive Director</i>)	105,280	0.04%
<i>Secretary</i>		
M Horan	26,138	0.01%

2.2 *Directors' and Secretary's options under the 2002 Long Term Incentive Plan (the "2002 LTIP")*

As at the Latest Practicable Date, the interests of the Directors in Options (all of which are beneficial unless otherwise stated) were:

<i>Name</i>	<i>Number of Shares</i>	<i>Exercise Price</i>	<i>Earliest Date exercisable from</i>	<i>Expiry Date</i>	<i>Note</i>
J Moloney	150,000	€2.725	10 December 2007	08 December 2014	1,2
	70,000	€4.03	31 August 2010	29 August 2017	1
S Talbot	75,000	€2.725	10 December 2007	08 December 2014	1,3
K Toland	100,000	€2.725	10 December 2007	08 December 2014	1
	48,000	€4.03	31 August 2010	29 August 2017	1

Note 1 – Subject to a performance condition that has been met.

Note 2 – Eligible for a share award of 6.6 per cent. of the ordinary shares he continues to hold following the second anniversary of the exercise of the option.

Note 3 – Eligible for a share award of 10 per cent. of the ordinary shares she continues to hold following the second anniversary of the exercise of the option.

2.3 *Directors' and Secretary's awards under the 2008 Long Term Incentive Plan (the "2008 LTIP")*

<i>Name</i>	<i>Number of Shares</i>	<i>Market Price in Euro</i>	<i>Performance Period</i>	<i>Earliest Date for release</i>	<i>Expiry Date</i>
J Moloney	200,000	€2.82	2010-2012	25 May 2013	25 May 2014
	150,000	€4.35	2011-2013	28 March 2014	28 March 2015
	141,000	€6.26	2012-2014	30 August 2015	30 August 2016
S Talbot	120,000	€2.82	2010-2012	25 May 2013	25 May 2014
	96,500	€4.35	2011-2013	28 March 2014	28 March 2015
	90,500	€6.26	2012-2014	30 August 2015	30 August 2016
K Toland	145,000	€2.82	2010-2012	25 May 2013	25 May 2014
	140,000	€4.35	2011-2013	28 March 2014	28 March 2015
	102,500	€6.26	2012-2014	30 August 2015	30 August 2016
M Horan	62,000	€2.82	2010-2012	25 May 2013	25 May 2014
	50,000	€4.35	2011-2013	28 March 2014	28 March 2015
	46,500	€6.26	2012-2014	30 August 2015	30 August 2016

Awards under the 2008 LTIP

This is a long-term share incentive plan under which share awards are granted in the form of a provisional allocation of shares for which no exercise price is payable. The shares are scheduled for release in May 2013, March 2014 and August 2015 to the extent that there is sustained improvement in the underlying financial performance. The extent of vesting for the awards scheduled to vest in 2013 and 2014 shall be determined by growth in the Company's EPS (earnings per share), the Company's TSR (total shareholder return) performance, each representing 50 per cent. of the maximum vesting level. The awards scheduled to vest in 2015 are subject to an additional investment performance measure being ROCE (return on capital employed), with each of EPS, TSR and ROCE representing one third of the maximum vesting level.

Save as set out in paragraphs 2.1 to 2.3 above, no Director (nor any of their spouses or minor children) has any beneficial interest in the issued share capital of the Company or any of its subsidiaries.

2.4 ***Directors' and Secretary's interests in the Society at the Latest Practicable Date were:***

	<i>A Ordinary Shares of €1.00</i>	<i>C Shares €0.01</i>
<i>Directors</i>		
L Herlihy (<i>Group Chairman</i>)	91,425	34,206,814
H Corbally (<i>Group Vice-Chairman</i>)	5,912	770,641
Mn Keane (<i>Group Vice-Chairman</i>)	6,626	3,118,390
J Moloney (<i>Group Managing Director and Executive Director</i>)	–	3,485,000
J Callaghan (<i>Senior Independent Director</i>)	–	–
W Carroll (<i>Non-Executive Director</i>)	17,626	–
J Doheny (<i>Non-Executive Director</i>)	7,304	692,403
D Farrell (<i>Non-Executive Director</i>)	5,646	742,000
P Gleeson (<i>Non-Executive Director</i>)	–	–
P Haran (<i>Non-Executive Director</i>)	–	–
B Hayes (<i>Non-Executive Director</i>)	12,996	2,640,000
M Keane (<i>Non-Executive Director</i>)	20,157	3,000,000
J Liston (<i>Non-Executive Director</i>)	–	–
M Merrick (<i>Non-Executive Director</i>)	6,309	–
J Murphy (<i>Non-Executive Director</i>)	16,334	–
P Murphy (<i>Non-Executive Director</i>)	13,698	12,143,890
W Murphy (<i>Non-Executive Director</i>)	–	1,371,320
E Power (<i>Non-Executive Director</i>)	26,940	27,940,451
R Prendergast (<i>Non-Executive Director</i>)	6,683	–
S Talbot (<i>Executive Director</i>)	–	11,892,766
K Toland (<i>Executive Director</i>)	–	–
<i>Secretary</i>		
M Horan	–	574,000

2.5 ***Directors' service contracts***

No Executive Director has a service contract with the Company with a notice period in excess of one year or with provisions for pre-determined compensation on termination which exceeds one year's salary and benefits-in-kind.

