Interim Results – Half Year to 31st January 2009

Page

Section 1
ARYZTA AG Interim Results Half Year to 31 January 2009

News Release

News Release

Zurich/Switzerland, 9 March 2009 - ARYZTA AG, the global leader in speciality bakery, announces financial results for the first six months of the fiscal year ended 31 July 2009 (six months ended 31 January 2009):

Key performance highlights in first six months

Group

- Revenue growth of 15.8% to €1,571.2m
- Underlying revenues increase in all segments of Food Group
- Adjusted profit rises by 15.4% to €84.0m in first six months
- Adjusted EPS was 107.7c for the period
- Return on investment increases to 11.7%

Food

- Adjusted profit rises by 14.6% to €73.0m in first six months
- Underlying revenues rise by 6.7%
- Operating profit rises by 16% to €99.2m
- Food Europe operating profits rise by 11% to €64.0m
- Food North America operating profits rise by 25.9% to €34.3m
- Return on investment maintained at 10.0%

Origin

- Adjusted EPS rises by 19.2% to 11.2c in first six months
- Strong growth from first time H1 impact of acquisitions
- Return on investment increases to 20.5%

Commenting on the results, ARYZTA AG Chief Executive Officer Owen Killian said:

"The business is very resilient and has displayed excellent defensive characteristics in the current challenging economic climate. The business model conveys substantial benefits to customers through reduced costs to serve and brings an unrivalled range of high quality, freshly baked goods to hard pressed consumers at affordable prices.

Revenue growth is less predictable as the credit crunch extends to and impacts on all sectors of the economy. We remain focused on cash and continued earnings growth."

ABOUT ARYZTA

ARYZTA AG is a global leader in specialty bakery with geographic reach from North America through Europe to South East Asia and Australia.

ARYZTA, a Zürich-based company, has a dual primary listing on the SIX Swiss and ISE Irish Exchanges (SIX: ARYN, ISE: YZA).

ARYZTA is the majority shareholder (71.4%) in Origin Enterprises plc, which has a listing on the AIM in London and the IEX in Dublin (AIM: OGN, IEX: OIZ).

ARYZTA AG Investor Calendar – Financial period ended 31 July 2009

Q3 Interim Management Statement – Tuesday 2nd June 2009

Full Year Results Announcement – Monday 28th September 2009

Enquiries:

Hilliard Lombard
ARYZTA AG
Tel: +41 (0) 44 583 42 00
Email: info@aryzta.com

Aloys Hirzel
Hirzel. Neef. Schmid. Konsulenten
Tel: +41 43 3444242
Email: aloys.hirzel@konsulenten.ch

Alex Money
Temple Bar Advisory
Media and Investor Relations Advisors
Tel: +44 (0) 20 7002 1080
Email: aryzta@templebaradvisory.com

Analyst conference call

An analyst call will take place at 09.00 CET (08.00 BST).

Dial in numbers are: Switzerland: +41 (0)800 000 413, Ireland: +353 1800 992 200, the UK: +44 (0)800 694 8016 and for North America: +1 866 691 1171. Please supply the following code: 88429894 to access the call.

Printable pdf versions of slides will be available to download from the ARYZTA website (www.aryzta.com <http://www.aryzta.com>) 15 minutes before the call.

A conference call webcast replay will be available from the ARYZTA website (www.aryzta.com <http://www.aryzta.com>).

Section 2 A
ARYZTA AG Interim Results Half Year to 31st January 2009

Financial and Operations Review

Financial and Operations Review

1. Summary Income Statement for first six months ended 31 January 2009

	2009 €'000	2008 €'000	Increase %
Group revenue	**1,571,169**	1,356,759	15.8
Group operating profit	**126,450**	105,738	19.6
Share of associates and JV	**7,837**	8,599	(8.9)
Operating profit incl. associates and JV	**134,287**	114,337	17.4
Finance cost	**(24,405)**	(20,114)	(21.3)
Pre tax profits	**109,882**	94,223	16.6
Adjusted profit	**83,974**	72,786	15.4
Adjusted fully diluted EPS (cent)	**107.7**	92.2	16.8

The above figures exclude the impact of intangible and non-recurring items. Share of profits of associate and joint venture is presented above after interest and tax.

Prepared on a pro forma basis including Hiestand Holding AG in prior year comparative. Detailed schedules setting out the basis of preparation for the pro forma numbers can be found in Section 3A of this statement.

2. Summary Revenue performance

	Food Europe*	Food North America	Food Developing Market*	Total Food	Origin**	Group
Group Revenue (€ million)	578.5	276.6	10.0	865.1	706.1	1,571.2
Underlying growth	2.8%	16.6%	1.0%	6.7%	(6.9%)	1.2%
Acquisitions	1.5%	-	-	1.1%	45.3%	18.8%
Currency	(3.1%)	3.8%	12.6%	(1.0%)	(9.2%)	(4.3%)
Revenue increase	1.1%	20.5%	13.6%	6.8%	29.2%	15.8%

**Prepared on a pro forma basis including Hiestand Holding AG in prior year comparative.*

*** Presented after deduction of intergroup sales between Origin and the Food Group.*

3. Summary Operating Profit Performance

	Food Europe*	Food North America	Food Developing Market*	Total Food	Origin	Group
Operating Profit (€ million)	64.0	34.3	0.9	99.2	27.2	126.4
Growth	11.0%	25.9%	50.9%	16.0%	34.6%	19.6%
Operating Margin	11.1%	12.4%	9.2%	11.5%	3.8%	8.0%
Operating Margin (six months to January 2008)	10.1%	11.9%	6.9%	10.6%	3.7%	7.8%

The above figures exclude the impact of intangible items and non-recurring items.

**Prepared on a pro forma basis including Hiestand Holding AG in prior year comparative.*

4. Food Business

ARYZTA AG's ("ARYZTA") food business is firstly focused on the speciality bakery market, a niche part of the total global bakery market. The total bakery market is made up of both traditional bakery and speciality bakery. Traditional bakery typically relates to shelf stable and scratch (also described as Artisan) bakery whereas speciality bakery relates to freshly prepared bakery offerings giving the best value and taste to consumers at point of sale. The aroma of freshly baked goods at the point of sale drives consumer footfall and represents a point of difference for ARYZTA's customers in foodservice and retail establishments.

5. Food Europe

Food Europe has leading market positions in the speciality bakery market in Switzerland, Germany, UK, Ireland and France. In Europe ARYZTA has a mixture of business to business and consumer brands, including; Hiestand, Cuisine de France, Delice de France and Coup de Pates.

Food Europe operates 14 state of the art manufacturing sites producing an unrivalled range of speciality bakery products. It has over 600 direct store delivery (DSD) routes and services a diversified customer base including convenience retail, multiple retail, restaurants, catering, hotels and leisure.

Food Europe's performance in the six month period ended 31 January 2009 was in line with expectation. Like for like revenue growth (excluding impact of acquisitions and foreign exchange) in the period was 2.8%. This reflects the slowdown in growth evident at Q1, as a result of negative volume growth in the Irish and to a lesser extent in the UK markets. Elsewhere in ARYZTA's other principal European markets of France, Switzerland and Germany growth has been resilient.

Food Europe's operating profit grew by 11.0% to €64.0m in the six months ended 31 January 2009, demonstrating the capability and adaptability of the business model in a rapidly changing macro economic environment and the benefits of increased in-sourcing of production. The business continues to focus on adapting its cost base to achieve improved margins and greater return on its manufacturing investments.

The Grangecastle bakery, distribution and R&D centre in Dublin was fully commissioned as at the period end 31 January 2009. This project was on budget and to plan. The Grangecastle completion is timely and offers an opportunity to develop the UK / Irish business into new channels, such as the multiple retail channel in the UK.

The Hiestand business has performed well in the six months ended 31 January 2009. We are satisfied with the progress of the integration of Hiestand into ARYZTA. The business is now aligned with the ARYZTA reporting model, integrating its accounting and risk management systems with the Group and has been actively implementing Swiss Internal Control System (ICS) requirements across its businesses.

6. Food North America

Food North America has leading market positions in freshly baked cookies and freshly baked artisan breads. The business has two iconic brands which evoke emotional appeal with the US consumer, namely Otis Spunkmeyer and La Brea Bakery.

Food North America operates 7 state of the art manufacturing sites across the US. It has over 300 direct store delivery (DSD) routes and services a diversified customer base with strength and depth in foodservice and retail channels.

Food North America's performance in the six month period ended 31 January 2009 was excellent. Like for like revenue growth (excluding impact of acquisitions and foreign exchange) in the period was 16.6%.

Operating profit grew by 25.9% to €34.3m in the six month ended 31 January 2009. Changing consumer patterns in the US have been evident for longer than in the European marketplace. The business has responded well to those changes and is well positioned in the new market environment.

La Brea Bakery is well positioned with a significant portion of its business servicing the US multiple retail channel, which is experiencing increased consumer footfall at the expense of other channels in the current economic environment.

The acquisition of Otis Spunkmeyer in 2006 has proved a success. It is now yielding excellent results for the Group. It is very well positioned in the current environment with a diversified customer base. It has particular strength across the US foodservice market from restaurants, catering (including hospitals, military and fundraising events), hotels and leisure and quick service restaurants.

Otis Spunkmeyer is currently implementing SAP Enterprise Resource Planning System ('ERP') across its extensive business platform. This project is on plan and should net substantial recurring cost savings and improve the speed of business intelligence to further enhance this business.

7. Food Developing Markets

ARYZTA has embryonic businesses in Japan, Malaysia and Australia. Like for like revenue growth (excluding impact of acquisitions and foreign exchange) in Food Developing markets in the period was 1.0%.

Food developing markets operating profit grew by 50.9% to €0.9m in the six months ended 31 January 2009.

8. Canadian Joint Venture

This joint venture yielded a net contribution after tax and interest of €7.3m in the six months ended 31 January 2009.