Non-Executive Directors do not have service contracts with the Company, but are appointed to the Board under letters of appointment for an initial three year period. They are subject to retirement and re-appointment by shareholders at each annual general meeting. No benefit, payment or compensation of any kind is payable to any non-executive Director upon termination of his or her letter of appointment under the terms of any appointment letter entered into with a non-executive Director.

2.6 ***Substantial shareholdings***

The table below details the significant holding (3 per cent. or more) in the Company's ordinary share capital or voting rights that has been disclosed to the Company as at the Latest Practicable Date in accordance with the requirements of the Transparency Rules:

		<i>% of Existing Ordinary Issued</i>
<i>Shareholder</i>	<i>Number of Shares</i>	<i>Share Capital</i>
Glanbia Co-operative Society Limited	160,277,308	54.4%
Prudential plc Group of Companies	11,780,393	3.99%

Save as disclosed above, the Company is not aware of, and has not been notified of, any shareholding representing, directly or indirectly, 3 per cent. or more of the share capital of the Company. The Group is controlled by the Society which holds 54.4 per cent. of the issued share capital of the Company and is the ultimate parent of the Group.

3. DETAILS OF KEY INDIVIDUALS IMPORTANT TO GII

GII will retain all employees associated with Dairy Ingredients Ireland including the relevant CEO and senior management team at Completion.

4. MATERIAL CONTRACTS

The following is a summary of the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by Glanbia or GII and their respective subsidiaries within the two years immediately preceding the date of this Circular and which are or may be material to Glanbia, and those other contracts (not being a contract entered into in the ordinary course of business), which contain any provision under which Glanbia or GII (and their respective subsidiaries) has any obligation or entitlement which is or may be material to Glanbia at the date of this Circular and in all cases is information which Shareholders would reasonably require to make a properly informed assessment of how to vote on the Transaction.

4.1 *Hive Down Agreement*

The Hive Down Agreement was executed and completed on 29 July 2012. It is the agreement pursuant to which the undertaking of Dairy Ingredients Ireland (consisting of the Dairy Ingredients Ireland business and related assets and liabilities) was transferred to GII. It contains indemnities designed to ensure that only liabilities fairly attributable to the Dairy Ingredients Ireland business were assumed by GII.

4.2 *The Share Subscription and Redemption Agreement*

The Share Subscription and Redemption Agreement is summarised in Section 9.1 of Part I of this Circular.

4.3 *Shareholders' Agreement*

The Shareholders' Agreement is summarised in Section 9.2 of Part I of this Circular.

4.4 *Non-Competition Agreement*

The Non-Competition Agreement is summarised in Section 9.3 of Part I of this Circular.

4.5 *The Loan Note which may be issued by the Society*

The consideration payable by the Society to Glanbia for the 60 per cent. joint venture interest will be discharged by a cash payment and, if required, the issue of the Loan Note. The quantum of the Loan Note will be determined by the amount realised by the Society from the sale of a 3 per cent. shareholding in Glanbia.

Furthermore, should the proposed spin out and further share sale by the Society be approved and effected prior to Completion, the full consideration will be paid in cash.

The Loan Note to be issued by the Society will have a duration of 10 years from Completion. Capital repayments will commence on the third anniversary of Completion with 7 equal annual instalments thereafter. Interest will be payable from Completion at the rate of 6 per cent. per annum paid in cash (paid semi-annually).

The obligations of the Society under the Loan Note will be secured by a charge over the Society's shares in GII.

The terms of the Loan Note will provide that any bank borrowings undertaken by the Society after Completion will be subordinated to the Loan Note. Until the Loan Note is repaid, distributions, cash bonuses or spin-outs of the Company's shares to members can only be made by the Society where the Society is in compliance with its obligations under the Loan Note (but payments to members under the existing Revolving Share Plans of the Society up to and including any 2014 Revolving Share Plan

are permitted). This will not be the case if the spin-out referred to in Section 7 of Part I of this Circular takes place as this will also be accompanied by the repayment of the Loan Note.

The Loan Note will become immediately due and payable (i) if the Society amalgamates with another society (save for any amalgamation which is not material) or transfers its engagements to another person or converts to a company, (ii) if the Society exercises the Call Option, (iii) if after Completion the Society disposes of shares in Glanbia and following the disposal holds less than 51 per cent. of the entire issued share capital of Glanbia, and (iv) on specified normal events of default occurring in relation to the Society.

4.6 *Long Term Milk Management and Supply Agreement between Glanbia Foods Ireland Limited (trading as Consumer Products Ireland) and GII in respect of Liquid Milk*

Under this agreement GII and Consumer Products Ireland will implement a dual supplier structure for the 1,058 liquid milk suppliers. Consumer Products Ireland will contract a total supply of 318 million litres annually from these 1,058 farmers. GII will contract for the balance of the 1,058 suppliers' core milk plus any growth milk.

In addition, Consumer Products Ireland is entitled to call on GII to supply it with an additional 60 million litres of milk annually. GII will continue to provide Consumer Products Ireland with milk management services which will include but not be limited to milk collection and its optimisation across all the supplier base, farmer liaison, testing, administration and supplier payments.

The agreement will remain in effect until terminated by either party on three years' prior notice but there is an initial minimum 7 year term.