9. ARYZTA adjusted diluted earnings per share for six month period ended 31 January 2009 and the pro forma six month period ended 31 January 2008

	31 January 2009 €'000	Pro Forma 31 January 2008 €'000
Basic earnings for the financial period	**44,729**	**59,897**
Amortisation of intangible assets	22,444	21,094
Amortisation of related deferred tax liability	(5,370)	(7,906)
Merger costs, net of tax	22,520	-
Adjusted basic earnings for the financial period	**84,323**	**73,085**
Adjusted basic earnings per share*	**108.2**	**92.6**
Basic earnings for the financial period	44,729	59,897
Dilutive impact of Origin management incentives on Origin minority interest share of profits	(318)	(282)
Diluted earnings for the financial period	**44,411**	**59,615**
Amortisation of intangible assets	22,444	21,094
Amortisation of related deferred tax liability	(5,370)	(7,906)
Merger costs, net of tax	22,520	-
Dilutive impact of Origin management incentives on adjusted Origin minority interest share of profits	(31)	(17)
Adjusted diluted earnings	**83,974**	**72,786**
Adjusted diluted earnings per share*	**107.7**	**92.2**

Prepared on a pro forma basis including Hiestand Holding AG in prior year comparative January 2008. Pro forma figures have been adjusted to recognise the effect of the increased amortisation and related deferred tax arising as a result of the revaluation of certain Hiestand intangible assets on acquisition.

** The share denominator for the period ended 31 January 2009 is 77,999,274 shares as set out in note 3 of the IFRS accounts. The share denominator for the pro forma period ended 31 January 2008 is the total number of shares in issue being 78,940,460.*

10. Financial Position:

Summary free cash flow Food Group	January 2009 €'000	Pro forma January 2008 €'000
Cash flow from ordinary activities	**123,930**	114,583
Dividends received / (paid)	**7,563**	8,361
Working capital movement	**(9,019)**	(13,816)
Ongoing capital expenditure	**(7,746)**	(12,443)
Interest and taxation	**(24,128)**	(23,974)
Others	**790**	497
Free Cash	**91,390**	73,208
Operating profit	**99,212**	85,497

Prepared on a pro forma basis including Hiestand Holding AG in prior year comparative.

Summary movement in net debt half year to 31 January 2009	Food Group €'000
Food Group opening net debt 31 July 2008	**(413,190)**
Acquired Hiestand Net Debt to 30 June 2008	(109,310)
Pro forma adjustment*	(30,062)
Food Group pro forma net debt as at 31 July 2008	**(552,562)**
Acquired Hiestand net debt to 1 July – 31 July 2008	(2,778)
ARYZTA Transaction costs	(20,437)
Investment capital expenditure	(42,270)
Other acquisition costs	(23,325)
Free cash (before ongoing capital expenditure)	99,136
Ongoing capital expenditure	(7,746)
Foreign exchange movement	(73,687)
Other	(1,809)
Closing	**(625,478)**

** Pro forma adjustment includes the cash consideration (€30m) paid to Lion Capital as part of the ARYZTA transaction.*

ARYZTA continues to have a strong balance sheet with excellent free cash flow. The Food Group's free cash flow grew by 24.8% to €91.4m in the six months ended 31 January 2009. ARYZTA negotiated total financing facilities of over €1bn in 2008. At the period ended 31 January 2009, ARYZTA had pro forma net debt of €625.5m; this represented a conservative Net Debt: EBITDA ratio of 2.32 times (based on covenant definition).

ARYZTA’s banking facilities (excluding Origin, which is separately financed) are as follows:

Description	Revolving Credit	Private Placement
Principal	€795m	$450m
Maturity	2013	2014, 2017 and 2019
Net debt: EBITDA covenant	3.5 times	3.5 times

The current banking crisis and severe curtailment of credit poses risks for all businesses including ARYZTA in terms of cash and collectables. ARYZTA’s main focus is on cash and collectables to ensure the business is not materially impacted by bad debts. This has been managed successfully to date. ARYZTA will continue to be vigilant and focused on the area of cash and collectables.

11. Assets, Goodwill & Intangibles

Food Group balance sheet

	Food Group as at 31 January 2009	Proforma Food Group as at 31 January 2008
	€'000	**€'000**
Property, plant & equipment	**588,360**	**493,163**
Investment properties	3,829	3,241
Goodwill and intangible assets (net of deferred tax)	**1,233,565**	**1,209,092**
Associates	56,691	62,345
Working capital	13,153	19,424
Net debt	(625,478)	(556,079)
Other net liabilities	(121,491)	(175,947)
Net assets	**1,148,629**	**1,055,239**

The growth in the Food Group's fixed asset base reflects its continued strategic investment in its manufacturing operations, in particular the full commissioning of its Grangecastle facility during the period. These strategic investments have been timely in providing the Group with adaptability in the current changing macro environment.

The merger with Hiestand has added goodwill of €336.6m and intangibles of €253.2m reflecting the strong value in the brands, customer base and workforce of Hiestand as well as the value of synergies to be obtained by ARYZTA.

These newly recognised goodwill and intangibles, together with those created out of the more recent acquisitions being Otis Spunkmeyer and Coup de Pates, reflect the strength of value contained within ARYZTA's businesses. This strength contributes and supports the resilient underlying revenue and operating profit growth in these more challenging economic times.

12. Primary Listing in Zurich

In support of clarity in its regulatory regime, the Company is changing the status of the listing of its registered shares (ISIN number CH0043238366) on the Irish Stock Exchange (ISE) from primary to secondary, effective March 10, 2009. Going forward, the sole primary listing of ARYZTA shares will be on the SIX Swiss Exchange. The secondary listing on the Irish Stock Exchange allows for continued trading in Dublin as before and ARYZTA continues to be included in the ISEQ Index.

13. Swiss Corporate Governance

ARYZTA operates from Zurich where it's corporate, legal and group finance functions are located. It is in the process of implementing Swiss Internal Control System (ICS), as required by Swiss regulations. This project is on plan and progressing well as a result of the strong control environment within ARYZTA.

14. Trading platform in Dublin

ARYZTA plans to arrange the replacement of the paper based settlement system currently applying to trades between the Swiss and Irish markets with an electronic system.

15. Origin Enterprises plc

Origin Enterprises plc ("Origin") has reported an excellent first half performance, recording a 34.6% increase in operating profit to €27.2 million, reflecting the benefits from significant strategic development since its IPO in 2007. Origin is now well positioned to deliver long term sustainable earnings growth.

The highlight of the period has been the performance of Masstock's fully serviced agronomy business across the United Kingdom and Poland, acquired by Origin in February 2008. Masstock's proactive development of crop management programmes underpinned by fundamental research applied to current growing conditions tangibly demonstrates to customers that investment remains the key to securing yield and improved profitability. Masstock's customer relationships ensure that the business maintains its core influence in on-farm decision making and product specification.

The recently completed agreement between Austevoll Seafoods ASA to combine their respective Irish, UK and Norwegian fishmeal and fish oil operations, represents a major realignment of the fishmeal and fish oil industry and furthers the strategic development of Origin. This strategic consolidation initiative will enhance the position of the combined business in the globally traded marine proteins and oils sector. Benefits will include improved raw material landing and conversion efficiencies, a world class product offering supported by superior customer logistics together with the optimisation of North Atlantic production capacity.

Notwithstanding the current economic environment and its associated risks, the business is well positioned, for the seasonally more important second half of the year and Origin remains on target to deliver growth for the full year.

Origin has separately published, today, its interim results for the same period. These results are available at www.originenterprises.com .

Forward looking statement

This report contains forward looking statements which reflect management’s current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

NOTES

The bakery market data contained in this document are ARYZTA estimates based on ARYZTA market intelligence, GIRA 2006 and Euromonitor 2007.

Section 2 B
ARYZTA AG Interim Results Half Year to 31st January 2009

Background to IFRS accounts

Background to IFRS accounts

Reverse Acquisition (formation of ARYZTA AG through the merger of Hiestand AG and IAWS Group Limited.)

In accordance with International Financial Reporting Standards ("IFRS") the merger between Hiestand Holding AG ("Hiestand") and IAWS Group Limited ("IAWS") has been treated as a reverse acquisition. Under this convention IAWS was identified as the acquirer of the Hiestand Group in the business combination transaction. Therefore the comparative information relates to the IFRS financial statements of IAWS, which differ from the separately disclosed ARYZTA AG ("ARYZTA") pro forma comparatives. In addition the resulting goodwill and intangibles arising on the acquisition are based on the fair value purchase price allocation by IAWS of Hiestand.

On 1 August 2008, IAWS acquired 170,000 shares in Hiestand from Lion Capital, thereby increasing its ownership in Hiestand from 32 percent as at 31 July 2008 to 64 percent.

On 22 August 2008, following the approval by its shareholders, IAWS was merged with Hiestand to create ARYZTA, a Zurich based company listed on the SIX Stock Exchange and the Irish Stock Exchange. Under the terms of this merger ARYZTA acquired the issued shares of IAWS with each IAWS shareholder receiving one ARYZTA share for every two IAWS shares held by them.

On approval by its shareholders, the remaining 36 percent interest in Hiestand was absorbed by ARYZTA by means of a statutory merger under Swiss Law with each shareholder receiving 36 ARYZTA shares for each Hiestand share owned giving these shareholders an 8.7 percent interest in the issued share capital of ARYZTA.

Merger Costs

The Group incurred certain costs relating to the merger which were not included as part of the acquisition accounting but were expensed in the current period to the income statement.

The merger between Hiestand and IAWS triggered the vesting of all previously granted IAWS share awards. This resulted in an accelerated IFRS 2 share based payment charge of €20,517,000 being expensed to the income statement.

As a result of creating ARYZTA, new banking facilities were negotiated by the enlarged Group. This resulted in the extinguishment of redundant IAWS facilities whose related unamortised facility costs of €2,221,000 were expensed to the income statement.

Section 2 C
ARYZTA AG Interim Results Half Year to 31st January 2009

IFRS Accounts

ARYZTA AG

Interim results for the half year to 31 January 2009

As a consequence of its Irish Stock Exchange listing ARYZTA AG (“ARYZTA”) is required to present a risk and uncertainties statement as well as a statement of the directors in respect of the half year interim results.

Principal risks and uncertainties

This statement is drafted in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007, requiring the Group to give a description of the principal risks and uncertainties it faces.

The key risks facing the Group include the following:

- As an international Group with substantial operations and interests outside the euro-zone, ARYZTA is subject to the risk of adverse movements in foreign currency exchange rates.
- Having grown both organically and through acquisitions, the Group faces risks and challenges associated with managing growth, and ensuring that processes around acquiring and integrating new businesses are robust.
- Operational risks facing the Group include issues associated with product contamination and general food scares affecting relevant products.
- A further operational risk to the Group, in common with most companies, is the risk of failure to address increasing compliance requirements particularly in the areas of health and safety, emissions and effluent control.
- The loss of a significant manufacturing/operational site through natural catastrophe or act of vandalism represents a risk that could, potentially, have a material impact on the Group.
- Similarly, a significant IT system failure could adversely impact on operations. As a result, IT disaster recovery plans and system backup processes are implemented.
- The Group faces the challenge of fluctuations in commodity and energy costs.
- The Group faces risks associated with the potential loss of key management personnel.
- In the event that the Group breached a banking covenant it may have to renegotiate its facilities resulting in a higher cost of funds for the Group.
- Principally through its holding in Origin Enterprises plc, the Group holds investment properties which are carried at fair value. These values may fluctuate based on changes in the general market environment.
- The Group faces business risks associated with cash and collectables given the current curtailment of credit for all businesses.
- A loss of a significant supplier as a result of the current economic turmoil could adversely impact ongoing operations of the business.

The Board and senior management have invested significant time and resources in identifying specific risks across the Group, and in developing a culture of balanced risk minimisation. The Group has formal risk assessment processes in place through which risks and mitigating controls are evaluated. These processes are driven by business unit management, who are best placed to identify the significant ongoing and emerging risks facing their businesses. The outputs of these risk assessment processes are subject to various levels of review, up to and including Board level. Risks identified and associated mitigating controls are also subject to audit as part of operational, financial and health and safety audit programmes.

ARYZTA AG

Statement of the directors in respect of the half year interim results

We confirm our responsibility for the half year interim results and that to the best of our knowledge:

- The condensed set of financial statements comprising the consolidated interim income statement, the consolidated interim balance sheet, the consolidated interim cash flow statement, the consolidated interim statement of changes in equity and the related notes have been prepared in accordance with IAS 34, *Interim Financial Reporting*;

- The review of operations includes a fair review of the information required by:

  a) *Regulation 7(2) of the Transparency (Directive 2004/109/EC) Regulations 2007*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) *Regulation 7(3) of the Transparency (Directive 2004/109/EC) Regulations 2007*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Group's auditor has not audited these half year interim results.

On behalf of the Board

9 March 2009

Owen Killian
Chief Executive Officer

Patrick McEniff
Chief Financial Officer

ARYZTA AG

Consolidated interim income statement
for the six months ended 31 January 2009

	Notes	**Six months ended 31 January 2009 €'000 (Unaudited)**	Six months ended 31 January 2008 €'000 (Unaudited)	Year ended 31 July 2008 €'000 (Audited)
Revenue		**1,571,169**	1,127,473	2,660,946
Cost of sales		**(1,150,860)**	(842,277)	(2,017,580)
Gross profit		**420,309**	285,196	643,366
Distribution expenses		**(216,551)**	(144,913)	(304,300)
Administration expenses		**(76,835)**	(57,894)	(142,536)
Other operating expenses		**(473)**	(180)	(227)
Operating profit before amortisation, merger costs and other expenses		**126,450**	82,209	196,303
Intangible amortisation		**(22,444)**	(9,241)	(18,997)
Merger costs	*2*	**(22,738)**	-	-
Other expenses	*2*	**-**	-	198
Operating profit		**81,268**	72,968	177,504
Share of profit of associates and joint venture		**7,837**	13,382	28,070
Profit before financing costs		**89,105**	86,350	205,574
Financing income		**3,914**	2,505	8,703
Financing costs		**(28,319)**	(19,637)	(46,333)
Profit before tax		**64,700**	69,218	167,944
Income tax	*4*	**(14,087)**	(10,262)	(25,467)
Profit for the period/year		**50,613**	58,956	142,477

ARYZTA AG

Consolidated interim income statement *(continued)*

for the six months ended 31 January 2009

	Notes	**Six months ended 31 January 2009 €'000 (Unaudited)**	Six months ended 31 January 2008 €'000 (Unaudited)	Year ended 31 July 2008 €'000 (Audited)
Attributable as follows:				
Equity shareholders		**44,729**	55,658	129,752
Minority interest		**5,884**	3,298	12,725
		50,613	58,956	142,477
Earnings per share for the period/year				
		€ cent	€ cent	€ cent
Basic earnings per share	*3*	**57.40**	87.65	204.15
Diluted earnings per share	*3*	**56.94**	86.35	200.38

ARYZTA AG

Consolidated interim statement of recognised income and expense
for the six months ended 31 January 2009

	Notes	**Six months ended 31 January 2009 €'000 (Unaudited)**	Six months ended 31 January 2008 €'000 (Unaudited)	Year ended 31 July 2008 €'000 (Audited)
Items of income and expense recognised directly in equity				
Foreign exchange translation effects				
- foreign currency net investments		**54,882**	(58,607)	(107,672)
- foreign currency borrowings		**(62,361)**	21,738	48,102
Actuarial gain/(loss) on Group defined benefit pension schemes		**1,049**	(13,709)	(17,122)
Deferred tax effect of actuarial gains/(losses)		**(503)**	1,774	1,679
Changes in fair value of cash flow hedges		**2,489**	(1,413)	(172)
Deferred tax effect of cash flow hedges		**(333)**	(171)	270
Revaluation of previously held investment in Odlums		**-**	18,116	17,960
Revaluation of previously held investment in Hiestand	*5*	**35,632**	-	-
Total income/(expense) recognised directly in equity	*9*	**30,855**	(32,272)	(56,955)
Profit for the financial period/year		**50,613**	58,956	142,477
Total recognised income for the period/year		**81,468**	26,684	85,522
Attributable as follows:				
Equity shareholders		**79,080**	23,475	74,556
Minority interest		**2,388**	3,209	10,966
Total recognised income and expense for the period/year		**81,468**	26,684	85,522

ARYZTA AG

Consolidated interim balance sheet
as at 31 January 2009

	Notes	**31 January 2009 €'000 (Unaudited)**	31 January 2008 €'000 (Unaudited)	31 July 2008 €'000 (Audited)
ASSETS				
Non current assets				
Property, plant and equipment		**688,397**	427,151	482,991
Investment properties		**196,807**	192,418	192,418
Goodwill		**934,020**	529,846	558,634
Intangible assets		**538,188**	274,585	277,193
Investments in associates and joint venture		**88,554**	160,399	178,131
Other investments		**1,755**	201	-
Deferred tax assets		**46,577**	16,090	18,911
Total non current assets		**2,494,298**	1,600,690	1,708,278
Current assets				
Inventory		**295,802**	194,194	234,107
Trade and other receivables		**322,889**	280,923	367,649
Derivative financial instruments		**7,445**	-	2,709
Other investments		**410**	-	-
Cash and cash equivalents	7	**299,725**	138,476	150,093
Total current assets		**926,271**	613,593	754,558
TOTAL ASSETS		**3,420,569**	2,214,283	2,462,836

ARYZTA AG

Consolidated interim balance sheet *(continued)*
as at 31 January 2009

	Notes	**31 January 2009 €'000 (Unaudited)**	31 January 2008 €'000 (Unaudited)	31 July 2008 €'000 (Audited)
EQUITY				
Called up share capital	*9*	**1,005**	39,169	39,275
Share premium	*9*	**713,190**	57,956	59,734
Retained earnings and other reserves	*9*	**589,076**	650,224	686,259
Total equity attributable to equity shareholders of parent		**1,303,271**	747,349	785,268
Minority interest	*9*	**70,594**	53,840	61,482
TOTAL EQUITY		**1,373,865**	801,189	846,750
LIABILITIES				
Non current liabilities				
Interest bearing loans and borrowings	*7*	**1,057,998**	680,436	693,285
Employee benefits		**26,672**	24,023	25,556
Deferred government grants		**18,680**	4,281	3,906
Other payables		**236**	488	406
Deferred tax liabilities		**241,879**	148,369	149,224
Derivative financial instruments		**-**	-	600
Deferred consideration		**30,582**	49,013	37,705
Other provisions		**1,126**	-	-
Total non current liabilities		**1,377,173**	906,610	910,682
Current liabilities				
Interest bearing borrowings	*7*	**67,561**	40,888	45,123
Trade and other payables		**526,731**	417,071	586,297
Corporation tax payable		**51,357**	39,429	40,486
Derivative financial instruments		**9,049**	4,302	5,524
Deferred consideration		**14,833**	4,794	27,974
Total current liabilities		**669,531**	506,484	705,404
TOTAL LIABILITIES		**2,046,704**	1,413,094	1,616,086
TOTAL LIABILITIES AND EQUITY		**3,420,569**	2,214,283	2,462,836

ARYZTA AG

Consolidated interim cash flow statement

for the six months ended 31 January 2009

	Six months ended 31 January 2009 €'000 (Unaudited)	Six months ended 31 January 2008 €'000 (Unaudited)	Year ended 31 July 2008 €'000 (Audited)
Cash flows from operating activities			
Profit before tax	**64,700**	69,218	167,944
Financing costs, net	**24,404**	17,132	37,630
Share of profits of associates and joint venture	**(7,837)**	(13,382)	(28,070)
Depreciation of property, plant and equipment	**29,007**	16,617	35,882
Amortisation of intangible assets	**22,444**	9,241	18,997
Amortisation of government grants	**(205)**	(82)	(327)
Employee share-based payment charge	**458**	5,827	11,886
Merger costs and other expenses	**22,738**	-	(198)
Other	**160**	-	(2,796)
Cash generated from operating activities before changes in working capital	**155,869**	104,571	240,948
Increase in inventory	**(41,301)**	(52,293)	(81,115)
Decrease/(increase) in trade and other receivables	**105,342**	(33,131)	(59,080)
(Decrease)/increase in trade and other payables	**(128,006)**	36,355	154,094
Cash generated from operating activities	**91,904**	55,502	254,847
Interest paid, net	**(24,779)**	(15,799)	(34,500)
Income tax paid	**(14,004)**	(4,863)	(18,314)
Net cash from operating activities	**53,121**	34,840	202,033

ARYZTA AG

Consolidated interim cash flow statement *(continued)*
for the six months ended 31 January 2009