The provisions of the agreement dealing with the supply by Consumer Products Ireland of the additional 60 million litres of milk annually, referred to above, will continue in effect until 31 December 2025.

In the event that GII, Consumer Products Ireland or Glanbia cease to be under Effective Control of the Society, the contract will transition to a fixed 5 year term and will terminate on the earlier of (i) 31 December 2025 and (ii) the expiry of such 5 year term.

4.7 *Long Term Exclusive Supply and Purchase Agreement between Glanbia Foods Ireland Limited (trading as Consumer Products Ireland) and GII in respect of cheddar cheese, butter and cream*

Under this agreement the parties have agreed that, within the island of Ireland, Consumer Products Ireland will exclusively purchase and GII will exclusively supply cheddar cheese, butter and cream products (the "Products") for consumer packaging, marketing and sale in retail and foodservice channels. Specifically, Consumer Products Ireland will not purchase the Products directly from any other dairy processor.

If GII is unable to supply the Products from internal or third party sources to Consumer Products Ireland, Consumer Products Ireland will be able to source the Products from other processors as required.

The agreement provides that Consumer Products Ireland shall supply and GII shall purchase all of Consumer Products Ireland's excess cream. In addition, within the island of Ireland, where Consumer Products Ireland does not have access to enough cream through processing of its milk supply for the liquid market, the agreement provides that Consumer Products Ireland will exclusively purchase and GII will exclusively supply bulk cream for consumer packaging, marketing and sale in retail and foodservice channels.

The agreement will expire on 31 December 2025. In the event that GII, Consumer Products Ireland or Glanbia cease to be under Effective Control of the Society, the contract will transition to a fixed 5 year term and will terminate on the earlier of (i) 31 December 2025, and (ii) the expiry of such 5 year term.

4.8 ***Long Term Commercial Agreement between Glanbia Foods Ireland Limited and Glanbia Feeds Limited (trading as Glanbia Agribusiness), Glanbia Foods Ireland Limited and Glanbia Consumer Foods Limited (trading as Consumer Products Ireland) and GII***

Under this agreement, the parties have agreed that, subject to the agreement of the milk supplier, they will continue to operate the Group's existing accounts settlement mechanism (the "Contra Payment Facility"), which will be updated and developed and under which an amount equal to that owed by a customer to Agribusiness will be deducted from amounts owed by GII and/or Consumer Products Ireland to the same customer arising from milk purchases, and paid over to Glanbia Agribusiness.

GIJ and Glanbia Agribusiness will continue to work in a collaborative manner across a range of farm development programmes with the aim of supporting the development of milk suppliers' businesses.

In addition, both parties have committed to continue with the existing arrangement whereby Glanbia Agribusiness purchases delactose concentrate ("DLC") from GII.

The agreement will remain in effect until terminated by either party on 1 year's prior notice but there is a minimum 4 year initial term.

If, at any time, GII and/or Glanbia Feeds Limited, Glanbia Consumer Foods Limited and Glanbia Foods Ireland Limited cease to be under the ultimate Effective Control of the Society (i) the agreement will transition to a fixed five year term beginning on that date and (ii) the parties will continue the Contra Payment Facility provided that no additional information which is not strictly necessary for the performance of the Contra Payment Facility (for example, any customer data or market information) is provided by one party to the other party and any additional information which has already been provided by one party to the other party shall not be used by the receiving party except for the sole purpose of performing the Contra Payment Facility.

4.9 ***Long Term Exclusive Supply Agreement between Glanbia Nutritionals (Ireland) Limited and GII in respect of the supply of whey protein isolate ("WPI")***

Under this agreement, GII will exclusively supply all of its annual output of WPI (including all premium, standard under grade and animal feed-grade product) to Glanbia Nutritionals (Ireland) Limited.

Pricing will be market based and both parties will collaborate to maximise the plant's quality and efficiency.

In year four of the agreement, GII may sell 20 per cent. of its annual output of WPI to any other party. In year five and for all consecutive years, it may sell 25 per cent. of its annual output of WPI to any other party.

The agreement will remain in effect unless terminated by either party on serving 2 years' notice but there is a minimum initial 5 year term.

If Glanbia Nutritionals (Ireland) Limited or GII cease to be under the Effective Control of the Society, the agreement shall transition to a fixed five year term commencing on that date unless terminated earlier by notice as described above.

Glanbia reserves the right to source WPI and/or any other whey products from any source.

4.10 ***IT Services Agreement between Glanbia Foods Ireland Limited and GII***

Under this agreement, Glanbia Foods Ireland Limited will be the exclusive provider of certain IT services to GII in accordance with the current arrangements between the parties. The services to be provided will include IT strategy, application and infrastructure support and design, implementations and on-going development and support. The service charges payable by GII are set out in an annual service schedule.

The agreement will remain in effect until terminated by either party on 2 years' notice but there is an initial minimum 5 year term.

4.11 *Shared Services Agreement between Glanbia Foods Ireland Limited and GII*

Under this agreement, Glanbia Foods Ireland Limited will be the provider of core shared services support to GII in accordance with the current arrangements between the parties. The services to be provided will include accounts payable and accounts receivable, master data, financial services and payroll services. The service charges payable by GII are set out in an annual service schedule.