	Notes	**Six months ended 31 January 2009 €'000 (Unaudited)**	Six months ended 31 January 2008 €'000 (Unaudited)	Year ended 31 July 2008 €'000 (Audited)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**814**	156	920
Purchase of property, plant and equipment				
- Ongoing		**(10,890)**	(7,126)	(15,247)
- New investments		**(42,830)**	(58,550)	(122,854)
Purchase of investment properties		**-**	(12,945)	(12,945)
Acquisition of subsidiaries, businesses and associates, net of cash acquired	*5.6*	**(38,795)**	(54,689)	(105,060)
Proceeds from disposal of business		**-**	-	-
Sale of intangible assets		**6,797**	-	(7,122)
Sale of other investments		**1,305**	-	-
Dividends received		**9,489**	8,377	17,643
Investment in associates		**(3,507)**	-	(15,632)
Deferred consideration on previous acquisitions paid		**(22,342)**	(1,000)	(1,671)
Other		**(7)**	-	(135)
Net cash flow from investing activities		**(99,966)**	(125,777)	(262,103)
Cash flows from financing activities				
Net (costs)/proceeds from issue of share capital		**(260)**	1,950	3,834
Net (repayment)/drawdown of old loan capital		**(162,776)**	142,819	144,725
Net drawdown of existing loan capital		**337,648**	-	-
Capital element of finance lease liabilities		**(754)**	(410)	(1,096)
Equity dividends paid		**-**	-	(20,902)
Net cash flow from financing activities		**173,858**	144,359	126,561
Net increase in cash and cash equivalents	*7*	**127,013**	53,422	66,491
Translation adjustment		**(641)**	(3,927)	(8,236)
Net cash and cash equivalents at start of period		**106,759**	48,504	48,504
Net cash and cash equivalents at end of period		**233,131**	97,999	106,759

ARYZTA AG

Group statement of accounting policies
for the six months ended 31 January 2009

Statement of compliance

These unaudited consolidated interim financial statements were prepared in accordance with the International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

The IFRS applied by the Group in the preparation of these financial statements are those that were effective for accounting periods beginning on or after 31 July 2008. The following standards and interpretations, issued by the IASB and the International Financial Reporting Interpretations Committee (IFRIC), are effective for the first time in the current financial year and have been adopted by the Group with no significant impact on its consolidated results or financial position:

- *IFRIC 14 – IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction*
- *Reclassification of Financial Assets – Amendments to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures.*

The following standards and interpretations, issued by the IASB or IFRIC, have not yet been adopted by the Group:

- *IAS 1 (Revised) – Presentation of financial statements* (effective for annual periods beginning on or after 1 January 2009)
- *IAS 27 (Revised) – Consolidated and separate financial statements* (effective for annual periods beginning on or after 1 July 2009)
- Amendment to *IAS 38 – Intangible assets* (effective for annual periods beginning on or after 1 January 2009)
- Amendment to *IFRS 2 – Share-based payments* (effective for annual periods beginning on or after 1 January 2009)
- *IFRS 3 (Revised) – Business combinations* (effective for annual periods beginning on or after 1 July 2009)
- *IFRS 8 – Operating segments* (effective for annual periods beginning on or after 1 January 2009)
- *IFRIC 16 – Hedges of a net investment in a foreign operation* (effective for annual periods beginning on or after 1 October 2008)

The Group does not currently believe the adoption of these remaining standards or interpretations would have a material impact on the consolidated results or financial position of the Group.

Group statement of accounting policies *(continued)*

for the six months ended 31 January 2009

Basis of preparation

The consolidated interim financial statements have been prepared in accordance with the accounting policies described in the consolidated financial statements for the year ended 31 July 2008 as set out below.

The Group financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: equity investments, investment properties, derivative financial instruments, pension obligations and share based payments. The financial statements are presented in euro, rounded to the nearest thousand, which is the functional currency of the parent and the majority of the Group's operations.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Basis of consolidation

The Group financial statements reflect the consolidation of the results, assets and liabilities of the parent undertaking and all of its subsidiaries, together with the Group's share of profits/losses of associates and joint venture. Where a subsidiary, associate or joint venture is acquired or disposed of during the financial period, the Group financial statements include the attributable results from or to the effective date when control passes.

Subsidiary undertakings

Subsidiary undertakings are those entities over which the Group has the power to control the operating and financial policies so as to obtain economic benefit from their activities. The amounts included in these financial statements in respect of the subsidiaries are taken from their latest financial statements prepared up to the period end. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Associates and joint venture

Associates are those entities in which the Group has a significant influence over, but not control of, the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Joint ventures are those entities over whose operating and financial policies the

Group statement of accounting policies *(continued)*

for the six months ended 31 January 2009

Basis of consolidation (*continued*)

Group exercises control jointly, under a contractual agreement, with one or more parties. Investments in joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, the Group's share of the post-acquisition profits or losses of its associates and joint venture is recognised in the income statement. The income statement reflects, in profit before tax, the Group's share of profit after tax of its associates and joint venture in accordance with IAS 28, *Investments in Associates,* and IAS 31, *Interests in Joint Ventures*. The Group's interest in their net assets is included as investments in associates and joint venture in the Group balance sheet at an amount representing the Group's share of the fair value of the identifiable net assets at acquisition plus the Group's share of post acquisition retained income and expenses. The Group's investment in associates and joint venture includes goodwill on acquisition. The amounts included in these financial statements in respect of the post acquisition income and expenses of associates and joint venture are taken from their latest financial statements prepared up to their respective year ends together with management accounts for the intervening periods to the Group's period end. Where necessary, the accounting policies of associates and joint venture have been changed to ensure consistency with the policies adopted by the Group.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the Group financial statements. Unrealised gains and income and expenses arising from transactions with associates and joint venture are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they do not provide evidence of impairment.

Reverse acquisition

The merger of IAWS and Hiestand has been treated as a reverse acquisition. In accordance with IFRS 3 *Business Combinations,* IAWS was identified as the acquirer in the business combination transaction. Therefore, the comparative information relates to the IFRS financial statements of IAWS, see note 5 for further details.

Revenue

Revenue represents the fair value of the sale of goods and services supplied to third parties, after deducting discounts and exclusive of value added tax. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Group statement of accounting policies *(continued)*
for the six months ended 31 January 2009

Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographic segment), which is subject to risks and returns different from those of other segments.

The Group's primary format for segmental reporting is business segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the different products that the Group sells rather than the geographical location of the Group's operations.

The Group has revised, in the current period, its previous three business segments which formed the primary format for segmental reporting to include Food Developing Markets with businesses principally in Japan, Malaysia and Australia. The Groups business segments are now Food Europe, Food North America, Food Developing Markets and Origin. The Group's principal geographic segments are Europe and North America.

Segment assets and liabilities consist of property, plant and equipment, goodwill and intangible assets and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated assets and liabilities principally include current and deferred income tax balances together with financial assets and liabilities.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Group statement of accounting policies *(continued)*
for the six months ended 31 January 2009

Employee benefits

Pension obligations

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as the related employee service is received. The Group's net obligation in respect of defined benefit pension plans is calculated, separately for each plan, by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in the statement of recognised income and expense. Current and past service costs, interest on scheme liabilities and expected return on assets are recognised in the income statement.

Equity settled compensation

As defined in IFRS 2, *Share-based Payment* the fair value of equity instruments granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the equity instrument. The fair value of the equity instruments granted is measured using an approved model, taking into account the terms and conditions under which the equity instruments were granted. The plans and share option scheme are each subject to a non-market vesting condition and, therefore, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised in equity.

Current income tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, it is not recognised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recovered. Deferred income tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Group statement of accounting policies *(continued)*

for the six months ended 31 January 2009

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to euro at the actual rates when the transactions occurred. Foreign exchange differences arising on translation of the net assets of a foreign operation are recognised directly in equity, in a translation reserve.

Exchange gains or losses on long term intra-group loans and on foreign currency borrowings, used to finance or provide a hedge against Group equity investments in non-euro denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future or are expected to provide an effective hedge of the net investment. Any differences that have arisen since 1 August 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the income statement on the repayment of the intra-group loan or on disposal of the related business.

Dividends

Dividends are recognised in the period in which they are approved by the Company’s shareholders.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure including repairs and maintenance costs is recognised in the income statement as an expense as incurred.

Depreciation is calculated to write off the cost less estimated residual value of property, plant and equipment, other than freehold land and assets under construction, on a straight line basis, by reference to the following estimated useful lives:

Buildings	25 to 50 years
Plant and machinery	3 to 15 years
Motor vehicles	3 to 7.5 years

The residual value of assets, if significant, and the useful life of assets is reassessed annually.

Gains and losses on disposals of property, plant and equipment are recognised on the completion of sale. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are included in operating profit.

Group statement of accounting policies *(continued)*

for the six months ended 31 January 2009

Investment properties

Investment property, principally comprising land, is held for capital appreciation. Investment property is stated at fair value. The fair value is based on market value, being the estimated amount for which a property could be exchanged in an arms length transaction. Any gain or loss arising from a change in fair value is recognised in the income statement. When property is transferred to investment property following a change in use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised in equity if it is a gain. Upon disposal of the property, the gain would be transferred to retained earnings. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, would be recognised immediately in the income statement.

Leased assets

Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing loans and borrowings. The interest element of the payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under the finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term.

Goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint venture. In respect of acquisitions that have occurred since 1 August 2004, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, i.e. original cost less accumulated amortisation from the date of acquisition up to 31 July 2004, which represents the amount recorded under previous GAAP prior to the adoption of IFRS. Goodwill is now stated at cost or deemed cost less any accumulated impairment losses. In respect of associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment.

Group statement of accounting policies *(continued)*

for the six months ended 31 January 2009

Intangible assets

Intangible assets acquired as part of a business combination are valued at their fair value at the date of acquisition. These generally include brand and customer related intangible assets.

Where intangible assets are separately acquired they are capitalised at cost. Intangible assets with finite lives are amortised over the period of their expected useful lives in equal annual instalments over their expected useful lives as follows;

Customer relationships	8-20 years
Supplier agreements	4 years
Brands	13-30 years
Patents and other	4-5 years

Computer software that is not an integral part of an item of computer hardware is also classified as an intangible asset. These intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost comprises purchase price and other directly attributable costs. The expected useful life of computer software is 5 years.

Impairment

The carrying amounts of the Group's assets, other than inventories (which are carried at the lower of cost and net realisable value), deferred tax assets (which are recognised based on recoverability), and those financial instruments, which are carried at fair value, are reviewed to determine whether there is an indication of impairment when an event or transaction indicates that there may be. If any such indication exists, an impairment test is carried out and the asset is written down to its recoverable amount. Goodwill is tested for impairment annually.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis. An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Other investments

Other investments are recognised at the fair value of the consideration given inclusive of any acquisition charges arising.

Group statement of accounting policies *(continued)*
for the six months ended 31 January 2009

Inventory

Inventory is stated at the lower of cost on a first in, first out basis and net realisable value. Cost includes all expenditure, which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Financial assets and liabilities

Trade and other receivables

Trade and other receivables are initially measured at fair value and are thereafter measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment of trade receivables is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Short term bank deposits

Short term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as financial assets available for sale within current assets and stated at fair value in the balance sheet.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial assets and liabilities (*continued*)

Derivatives

Forward currency contracts and interest rate swaps are marked to market using quoted market values.

All derivatives are initially recorded at fair value on the date the contract is entered into and subsequently, at reporting dates remeasured to their fair value. The gain or loss arising on remeasurement is recognised in the income statement except where the instrument is a designated hedging instrument.

Derivative financial instruments are used to manage the Group's exposure to foreign currency risk, interest rate risk and commodity price risk through the use of forward currency contracts, interest rate swaps and futures contracts. These derivatives are generally designated as cash flow hedges in accordance with IAS 39. The Group does not enter into speculative derivative transactions.

Cash flow hedges

Subject to the satisfaction of certain criteria, relating to the documentation of the risk, objectives and strategy for the hedging transaction and the ongoing measurement of its effectiveness, cash flow hedges are accounted for under hedge accounting rules. In such cases, any unrealised gain or loss arising on the effective portion of the derivative instrument is recognised in the cash flow hedging reserve, a separate component of equity. Unrealised gains or losses on any ineffective portion of the derivative are recognised in the income statement. When the hedged transaction occurs the related gains or losses in the hedging reserve are transferred to the income statement.

Interest bearing loans and borrowings

For interest bearing loans and borrowings with a contractual repricing date of less than six months, the nominal amount is considered to approximate fair value. For loans with a repricing date of greater than one year, the fair value is calculated based on the expected future principal and interest cash flows, discounted at appropriate current market interest rates.

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, using an effective interest rate method.

Finance lease liabilities

Fair value is based on the present value of future cash flows discounted at appropriate current market rates.

Group statement of accounting policies *(continued)*
for the six months ended 31 January 2009

Government grants

Grants that compensate the Group for the cost of an asset are shown as deferred income and amortised in the Group income statement by instalments on a basis consistent with the depreciation policy of the relevant assets.

Other grants are credited to the income statement to offset the matching expenditure.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Income statement presentation of non recurring items

The Group has adopted an income statement format which seeks to highlight significant items within the Group results for the year. The Group believes that this presentation provides a more informative analysis as it highlights non recurring items. Such items may include significant restructuring costs, profit or loss on disposal or termination of operations, claims, litigation costs and settlements, pension exit costs, profit or loss on disposal of investments and significant impairment of assets. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the income statement and related notes as non recurring items.

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Notes to the consolidated interim financial information
for the six months ended 31 January 2009

1 Segment information *

(a) Segmental revenue and result

	FOOD – EUROPE			FOOD – NORTH AMERICA			FOOD - DEVELOPING MARKETS			ORIGIN			UNALLOCATED			TOTAL		
	6 months ended 31/01/09 €'000	6 months ended 31/01/08 €'000	Year ended 31/07/08 €'000	**6 months ended 31/01/09 €'000**	6 months ended 31/01/08 €'000	Year ended 31/07/08 €'000	**6 months ended 31/01/09 €'000**	6 months ended 31/01/08 €'000	Year ended 31/07/08 €'000	**6 months ended 31/01/09 €'000**	6 months ended 31/01/08 €'000	Year ended 31/07/08 €'000	**6 months ended 31/01/09 €'000**	6 months ended 31/01/08 €'000	Year ended 31/07/08 €'000	**6 months ended 31/01/09 €'000**	6 months ended 31/01/08 €'000	Year ended 31/07/08 €'000
Segment revenue	**578,485**	351,447	708,806	**276,584**	229,614	453,301	**10,009**	-	-	**706,091**	546,412	1,498,839	-	-	-	**1,571,169**	1,127,473	2,660,946
Profit from operations	**64,001**	34,726	73,511	**34,294**	27,242	51,865	**917**	-	-	**27,238**	20,241	70,927	-	-	-	**126,450**	82,209	196,303
Intangible amortisation	**(16,150)**	(3,589)	(7,862)	**(4,817)**	(4,865)	(8,737)	-	-	-	**(1,477)**	(787)	(2,398)	-	-	-	**(22,444)**	(9,241)	(18,997)
Merger costs and other expenses	-	-	(2,262)	-	-	(534)	-	-	-	-	-	-	**(22,738)**	-	2,994	**(22,738)**	-	198
Operating profit	**47,851**	31,137	63,387	**29,477**	22,377	42,594	**917**			**25,761**	19,454	68,529	**(22,738)**	-	2,994	**81,268**	72,968	177,504
Share of associates and joint venture	-	4,784	10,615	**7,275**	7,656	15,203	-	-	-	**562**	942	2,252	-	-	-	**7,837**	13,382	28,070
Profit before financing costs	**47,851**	35,921	74,002	**36,752**	30,033	57,797	**917**	-	-	**26,323**	20,396	70,781	**(22,738)**	-	2,994	**89,105**	86,350	205,574

***** Refer to note 5 for details of the impact of acquisitions on all segment information.

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Notes *(continued)*

1 Segment information (*continued*)

(b) Segmental assets

	FOOD – EUROPE			FOOD – NORTH AMERICA			FOOD - DEVELOPING MARKETS			ORIGIN			TOTAL		
	31/01/09 €'000	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000
Segment assets excluding investments in associates and joint venture	**1,504,787**	656,333	701,008	**772,279**	668,001	633,275	**10,499**	-	-	**688,538**	574,783	778,709	**2,976,103**	1,899,117	2,112,992
Investments in associates and joint venture	-	82,428	87,230	**56,691**	62,481	58,057	-	-	-	**31,863**	15,490	32,844	**88,554**	160,399	178,131
Segment assets	**1,504,787**	738,761	788,238	**828,970**	730,482	691,332	**10,499**	-	-	**720,401**	590,273	811,553	**3,064,657**	2,059,516	2,291,123
Reconciliation to total assets as reported in Group balance sheet															
Listed investments													**1,755**	201	-
Other investments													**410**	-	-
Derivative financial instruments													**7,445**	-	2,709
Cash and cash equivalents													**299,725**	138,476	150,093
Deferred tax assets													**46,577**	16,090	18,911
Total assets as reported in Group balance sheet													**3,420,569**	2,214,283	2,462,836

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Notes *(continued)*

1 Segment information (*continued*)

(c) Segmental liabilities

	FOOD – EUROPE			FOOD – NORTH AMERICA			FOOD - DEVELOPING MARKETS			ORIGIN			TOTAL		
	31/01/09 €'000	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000	**31/01/09 €'000**	31/01/08 €'000	31/07/08 €'000
Segment liabilities	**265,450**	213,424	217,137	**96,447**	106,313	99,386	**6,116**	-	-	**250,464**	179,933	365,321	**618,477**	499,670	681,844
Reconciliation to total liabilities as reported in Group balance sheet															
Interest bearing loans and borrowings													**1,125,559**	721,324	738,408
Derivative financial instruments													**9,049**	4,302	6,124
Income tax and deferred tax liabilities													**293,236**	187,798	189,710
Other liabilities not segmentalised													**383**	-	-
Total liabilities as reported in Group balance sheet													**2,046,704**	1,413,094	1,616,086

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Notes *(continued)*

2 Merger costs and other expenses

	Six months ended 31 January 2009 €'000	Six months ended 31 January 2008 €'000	Year ended 31 July 2008 €'000
Merger Costs			
Share based payments *(2.1)*	**20,517**	-	-
Bank facilities fees *(2.2)*	**2,221**	-	-
	22,738	-	-
Other expenses			
Pension curtailment gain *(2.3)*	-	-	(2,994)
Loss on disposal and termination of operations *(2.4)*	-	-	2,796
	-	-	(198)

(2.1) Share based payment accelerated IFRS 2 charge

The merger between IAWS and Hiestand triggered the vesting of all previously granted IAWS share awards. This resulted in an accelerated share based payment charge of €20,517,000 of which €18,115,000 related to equity settled schemes and €2,402,000 related to cash settled schemes. A related deferred tax credit of €218,000 has been reflected within the taxation charge. Net of deferred tax the amount is €20,299,000.

(2.2) Banking facilities

As a result of creating ARYZTA, new banking facilities were negotiated by the enlarged Group. This resulted in the extinguishment of redundant IAWS facilities whose related unamortised facility costs of €2,221,000 were expensed to the income statement.

(2.3) Pension curtailment gain

During the year ended 31 July 2008, a curtailment gain of €2,994,000 was recorded in relation to the restructuring of the IAWS Group Defined Benefit Pension Scheme.

(2.4) Loss on disposal and termination of operations

During the year ended 31 July 2008, Food Europe and North America businesses recorded costs of €2,796,000 in relation to the restructuring of manufacturing and distribution operations.

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Notes *(continued)*

3 Earnings per share

Basic earnings per share

On 20 August 2008, the merger of IAWS and Hiestand was completed. Following the merger, the IAWS shareholders received 0.5 shares of ARYZTA for each IAWS share. The earnings per share presented below for the 6 months ended 31 January 2008 and the year ended 31 July 2008 have been adjusted to reflect this change in the number of shares.