The agreement will remain in effect until terminated by either party on 1 years' notice but there is an initial minimum 5 year term.

4.12 *Group Corporate Services Agreement between Glanbia Management Services Limited and GII*

Under this agreement Glanbia Management Services Limited will be the provider of a range of corporate services (including treasury, tax, legal, HR and secretarial) to GII as required.

The agreement will remain in effect until termination by either party on 1 year's notice, subject to an initial minimum 5 year term (save that either party may terminate the agreement with 3 months' notice if the parties cannot agree on the applicable charges for any 12 month period within 3 months of the start of that period).

4.13 *Trade Mark Licence Agreement between Glanbia and GII*

This Trade Mark Licence Agreement is required to facilitate the continued use of the Avonmore and Premier trade marks by GII in connection with its international dairy ingredients business and will terminate on exercise of the Call Option or, if earlier, after 6 years.

4.14 *Deed of Co-Existence between Glanbia, the Society and GII*

This Deed of Co-Existence will confirm the continued use of the "GLANBIA" name and related trade marks by the Society and GII. If and when the rebranding provisions in the Shareholders' Agreement come into effect, this Deed shall be automatically terminated.

5. SIGNIFICANT CHANGE

5.1 *Glanbia*

There has been no significant change in the financial or trading position of Glanbia since 30 June 2012, the date to which the Company's unaudited results for the six months ended 30 June 2012 were prepared.

5.2 *Dairy Ingredients Ireland*

There has been no significant change in the financial or trading position of Dairy Ingredients Ireland since 30 June 2012, the date to which unaudited results for the six months ended 30 June 2012 were prepared.

6. LITIGATION

6.1 *Glanbia*

Neither Glanbia nor any of its subsidiaries is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Glanbia is aware), during the twelve months preceding the date of this Circular which may have, or have had in the recent past significant effects on Glanbia and/or the Group's financial position or profitability.

6.2 *Dairy Ingredients Ireland*

No company in Dairy Ingredients Ireland is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Glanbia is aware), during the twelve months preceding the date of this Circular which may have, or have had in the recent past significant effects on Glanbia and/or Dairy Ingredients Ireland financial position or profitability.

7. RELATED PARTY TRANSACTIONS

Other than as disclosed in Note 37 of Glanbia's audited annual report for the year ended 2 January 2010, Note 37 of Glanbia's audited annual report for the year ended 1 January 2011, Note 37 of Glanbia's audited annual report for the year ended 31 December 2011 (which annual reports are incorporated by reference into this Circular) and below (covering the period from 1 January 2012 up to and including 26 October 2012 (being the latest practicable date for this information prior to the publication of this document)), no related party transactions were entered into by the Company. Information in this section from 1 January 2012 to 26 October 2012 is extracted without material adjustments from the internal accounting records of the Company.

The Group is controlled by the Society which holds 54.4 per cent. of the issued share capital of the Company and is the ultimate parent of the Group.

The following transactions were carried out with related parties from 1 January 2012 to 26 October 2012:

(a) *Sales of goods and services*

	<i>2012 Company €'000</i>	<i>2012 Group €'000</i>
Sales of goods:		
– Associates	–	4,384
– Joint ventures	–	59,686
– Key management ¹	–	1,621
	–	65,691
Sales of services:		
– The Society	–	361
– Associates	–	16
– Joint ventures	–	15,200
	–	15,577

Sales to related parties were carried out under normal commercial terms and conditions.

(b) *Purchases of goods and services*

	2012 Company €'000	2012 Group €'000
Purchases of goods:		
– Associates	–	8,236
– Joint ventures	–	2,670
– Key management ¹	–	2,664
	–	13,570
Purchases of services:		
– The Society	–	290
– Associates	–	1,237
– Joint ventures	–	5
	–	1,532

Purchases from related parties were carried out under normal commercial terms and conditions.

(c) *Period-end balances arising from sales/purchases of goods/services*

	2012 Company €'000	2012 Group €'000
Receivables from related parties:		
– The Society	–	5
– Associates	–	1,224
– Joint ventures	–	6,491
– Key management ¹	–	708
	–	8,428
Payables to related parties:		
– Associates	–	1,835
– Joint ventures	–	46,687
– Key management ¹	–	211
– Subsidiaries	92,647	–
	92,647	48,733

The receivables from related parties arise mainly from sale transactions and are due two months after the date of sales. The receivables are unsecured in nature and only bear interest when receivables are due more than three months after the date of sales.

The payables to related parties arise mainly from purchase transactions and are due one month after the date of purchase. The payables bear no interest.

1. Purchases, sales and related year-end balances to key management refer to trading balances with Directors who are engaged in farming activities. No loans were made to key management in the period from 1 January 2012 to 26 October 2012.

(d) **Key management compensation²**

	2012 Company €'000	2012 Group €'000
Salaries and other short-term employee benefits*	–	4,001
Post-employment benefits	–	415
LTIP accounting charge	–	1,508
Non-executive directors fees	670	670
	<u>670</u>	<u>6,594</u>

2. Key management compensation includes Directors (executive and non-executive) and members of the Glanbia Operating Executive.

*Inclusive of *pro rata* annual performance bonus for 2012, subject to confirmation of the performance targets by the remuneration committee in early 2013.