	Six months ended 31 January 2009 €’000	Six months ended 31 January 2008 €’000	Year ended 31 July 2008 €’000
Profit for the financial period/year attributable to equity shareholders	**44,729**	55,658	129,752

Weighted average number of ordinary shares	**’000**	’000	’000
Issued ordinary shares at beginning of period/year	**63,669**	63,453	63,453
Effect of shares issued during period/year	**14,253**	45	104
Weighted average number of ordinary shares for the period/year	**77,922**	63,498	63,557
Basic earnings per share	**57.40 cent**	87.65 cent	204.15 cent

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Notes *(continued)*

3 Earnings per share *(continued)*

Diluted earnings per share

	Six months ended 31 January 2009 €'000	Six months ended 31 January 2008 €'000	Year ended 31 July 2008 €'000
Profit for the financial period/year attributable to equity shareholders	**44,729**	55,658	129,752
Effect on minority interest share of profits due to dilutive effect of Origin management incentives	**(318)**	(282)	(1,075)
Dilutive profit for financial period/year attributable to equity shareholders	**44,411**	55,376	128,677

Weighted average number of ordinary shares	**'000**	'000	'000
Weighted average number of ordinary shares used in basic calculation	**77,922**	63,498	63,557
Effect of previously granted equity instruments with a dilutive effect up to date of vesting	**77**	629	661
Weighted average number of ordinary shares (diluted) for the period/year	**77,999**	64,127	64,218
Diluted earnings per share	**56.94 cent**	86.35 cent	200.38 cent

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Notes *(continued)*

4 Taxation

	Six months ended 31 January 2009	Six months ended 31 January 2008	Year ended 31 July 2008
	€'000	€'000	€'000
Amortisation of deferred tax arising on intangible assets	**(5,370)**	(2,576)	(6,905)
Tax arising on merger costs and other expenses	**(218)**	-	(405)
Other current and deferred tax	**19,675**	12,838	32,777
	14,087	10,262	25,467

5 Acquisitions

IAWS' relationship with Hiestand began in 2003 when IAWS acquired its 22 per cent shareholding in Hiestand, a Swiss gourmet bakery. This shareholding was increased to 32 per cent in the financial year 2006. On 7 June 2008, IAWS entered into an agreement to purchase Lion Capital's 32 per cent shareholding in Hiestand which would bring IAWS' total shareholding in Hiestand to 64 per cent. This transaction was completed on 1 August 2008 and since this date Hiestand was consolidated.

The investment was accounted for using the equity method up to the end of July 2008. The carrying amount as at 31 July 2008 was €87,266,000. At the date of acquisition any changes in the carrying amount of the investment recognised in the past were reversed. Secondly, the changes in fair values that occurred since the original shareholdings were obtained were recognised based on the respective interests held. Both items in the total amount of €35,632,000 were recognised against equity.

On 9 June 2008, the IAWS Board and the Hiestand Board announced the proposed merger of IAWS and Hiestand with a view to creating the global leader in specialty bakery. Following the merger on 22 August 2008, ARYZTA became the holding company of the enlarged Group.

5 Acquisitions (*continued*)

Details of net assets acquired and goodwill arising from the business combination are as follows:

Net assets acquired:	**Acquiree's carrying amount €'000**	**Fair value adjustments €'000**	**Provisional fair value** *(note 5.1)* **€'000**
Property, plant and equipment	159,048	19,650	178,698
Investment property	3,251	444	3,695
Other assets	3,958	(481)	3,477
Intangible assets	145,766	107,473	253,239
Inventory	26,657	(64)	26,593
Trade and other receivables	73,944	(2,261)	71,683
Cash acquired	12,625	-	12,625
Trade and other payables	(61,015)	(12,068)	(73,083)
Deferred tax	(20,632)	(32,752)	(53,384)
Deferred government grants	-	(14,456)	(14,456)
Other liabilities	(2,180)	(911)	(3,091)
Debt acquired	(124,506)	(207)	(124,713)
Corporation tax	(10,327)	1,040	(9,287)
Net assets acquired before minority interest			271,996
Minority interest			(7,886)
Net assets acquired after minority interest			264,110
Goodwill arising on acquisition			336,605
Consideration			**600,715**

Satisfied by:	
Equity Consideration:	
Fair value of shares exchanged for 32% Lion Capital's holding *(note 5.2)*	187,960
Equity based consideration for remaining 36% interest in Hiestand Holding AG *(note 5.3)*	233,531
Total equity consideration	421,491
Cash consideration	30,000
Transaction costs	28,462
Deemed consideration of previously held 32% interest *(note 5.4)*	120,762
	600,715

Notes *(continued)*

5 Acquisitions (*continued*)

The goodwill is attributable to the embedded value within the business of Hiestand.

Note 5.1
Due to the complexity of the transaction and the proximity between the date of completion of the acquisition and the date of these interim statements the initial accounting for the business combination has been determined provisionally.

Note 5.2
This amount is represented by the issuance of 12.7 million IAWS shares issued at a market value of €14.8 being the opening quoted price of IAWS shares on 31 July 2008.

Note 5.3
This is the fair value of the equity consideration as defined by IFRS 3, *Business Combinations.* The fair value is calculated by determining the number of IAWS shares which would need to be issued to non-IAWS shareholders of Hiestand to give them the same stake in IAWS Group Limited as they will have in ARYZTA going forward.

This would be satisfied by the issuance of 13.7 million IAWS shares to the non-IAWS shareholders of Hiestand at a market value of €17.00 being the opening quoted price of IAWS shares on 21 August 2008, the date of the merger. The fair value of €233,531,000 so calculated is presented in equity in the Reverse Acquisition Reserve. Also included in this reserve is a debit reserve adjustment totalling €378,181,000 that was required to present the share capital and share premium of ARYZTA in the consolidated balance sheet, rather than that of IAWS.

Note 5.4
The deemed consideration of the previously held 32% interest in Hiestand is comprised of the current fair value of IAWS's original 32% share in the net assets of Hiestand of €84,515,000 and the current fair value of the goodwill arising thereon of €36,247,000.

Note 5.5
The impact of the acquisition of Hiestand has the following effects on the income statement of the enlarged Group for the six month period ended 31 January 2009, revenue increased by €252,245,000 (Food Europe: €242,236,000, Food Developing Markets: €10,009,000) and operating profit increased by €25,647,000 (Food Europe: €24,730,000, Food Developing Markets: €917,000). This information represents revenue and profit for the whole six month period ended 31 January 2009.

The impact of the acquisition of Hiestand has the following effect on the segments of the enlarged Group for the six month period ended 31 January 2009, segment assets increased by €741,550,000 (Food Europe: €731,051,000, Food Developing Markets: €10,499,000) and segment liabilities increased by €81,707,000 (Food Europe: €75,591,000, Food Developing Markets: €6,116,000).

5 Acquisitions (*continued*)

Note 5.6

Net cash outflow on acquisitions during the period amounted to €38,795,000 and is composed as follows:

	€'000
Cash consideration	30,000
Transaction costs paid	20,437
Cash acquired	(12,625)
Cash spend on other acquisitions	983
Cash spend per cash flow statement	**38,795**

The Group also acquired holdings in a Food Europe business previously held by third parties. This acquisition did not have a significant effect on the results of the Group.

6 Dividends

In compliance with the Swiss Code of Obligation no interim dividend per ordinary share will be paid to ordinary shareholders *(2008: 4.32c)*.

7 Analysis of net debt

	31 July 2008 €'000	**Cash flow €'000**	**Arising on acquisition €'000**	**Non cash movements €'000**	**Exchange adjustment €'000**	**31 January 2009 €'000**
Cash	150,093	149,739	-	-	(107)	299,725
Overdrafts	(43,334)	(22,726)	-	-	(534)	(66,594)
Cash and cash equivalents	**106,759**	**127,013**	**-**	**-**	**(641)**	**233,131**
Loans	(690,413)	(174,872)	(124,713)	(2,759)	(62,361)	(1,055,118)
Finance leases	(4,661)	754	-	(150)	210	(3,847)
Net debt	**(588,315)**	**(47,105)**	**(124,713)**	**(2,909)**	**(62,792)**	**(825,834)**

Finance leases include amounts due within 1 year of €967,000 (*2008: €1,789,000*). Cash arising on acquisitions is included within the period cash flow movement as set out in note 5.

In June 2008 the Group entered into a new banking agreement with a syndicate of international banks. The agreement is structured as a €795,000,000 revolving credit facility that was first drawn in September 2008 and is available until June 2013. The proceeds of the facility drawdowns in September 2008 were used to repay previous IAWS and Hiestand bank borrowings and to finance their merger to form ARYZTA.

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Notes *(continued)*

8 Share capital

After the merger with Hiestand the issued share capital of ARYZTA AG consisted of 78,940,460 ordinary shares with a nominal value of CHF 0.02 each fully paid up. Ordinary shareholders are entitled to dividend as declared. The ARYZTA shares rank *pari passu* in all respects with each other. The share capital for the comparative periods is that of IAWS Group Limited.

On 2 December 2008, the issued share capital was increased to 81,180,460 by the admission of 2,240,000 registered shares of nominal value of CHF 0.02 each in the capital of ARYZTA to the Official List of both its listing Stock Exchanges pursuant to a share subscription on behalf of ARY LTIP Trustee Limited.

ARY LTIP Trustee Limited is a wholly owned subsidiary of ARYZTA formed for the purposes of holding shares subject to the ARYZTA Long Term Incentive Plan 2008 ("LTIP") and ARY LTIP Trustee Limited will hold these shares in treasury pending satisfaction of the applicable terms of the LTIP.