(e) **Loans to Joint Ventures**

	2012 Company €'000	2012 Group €'000
Loans receivable		
Opening balance	–	13,475
Foreign exchange difference on opening balance	–	263
Loans advanced during the period	–	3,310
Closing loans receivable	<u>–</u>	<u>17,048</u>
Interest on loans receivable		
Opening balance	–	106
Foreign exchange difference on opening balance	–	4
Interest charged	–	492
Interest received	–	(126)
Closing interest on loans receivable	<u>–</u>	<u>476</u>
Total loan and interest receivable	<u>–</u>	<u>17,524</u>

8. CONSENT

IBI Corporate Finance, which is regulated in Ireland by the Central Bank, has given and has not withdrawn its written consent to the inclusion in this Circular of its name and references thereto in the form and context in which it appears.

9. ROUNDING

Certain financial information in this Circular has been rounded. As a result of this rounding, the totals of data presented in this Circular may vary slightly from the actual arithmetic aggregation of the figures that precede them.

10. INCORPORATION BY REFERENCE

Glanbia's 2009 Annual Report, 2010 Annual Report and 2011 Annual Report are incorporated by reference in, and form part of, this document. The location of references to the above documents within this document are set out below.

<i>Information Incorporated by Reference</i>	<i>Document Reference</i>	<i>Page Number in this Document</i>
Note 37 Related Party Transactions to the Group Financial Statements	The 2011 Glanbia Annual Report (pages 143-145)	25
Note 37 Related Party Transactions to the Group Financial Statements	The 2010 Glanbia Annual Report (pages 134-135)	25
Note 37 Related Party Transactions to the Group Financial Statements	The 2009 Glanbia Annual Report (pages 119-120)	25

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the documents referred to below will be available for inspection in physical form during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Arthur Cox at Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland, from the date of this Circular up to and including 20 November 2012, being the date of the Extraordinary General Meeting:

- 11.1 the Memorandum and Articles of Association of the Company;
- 11.2 the consolidated audited accounts of the Group for the financial years ended 2 January 2010, 1 January 2011 and 31 December 2011;
- 11.3 the consent letter referred to in Section 8 above;
- 11.4 the Form of Proxy; and
- 11.5 this Circular.

Dated: 2 November 2012

DEFINITIONS

In this Circular and in the Form of Proxy the following expressions have the following meanings, unless the context otherwise requires, or unless it is otherwise specifically provided in this Circular:

“Agribusiness” or “Glanbia Agribusiness”	the Group’s Irish Agribusiness unit;
“business day(s)”	any day on which banks are open for business in Dublin, not being a Saturday or Sunday or bank holiday;
“B2B”	business to business;
the “Board”	the board of directors of Glanbia;
“Call Option”	the call option of the Society over Glanbia’s 40 per cent. interest in the Joint Venture summarised in Section 9.2, of Part I of this Circular;
“Central Bank”	The Central Bank of Ireland;
“Circular”	this document dated 2 November 2012, which comprises a circular to Shareholders pursuant to the Listing Rules;
“CMIL” or “Corman Miloko” or “Corman”	Corman Miloko Ireland Limited (a joint venture between Glanbia and Corman S.A.);
“Company” or “Glanbia”	Glanbia plc;
“Companies Act”	the Companies Act 1963 of Ireland (as amended);
“Companies Acts”	the Companies Acts 1963 to 2005 and Parts 2 and 3 of the Investment Funds, Companies and Miscellaneous Provisions Act 2006, the Companies (Amendment) Act 2009, the Companies (Miscellaneous Provisions) Act 2009 and the Companies (Amendment) Act 2012, all enactments which are to be read as one with, or construed or read together as one with, the Companies Acts and every statutory modification and re-enactment thereof for the time being in force;
“Completion”	completion of the Joint Venture in accordance with the terms of the Share Subscription and Redemption Agreement;
“Completion Accounts”	the audited completion accounts of GII referred to in Section 9 of Part I of this Circular;
“Computershare”	Computershare Investor Services (Ireland) Limited;
“Consumer Products Ireland”	the Irish consumer products business unit of Glanbia;
“core milk”	in respect of milk allocated to an individual supplier, core milk will be the higher of: (a) the supplier’s EU Quota at 1 April 2012 (adjusted upwards for any EU quota increases up to 2015, less any quota sales post March 2012, not including quota purchased post March 2012); or (b) the highest volume supplied to Glanbia or its subsidiary or associated companies in any of the three quota years 2008/09, 2009/10 or 2010/11;
“CREST”	the relevant system in respect of which Euroclear is the operator (as defined in the CREST Regulations);

“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Services Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear UK & Ireland Limited on 15 July 1996 and as amended since);
“CREST member”	a person who has been admitted to Euroclear as a system-member (as defined in the CREST Regulations);
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
“CREST Proxy Instruction”	the appropriate CREST message for a Shareholder holding Ordinary Shares in CREST to appoint a proxy or proxies utilising the relevant procedures described in the CREST Manual;
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (SI No. 68/1996) and the Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (S.I. No. 693/2005);
“CREST sponsor”	a CREST participant admitted to CREST as a CREST sponsor;
“CREST sponsored member”	a CREST member admitted to CREST as a sponsored member;
“Corman Joint Venture agreement”	the joint venture between Glanbia and Corman S.A. in respect of CMIL;
“Dairy Ingredients Ireland”	the Irish dairy ingredients business unit described in Section 3 of Part I of this Circular;
“Dairy Ireland”	the Group is divided into three segments. The Dairy Ireland segment is one of these three segments and its results are disclosed in the annual report of the Company. The other two segments in the Group are US Cheese & Global Nutritionals and Joint Ventures & Associates;
“Directors”	the directors of Glanbia whose names are set out on page 4 of the document;
“Disclosure Rules”	the Market Abuse (Directive 2003/6/EC) Regulations 2005 and the Market Abuse Rules issued by the Central Bank under Section 34 of the Investment Funds, Companies And Miscellaneous Provisions Act 2005;
“€20 million Discount”	the discount of €20 million against the book value of the net fixed assets of Dairy Ingredients Ireland as at Completion which is implicit in the calculation of the consideration payable by the Society for the 60 per cent. interest in the Joint Venture;
“EBITDA”	earnings before interest, tax, depreciation and amortisation;
“Effective Control”	the right of any person to appoint directors to the board of directors of a body corporate who between them (and including any casting vote) have the ability to pass resolutions at the board of directors of that body corporate without the supporting vote of any other directors of that body corporate (such majority hereinafter the

	“Controlling Directors”) or where the person in facts appoints the Controlling Directors of a body corporate, whether or not entitled to do so;
“EMP”	Enriched/fat filled blended powder product which is manufactured from a blend of ingredients including dairy proteins, in liquid or in powder format (including skimmed milk, buttermilk, whey and permeate), non-dairy lipids, dairy and non-dairy carbohydrates (including lactose, maltodextrin and sugar) and other non-dairy ingredients (including lecithin, vitamins and minerals). For the avoidance of doubt, EMP does not include infant formula base powder, infant formula products (including follow-on milk), consumer performance nutrition products, consumer sports nutrition products or liquid milk;
“Equity Investments”	the equity investment of €29.6 million to be invested into GII at Completion by way of a share subscription plus a further €29.6 million which will be invested into GII if the Society’s shareholding in Glanbia reduces below 51 per cent. pursuant to the spin-out and further share sale as described in Section 7 of Part 1. These equity investments will be made by the Society and Glanbia in proportion to their respective shareholdings in GII. These equity investments are in addition to the amount that GII will receive from the Society by way of subscription for the purpose of funding the redemption of some of Glanbia’s shares in GII in exchange for the payment of Transaction Proceeds;
“EU”	the European Union;
“Existing Issued Share Capital”	294,807,684 Ordinary Shares (excluding treasury shares) in issue in the Company as at the Latest Practicable Date;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at Lyrath Estate Hotel, Old Dublin Road (R712), Kilkenny, Ireland on 20 November 2012 at 11.00 a.m., including any adjournment thereof, and notice of which is set out at the end of this Circular;
“€” or “euro”	the single currency of member states of the European Communities that adopt or have adopted the euro as their currency in accordance with legislation of the European Union relating to European Economic and Monetary Union;
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the EGM;
“GII”	Glanbia Ingredients Ireland Limited;
“Glanbia” or the “Company”	Glanbia plc;
“Glanbia Operating Executive”	John Moloney, Siobhán Talbot, Kevin Toland, Brian Phelan and Michael Horan;
“Glanbia Cheese Joint Venture”	the joint venture between Leprino Foods, Glanbia and Glanbia Cheese Limited;
“Group”	the Company and its subsidiaries;

“Hive Down”	the acquisition of Dairy Ingredients Ireland by GII from Glanbia Ingredients (Ballyragget) Limited pursuant to the Hive Down Agreement;
“Hive Down Agreement”	the Hive Down Agreement dated 29 July 2012 between Glanbia Ingredients (Ballyragget) Limited (a subsidiary of Glanbia) and GII pursuant to which Dairy Ingredients Ireland was acquired by GII;
“IAS”	International Accounting Standards;
“IBI Corporate Finance”	IBI Corporate Finance Limited, a subsidiary of Bank of Ireland Group;
“Independent Directors”	made up of the following Non-executive Directors of Glanbia, namely Jerry Liston, John Callaghan, Paul Haran and William Murphy and the following Executive Directors, namely Siobhán Talbot and Kevin Toland;
“Independent Shareholders”	the shareholders of Glanbia other than the Society or person connected to the Society;
“Ireland”	the island of Ireland, excluding Northern Ireland, and the word “Irish” shall be construed accordingly;
“Irish Dairy Board”	The Irish Dairy Board Co-operative Limited;
“Irish Stock Exchange”	The Irish Stock Exchange Limited;
“IT Services Agreement”	the IT Services Agreement which will be entered into on Completion between Glanbia Foods Ireland Limited and GII;
“Joint Venture”	the proposed subscription by the Society for 60 per cent. of GII (the owner of Dairy Ingredients Ireland), on the terms and subject to the conditions of the Share Subscription and Redemption Agreement, so that GII is owned jointly between the Company (40 per cent.) and the Society (60 per cent.);
“Joint Venture Partners”	Glanbia and the Society;
“Joint Venture Resolution”	the ordinary resolution to approve the establishment of the Joint Venture set out in the Notice, to be considered and voted on at the EGM;
“Latest Practicable Date”	31 October 2012, the latest practicable date prior to the publication of this Circular;
“Listing Rules”	the listing rules of the Irish Stock Exchange and/or where appropriate, of the UK Listing Authority;
“Leprino Foods”	Leprino Foods Company which has its Corporate Headquarters at 1830 W. 38th Avenue, Denver, Colorado 80211, U.S.A.;
“Loan Note”	Loan Note to be issued by the Society as described in Section 4 of Part II of this Circular;
“London Stock Exchange”	London Stock Exchange plc;
“Market Abuse Rules”	the Market Abuse Rules of the Central Bank issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005;