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Notes *(continued)*

9 Statement of changes in shareholders' equity
for the six months ended 31 January 2009

	Share capital €'000	Share premium €'000	Treasury shares €'000	Reverse acquisition reserve €'000	Cash flow hedge reserve €'000	Reval-uation reserve €'000	Share based payment reserve €'000	Other reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Minority interest €'000	Total €'000
At 1 August 2008	**39,275**	**59,734**	**-**	**-**	**(510)**	**114,627**	**19,986**	**3,198**	**(60,035)**	**608,993**	**61,482**	**846,750**
Issue of shares, net of costs	3,810	183,140	-	-	-	-	-	-	-	-	-	186,950
Effect of reverse acquisition *(note 5.3)*	(42,110)	420,291	-	(144,650)	-	-	-	-	-	-	-	233,531
Issue of treasury shares	30	50,025	(50,055)	-	-	-	-	-	-	-	-	-
Foreign exchange translation	-	-	-	-	-	-	-	-	(3,491)	-	(3,988)	(7,479)
Share based payments	-	-	-	-	-	-	18,442	-	-	-	131	18,573
Share based payment reserve released on cancellation of schemes	-	-	-	-	-	-	(37,449)	-	-	37,449	-	-
Group defined benefit schemes	-	-	-	-	-	-	-	-	-	729	320	1,049
Deferred tax on defined benefit pension schemes	-	-	-	-	-	-	-	-	-	(346)	(157)	(503)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(449)	-	-	-	-	-	376	(73)
Fair value of cash flow hedges transferred to income statement	-	-	-	-	2,562	-	-	-	-	-	-	2,562
Deferred tax on cash flow hedges	-	-	-	-	(286)	-	-	-	-	-	(47)	(333)
Profit for the period	-	-	-	-	-	-	-	-	-	44,729	5,884	50,613
Net revaluation of previously held interest in associate *(note 5)*	-	-	-	-	-	-	-	-	-	35,632	-	35,632
Minority interest arising on acquisition	-	-	-	-	-	-	-	-	-	-	7,886	7,886
Repurchase of minority interests	-	-	-	-	-	-	-	-	-	-	(1,293)	(1,293)
At 31 January 2009	**1,005**	**713,190**	**(50,055)**	**(144,650)**	**1,317**	**114,627**	**979**	**3,198**	**(63,526)**	**727,186**	**70,594**	**1,373,865**

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Notes *(continued)*

9 Statement of changes in shareholders' equity *(continued)*
for the six months ended 31 January 2008

	Share capital €'000	Share premium €'000	Cash flow hedge reserve €'000	Reval-uation reserve €'000	Share based payment reserve €'000	Other reserves €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Minority interest €'000	Total €'000
At 1 August 2007	**38,174**	**57,001**	**(470)**	**114,627**	**9,015**	**3,198**	**(3,084)**	**497,636**	**50,631**	**766,728**
Foreign exchange translation	-	-	-	-	-	-	(35,299)	-	(1,570)	(36,869)
Group defined benefit pension schemes	-	-	-	-	-	-		(10,008)	(3,701)	(13,709)
Deferred tax on defined benefit pension schemes	-	-	-	-	-	-		1,262	512	1,774
Effective portion of changes in fair value of cash flow hedges	-		1,184	-	-	-	-	-	(579)	605
Fair value of cash flow hedges transferred to income statement	-		(2,018)	-	-	-	-	-	-	(2,018)
Deferred tax relating to cash flow hedges	-		(242)	-	-	-	-	-	71	(171)
Revaluation of previously held investment in Odlums	-	-	-	-	-	-	-	12,938	5,178	18,116
Profit for the period	-	-	-	-	-	-	-	55,658	3,298	58,956
Issue of ordinary shares	52	955	-	-	-	-	-	-	-	1,007
Issue of deferred convertible ordinary shares	943	-	-	-	-	-	-	-	-	943
Share-based payments	-	-	-	-	5,827	-	-	-	-	5,827
At 31 January 2008	**39,169**	**57,956**	**(1,546)**	**114,627**	**14,842**	**3,198**	**(38,383)**	**557,486**	**53,840**	**801,189**

Notes *(continued)*

9 Statement of changes in shareholders' equity *(continued)*
for the year ended 31 July 2008

	Share Capital €'000	Share premium €'000	Cash flow hedge reserve €'000	Reval-uation reserve €'000	Share-based payment reserve €'000	Other reserves €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Minority interest €'000	Total €'000
At 1 August 2007	**38,174**	**57,001**	**(470)**	**114,627**	**9,015**	**3,198**	**(3,084)**	**497,636**	**50,631**	**766,728**
Foreign exchange translation	-	-	-	-	-	-	(56,951)	-	(2,619)	(59,570)
Group defined benefit pension schemes	-	-	-	-	-	-		(12,210)	(4,912)	(17,122)
Deferred tax on Group defined benefit pension schemes	-	-	-	-	-	-		1,186	493	1,679
Effective portion of changes in fair value of cash flow hedges	-		4,948	-	-	-	-	-	158	5,106
Fair value of cash flow hedges transferred to income statement	-		(5,186)	-	-	-	-	-	-	(5,186)
Deferred tax relating to cash flow hedges	-		198	-	-	-	-	-	(20)	178
Revaluation of previously held investment in Odlums	-	-	-	-	-	-	-	12,819	5,141	17,960
Profit for the period	-	-	-	-	-	-	-	129,752	12,725	142,477
Issue of ordinary shares	130	2,733	-	-	-	-	-	-	-	2,863
Issue of deferred convertible ordinary shares	971	-	-	-	-	-	-	-	-	971
Share-based payments	-	-	-	-	11,683	-	-	-	203	11,886
Share based payments reserve released on reserves	-	-	-	-	(712)	-	-	712	-	-
Dividends paid	-	-	-	-	-	-	-	(20,902)	-	(20,902)
Other	-	-	-	-	-	-	-	-	(318)	(318)
At 31 July 2008	**39,275**	**59,734**	**(510)**	**114,627**	**19,986**	**3,198**	**(60,035)**	**608,993**	**61,482**	**846,750**

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Notes *(continued)*

10 Contingent liabilities

The Group is not aware of any new major changes with regard to contingent liabilities in comparison with the situation as of 31 July 2008.

11 Current litigation

A former Hiestand shareholder has taken legal action against the company asserting, in essence, entitlement under the merger to a price for its former Hiestand shares equal to the price IAWS Group paid Lion Capital for its former Hiestand shares under their contract. While such an action is permitted under Swiss Law (based on Article 105 of the Swiss Merger Act), it does not affect the implementation of the merger. The Group considers the case to be without merit. A complete defence to the claim, based on the law and the facts, is being vigorously pursued.

12 Subsequent events

On 3 February 2009, Origin announced that it had reached agreement with Austevoll Seafoods ASA (Austevoll) to combine their respective Irish, UK and Norwegian fishmeal and fish oil operations. As part of the agreement Origin transferred its interest in its marine proteins operations (United Fish Industries) to Austevoll's wholly owned Norwegian subsidiary Welcon Invest AS together with a cash contribution of €16m. In return for this Origin obtained a 50% shareholding in the combined business. Proforma turnover of the enlarged Group is approximately €175m.

There were no other events since the balance sheet date on 31 January 2009 that would require adjustments of assets or liabilities or a disclosure.

13 Seasonality

The Origin business is typically a seasonal business and is weighted to the second half of the financial year.

14 Release of interim financial statements

These interim statements were released by the Board on 9 March 2009.

Section 3 A
Pro Forma Comparative Interim Results Information

Pro Forma Comparative Interim Results Information

The unaudited *pro forma* income statement (the "*pro forma* income statement") and unaudited *pro forma* free cash flow statement (the "*pro forma* free cash flow statement") for the six month period to 31 January 2008 and unaudited *pro forma* balance sheet (the "*pro forma* balance sheet") as at 31 January 2008 (together, the "*pro forma* condensed financial information") have been prepared to illustrate indicative results and net assets of ARYZTA AG (the "Company"), as enlarged by IAWS Group Ltd and its subsidiary undertakings ("IAWS Group") and Hiestand Holding AG and its subsidiary undertakings ("Hiestand Group") (together, the "Enlarged Group"), as though the Enlarged Group had been in existence as a single entity for the six month period, and to illustrate the effect of the acquisition by IAWS Group of a 32% interest in Hiestand Holding AG from Lion Capital for €30,000,000 and the issuance of 12.7 million IAWS shares; and the subsequent statutory merger under Swiss law resulting in the formation of the Enlarged Group.

IAWS Group and Hiestand Group have different reporting periods and consequently the *pro forma* condensed financial information combines the results of the IAWS Group for the six month period ended 31 January 2008 and the net assets as at 31 January 2008 with the results of the Hiestand Group for the six month period ended 31 December 2007 and the net assets at 31 December 2007 without adjustments for the fact that they are prepared for and at different dates. The *pro forma* condensed financial information has been prepared on the basis of the notes set out below.

The underlying financial information has been prepared in accordance with the recognition and measurement principles of all International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board, effective for years commencing on or after 1 January 2007 up to years commencing on or after 1 August 2008.

The *pro forma* condensed financial information has been prepared for illustrative purposes only and does not constitute statutory financial statements of the Company. Because of its nature the *pro forma* condensed financial information addresses a hypothetical situation and hypothetical financial period and period end date and, therefore, does not represent the Company's actual financial position or results following the acquisition by IAWS Group of a 32% interest in Hiestand Group from Lion Capital, and the merger with the Hiestand Group.

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED ON 31 JANUARY 2008

ARYZTA *pro forma* income statement – period ended 31 January 2008

	IAWS Group 6 Months ended 31 January 2008 €'000	Hiestand Group 6 Months ended 31 December 2007 €'000	Pro forma Adjustments €'000	Note ref	ARYZTA pro forma 2008 €'000
Group revenue	1,127,473	233,376	(4,090)	5.1	1,356,759
Group operating profit*	82,209	23,529	-		105,738
Share of associate and JV**	13,382	-	(4,783)	5.2	8,599
Operating profit incl. associates and JV*	95,591	23,529	(4,783)	5.2	114,337
Finance cost, net***	(17,132)	(2,982)	-		(20,114)
Pre tax profits*	78,459	20,547	(4,783)	5.2	94,223
Income tax*	(12,838)	(4,613)	-		(17,451)
Minority interest*	(3,597)	(389)	-		(3,986)
Adjusted profit for the financial period*	**62,024**	**15,545**	**(4,783)**	**5.2**	**72,786**
ARYZTA equivalent EPS (cent)*					**92.2c**

** presented before impact of intangible amortisation, non recurring items and after dilutive effect of Origin management incentives.*

***Share of associates and joint venture is presented after interest and tax.*

****This caption includes financing income offset by financing expense, each of which are separately disclosed in the consolidated financial statements of Hiestand Group at 31 December 2007, and in the unaudited consolidated interim financial information of IAWS Group at 31 January 2009.*

ARYZTA adjusted profit – period ended 31 January 2008

	IAWS Group 6 Months ended 31 January 2008 €'000	Hiestand Group 6 Months ended 31 December 2007 €'000	Pro forma adjustments €'000	ARYZTA pro forma 2008 €'000
Profit for period	55,658	17,487	(13,248)*	59,897
Intangible amortisation	9,241	1,779	10,074*	21,094
Amortisation of related deferred tax	(2,576)	(3,721)	(1,609)*	(7,906)
Dilutive effect of Origin management incentives on adjusted profit	(299)	-	-	(299)
Adjusted profit	**62,024**	**15,545**	**(4,783)**	**72,786**