“Notice”	the notice of Extraordinary General Meeting set out at the end of this Circular;
“Options”	options granted pursuant to the terms of the Share Option Schemes;
“Ordinary Shares” or “Shares”	the issued and fully paid ordinary shares of nominal value €0.06 each in the capital of the Company;
“Registrar”	Computershare Investor Services (Ireland) Limited, trading as Computershare, being the registrar of the Company;
“Regulatory Information Service”	one of the regulatory information services authorised by the Irish Stock Exchange and/or the UK Listing Authority to receive, process and disseminate regulated information from listed companies;
“Related Party Directors”	the directors of Glanbia who are also directors of the Society;
“Resolution”	the resolution to be proposed at the Extraordinary General Meeting;
“Revolving Share Plan”	a share plan of the Society whereby suppliers to, and members, patrons, employees of, the Society are invited to subscribe for shares in the Society on the basis it is envisaged that these shares will be redeemed in cash for a fixed return at a future specified date;
“Services Agreements”	the services agreements describe in Section 4 of Part II of this Circular;
“Shared Services Agreement”	the Shared Services Agreement which will be entered into on Completion between Glanbia Foods Ireland Limited and GII;
“Shareholders”	a holder or holders of Ordinary Shares;
“Shareholders’ Agreement”	the Shareholders’ Agreement to be entered into on Completion between GII, the Company and the Society a summary of the principal terms of which is contained in Section 9.2 of Part I of this Circular;
“Share Option Scheme”	2002 Long Term Incentive Plan;
“the Society”	Glanbia Co-operative Society Limited;
“Share Subscription and Redemption Agreement”	the Share Subscription and Redemption Agreement between the Company, GII and the Society, dated 22 October 2012, a summary of the principal terms of which is contained in Section 9.1 of Part I of this Circular;
“Society Nominee”	a director of Glanbia nominated by the Society;
“subsidiary”	shall be construed in accordance with the Companies Act;
“Transaction”	the establishment of the Joint Venture;
“Transaction Proceeds”	the proceeds of the Transaction receivable by Glanbia as described in Section 4 of Part I of this Circular;
“Transparency Rules”	the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules issued by the Central Bank under Section 22 of the Investment Funds, Companies and Miscellaneous Provisions Act, 2006;

“UK Listing Authority” or “UKLA”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act, 2000 of the United Kingdom;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“whey”	liquid by product of cheese production process from which protein, carbohydrates and minerals can be extracted; and
“WPI”	whey protein isolate.

Notes:

- (i) Unless otherwise stated in this Circular, all references to statutes or other forms of legislation shall refer to statutes or forms of legislation of Ireland. Any reference to any provision of any legislation shall include any amendment, modification, consolidation, re-enactment or extension thereof.
- (ii) Words importing the singular shall include the plural and *vice versa*, and words importing the masculine shall include the feminine or neutral gender.

GLANBIA PLC

(Incorporated and registered in Ireland – registered number 129933)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Glanbia plc (“the Company”) will be held at Lyrath Estate Hotel, Old Dublin Road (R712), Kilkenny, Ireland on 20 November 2012 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution:

AS AN ORDINARY RESOLUTION

THAT the establishment of the Joint Venture (as described and defined in the Circular to the Shareholders of the Company dated on or about 2 November 2012) be and is hereby approved and the Directors (or a duly authorised committee of the Directors) be authorised to carry the same into effect (with such non-material amendments as they shall deem necessary or appropriate) and in connection therewith the Directors of the Company be and are hereby authorised and instructed to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary or expedient for the purpose of giving effect to the Joint Venture.

BY ORDER OF THE BOARD

Michael Horan

Group Secretary

Registered Office:

Glanbia House
Kilkenny
Ireland

Dated: 2 November 2012

Notes

1. A Shareholder entitled to attend, speak, ask questions and vote is entitled to appoint a proxy to attend, speak, ask questions and vote on his behalf. A proxy need not be a Shareholder of the Company. Appointment of a proxy will not preclude a Shareholder from attending, speaking, asking questions and voting at the meeting should the Shareholder subsequently wish to do so. To be effective, the Form of Proxy together with any power of attorney or other authority under which it is executed, or a notarially certified copy thereof, must be deposited at the registered office of the Company or, at the Shareholder's option, with the Registrar of the Company, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland not less than 48 hours before the time appointed for the holding of the meeting.
2. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST Proxy Instruction must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Services (Ireland) Limited (CREST participant ID 3RA50) by 11.00 a.m. on 18 November 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare Investor Services PLC is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to produce that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by

any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996.

3. A Shareholder may also appoint a proxy or proxies electronically by logging on to www.eproxyappointment.com. To vote on this website Shareholders need to enter a Control Number, a Shareholder Reference Number (SRN), a PIN and agree to certain terms and conditions. The Control Number, the Shareholder Reference Number (SRN) and PIN can be found on the top of the Form of Proxy. To be effective, the Form of Proxy must be received by 11.00 a.m. on 18 November 2012.

SHAREHOLDER RIGHTS DIRECTIVE INFORMATION

The following information is provided to shareholders in accordance with the Shareholders' Rights (Directive 2007/36/EC) Regulations 2011:

1. Conditions for Participating in the EGM and Record Date for EGM

Every Shareholder, irrespective of how many Glanbia shares he/she holds, has the right to attend, speak, ask questions and vote at the EGM. Completion of a Form of Proxy will not affect your right to attend, speak, ask questions and/or vote at the meeting in person. The right to participate in the EGM is subject to the registration of the shares prior to the date of the meeting (the "**Record Date**"). The Company, pursuant to Section 134A of the Companies Act 1963, has specified 5.00 p.m. on 18 November, 2012 (or in the case of an adjournment as at 5.00 p.m. on the day which is two days before the adjourned meeting) as the Record Date for the EGM. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend, speak, ask questions and/or vote at the meeting.

If you are a registered Shareholder, your Control Number, Shareholder Identification Number and PIN are to be found on the attached Form of Proxy. You will need to use your Control Number, Shareholder Identification Number and PIN to enter the Eproxy appointment website.

2. Appointment of Proxy

If you cannot attend the EGM in person, you may appoint a proxy (or proxies) to attend, speak, ask questions and vote on your behalf. For this purpose the Form of Proxy is enclosed. A proxy need not be a Shareholder. You may appoint the Chairman of the meeting or another individual as your proxy. You may appoint a proxy by completing the enclosed Form of Proxy, making sure to sign and date the form at the bottom and return it to the Company's Registrar, Computershare Investor Services (Ireland) Limited, P.O. Box 954, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland no later than 11.00 a.m. on 18 November 2012. If you are appointing someone other than the Chairman of the meeting as your proxy, then you must fill in the contact details of your representative at the meeting beside the box "I hereby appoint" on the Form of Proxy.

Alternatively, you may appoint a proxy electronically, by logging on to www.eproxyappointment.com. To vote on this website Shareholders need to enter a Control Number, a Shareholder Reference Number (SRN), a PIN and agree to certain terms and conditions. The Control Number, the Shareholder Reference Number (SRN) and PIN can be found on the top of the Form of Proxy.

If you appoint the Chairman of the meeting or another person as a proxy to vote on your behalf, please make sure to indicate how you wish your votes to be cast by ticking the relevant boxes on the Form of Proxy.

Completing and returning a Form of Proxy will not preclude you from attending and voting at the meeting should you so wish.

3. How to exercise your voting rights

As a Shareholder, you have several ways to exercise your right to vote:

- 3.1 by attending the EGM in person;
- 3.2 by appointing the Chairman of the meeting or another person as a proxy to vote on your behalf;
- 3.3 by appointing a proxy via the CREST System if you hold your shares in CREST.

In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members.

4. Tabling Draft Resolutions

If you or a group of Shareholders hold at least 3 per cent. of the issued share capital of the Company, you or the group of Shareholders acting together have the right to table a draft resolution for inclusion in the agenda of the EGM subject to any contrary provision in company law.

In order to exercise this right, the text of the draft resolution and evidence of your shareholding must be received by post by the Group Secretary at Glanbia plc, Glanbia House, Kilkenny, Ireland or by email to either ir@glanbia.ie or info@glanbia.ie in good time so that notice can be given to Shareholders of the resolution as required by the Companies Act. A resolution cannot be included in the EGM agenda unless it is received at either of these addresses by the deadline imposed by the Companies Act. Furthermore, Shareholders are reminded that there are provisions in company law which impose other conditions on the right of shareholders to propose resolutions at the general meeting of a company.

5. Right to ask questions

Pursuant to Section 134C of the Companies Act 1963, Shareholders have a right to ask questions related to items on the EGM agenda and to have such questions answered by the Company subject to any reasonable measures the Company may take to ensure the identification of Shareholders.

6. How to request/ inspect documentation relating to the meeting

The display documents are available for inspection in physical form during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Arthur Cox at Earlsfort Centre, Earlsfort Terrace, Dublin 2, Ireland, from the date of this Circular up to and including 20 November 2012, being the date of the Extraordinary General Meeting.

Should you not receive a form of proxy, or should you wish to be sent copies of documents relating to the meeting, you may request this by telephoning the Company's Registrar, Computershare Investor Services (Ireland) Limited on (01) 247 5349 or by email to www.investorcentre.com/ie/contactus or by writing to the Group Secretary at Glanbia plc, Glanbia House, Kilkenny, Ireland.

7. Issued shares and total voting rights

The total number of issued Ordinary Shares on the date of this notice of the Extraordinary General Meeting is available on the Company's website www.glanbia.com. On a vote by show of hands every Shareholder who is present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder shall have one vote for every share carrying rights of which he is the holder.

8. Further Information

This EGM notice, details of the total number of shares and voting rights at the date of giving this notice, the documents to be submitted to the meeting, copies of any draft resolutions and copies of the forms to be used to vote by proxy are available on the Company's website at www.glanbia.com.