** Adjustment to recognise the effect of the increased intangible asset amortisation and related deferred tax arising as a result of the revaluation of certain Hiestand intangible assets on acquisition and the adjustment for IAWS previously held 32% interest as described in note 5.2.*

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED ON 31 JANUARY 2008 (*continued*)

ARYZTA pro forma free cash – period ended 31 January 2008

	IAWS Group 6 Months ended 31 January 2008 €'000	Hiestand Group 6 Months ended 31 December 2007 €'000	Pro forma adjustments €'000	ARYZTA pro forma 2008 €'000
Cash flow from ordinary activities	104,571	34,157	-	138,728
Dividends received/(paid)	8,377	2	-	8,379
Working capital movement	(49,069)	(2,086)	-	(51,155)
Ongoing capital expenditure	(7,126)	(7,787)	-	(14,913)
Interest and taxation	(20,662)	(6,997)	-	(27,659)
Others	156	379	-	535
Free cash	**36,247**	**17,668**	**-**	**53,915**

ARYZTA pro forma balance sheet – as at 31 January 2008

	IAWS Group as at 31 January 2008	Hiestand Group as at 31 December 2007 (Note 4.10)	Pro forma adjustments	Note ref.	ARYZTA pro forma as at 31 January 2008
	€'000	€'000	€'000	€'000	€'000
Assets					
Property, plant and equipment	427,151	148,869	11,110	5.3	587,130
Investment properties	192,418	3,241	-		195,659
Goodwill and intangible assets	804,431	139,136	450,708*	5.4	1,394,275
Investments in associates and JV	160,399	-	(82,564)	5.2	77,835
Other assets	16,291	6,573	-		22,864
Inventory	194,194	24,965	-		219,159
Trade and other receivables	280,923	66,283	-		347,206
Total Assets	2,075,807	389,067	379,254		2,844,128
Liabilities					
Net debt	(582,848)	(107,633)	(30,000)	5.4	(720,481)
Other payables	(274,699)	(34,036)	(64,370)**	5.3	(373,105)
Trade and other payables	(417,071)	(54,695)	(28,462)	5.4	(500,228)
Total liabilities	(1,274,618)	(196,364)	(122,832)		(1,593,814)
Net assets	801,189	192,703	256,422		1,250,314
Total Equity	(801,189)	(192,703)	(256,422)		(1,250,314)

** Hiestand's existing goodwill and intangibles were increased by €450,708,000 to recognise the current provisional closing position of the Goodwill and intangibles arising on acquisition of €336,605,000 and €253,239,000 respectively.*

***Includes deferred tax related to intangible assets recognised of €53,260,000.*

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

1. The summary consolidated income statement of IAWS Group for the six month period ended 31 January 2008 has been extracted, without material adjustment, from the unaudited consolidated interim financial information of IAWS Group announced on 10 March 2008, save that disclosures for Cost of Sales, Gross Profit and Net Operating Costs, have been excluded from the unaudited *pro forma* condensed income statement due to a lack of comparable disclosure in the consolidated income statement of Hiestand Group.

2. The consolidated balance sheet of IAWS Group as at 31 January 2008 has been extracted, without material adjustment, from the unaudited consolidated interim financial information of IAWS Group announced on 10 March 2008.

3. The Consolidated free cash flow statement of IAWS Group for the six month period ended 31 January 2008 has been extracted, without material adjustment, from the unaudited consolidated interim financial information of IAWS Group announced on 10 March 2008.

4. The unaudited consolidated income statement of Hiestand Group for the six month period ended 31 December 2007 is derived as follows:

	Year ended 31 December 2007 (Note 4.1) CHF'000	**6 Months ended 30 June 2007 (Note 4.2) CHF'000**	**6 Months ended 31 December 2007 (Note 4.3) CHF'000**	**6 Months ended 31 December 2007 (Note 4.4) €'000**
Group revenue	740,627	353,223	387,404	233,376
Group operating profit*	73,198	34,140	39,058	23,529
Operating profit incl. associates and JV*	73,198	34,140	39,058	23,529
Finance cost	(9,004)	(4,054)	(4,950)	(2,982)
Pre tax profits*	64,194	30,086	34,108	20,547
Income tax*	(16,695)	(9,038)	(7,657)	(4,613)
Minority interest*	(3,156)	(2,510)	(646)	(389)
Adjusted profit for the financial period*	**44,343**	**18,538**	**25,805**	**15,545**

**Presented before impact of intangible amortisation and non recurring items.*

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

The unaudited adjusted profit of the Hiestand Group for the six month period ended 31 December 2007 is derived as follows:

	Year ended 31 December 2007 (Note 4.1) CHF'000	6 Months ended 30 June 2007 (Note 4.2) CHF'000	6 Months ended 31 December 2007 (Note 4.3) CHF'000	6 Months ended 31 December 2007 (Note 4.4) €'000
Profit for period	45,123	16,094	29,029	17,487
Intangible amortisation	5,944	2,991	2,953	1,779
Amortisation of related deferred tax	(6,724)	(547)	(6,177)	(3,721)
Adjusted profit	**44,343**	**18,538**	**25,805**	**15,545**

4.1 The consolidated income statement of the Hiestand Group for the year ended 31 December 2007 has been extracted, without material adjustment from the audited consolidated financial statements of the Hiestand Group announced on 14 March 2008.

4.2 The consolidated income statement of the Hiestand Group for the six month period ended 30 June 2007 has been extracted, without material adjustment from the unaudited consolidated interim financial information of the Hiestand Group announced on 28 August 2007.

4.3 The consolidated income statement of the Hiestand Group presented in the table for the six month period ended 31 December 2007 has been calculated by deducting the unaudited consolidated income statement in respect of the six month period ended 30 June 2007 from the audited consolidated income statement for the year ended 31 December 2007.

4.4. The consolidated income statement for the Hiestand Group for the six month period ended 31 December 2007 has been translated from Swiss franc to euro using an exchange rate of €1.00: CHF 1.66.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

4.5 The unaudited consolidated free cash flow of the Hiestand Group for the six month period ended 31 December 2007 is derived as follows:

	Year ended 31 December 2007 (Note 4.6) CHF'000	**6 Months ended 30 June 2007 (Note 4.7) CHF'000**	**6 Months ended 31 December 2007 (Note 4.8) CHF'000**	**6 Months ended 31 December 2007 (Note 4.9) €'000**
Cash flow from ordinary activities	107,891	51,191	56,700	34,157
Dividends received/(paid)	(10,811)	(10,815)	4	2
Working capital movement	(14,888)	(11,425)	(3,463)	(2,086)
Ongoing capital expenditure	(24,018)	(11,091)	(12,927)	(7,787)
Interest and taxation	(21,158)	(9,543)	(11,615)	(6,997)
Others	1,329	700	629	379
Free cash	**38,345**	**9,017**	**29,328**	**17,668**

4.6. The consolidated cash flow information of the Hiestand Group for the year ended 31 December 2007 has been extracted, without material adjustment from the audited consolidated financial statements of the Hiestand Group announced on 14 March 2008.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

4.7 The consolidated free cash flow information of the Hiestand Group for the six month period ended 30 June 2007 has been extracted, without material adjustment from the unaudited consolidated interim financial information of the Hiestand Group announced on 28 August 2007.

4.8 The consolidated free cash flow statement of the Hiestand Group presented in the table for the six month period ended 31 December 2007 has been calculated by deducting the unaudited consolidated free cash flow statement in respect of the six month period ended 30 June 2007 from the consolidated free cash flow statement for the year ended 31 December 2007.

4.9. The consolidated free cash flow statement for the Hiestand Group for the six month period ended 31 December 2007 has been translated from Swiss franc to euro using an exchange rate of €1.00: CHF 1.66.

4.10 The consolidated balance sheet of the Hiestand Group as at 31 December 2007 has been extracted, without material adjustment, from the audited consolidated financial statements of the Hiestand Group announced on 14 March 2008. The financial information for the Hiestand Group as at 31 December 2007 has been translated from Swiss franc to euro using an exchange rate of €1.00 : CHF 1.66.

5. Pro forma adjustments as at and for the six month period are as follows:

5.1 Elimination of intercompany sales and purchases

The Hiestand Group sells product to IAWS Group on an on-going basis. The results of Hiestand Group for the six month period ended 31 December 2007 reflects sales of €4,090,000 to IAWS Group. The income statement of IAWS Group for the six month period to 31 January 2008 reflects purchases of €4,223,000. In future these sales will represent intercompany sales and consequently an adjustment has been made to the "Group revenue" line to eliminate sales of €4,090,000 in the six month period ended 31 January 2008. This adjustment is expected to have a continuing impact.

5.2 Reversal of equity accounting for Hiestand Group by IAWS Group

Since 2003, IAWS Group built up a 32% stake in the Hiestand Group. IAWS Group historically accounted for its investment in the Hiestand Group as an associate using the equity method of accounting. Therefore, for the purposes of the unaudited *pro forma* results for the six month period ended 31 January 2008, €4,783,000 has been reversed from "Operating profit incl. associates and JV". For the purposes of the unaudited *pro forma* balance sheet, the book value of the investment in the Hiestand Group (€82,564,000) included in "Investment in associates and JV" has been eliminated against retained earnings.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

5.3 Difference in accounting treatment of deferred government grants

IAWS Group classifies grants that compensate for the cost of an asset as deferred income and amortises it to the income statement on a basis consistent with the depreciation policy of the relevant assets. The Hiestand Group classifies grants that compensate for the cost of an asset as a deduction from the carrying amount of the asset and amortises such grants to the income statement by way of reduced depreciation. For the purposes of the unaudited *pro forma* balance sheet, €11,110,000 was reclassified from "Property, plant and equipment" to "Other payables" in order to align the Hiestand Group's accounting treatment on a consistent basis with that of IAWS Group. The accounting policies of IAWS Group are those which have been adopted by ARYZTA.

5.4 The transaction was conducted in two steps:

(i) the acquisition by IAWS Group of a 32% stake in Hiestand Holding AG from Lion Capital through the payment of €30,000,000 cash and the issuance of 12.7 million shares in IAWS Group; and

(ii) the acquisition by ARYZTA of 144.2 million issued shares in IAWS Group in exchange for 72.1 million ARYZTA AG shares in accordance with the terms of the Scheme of Arrangement set out in Part 1 (7) of the Prospectus, whereby each shareholder of IAWS Group received two ARYZTA AG shares for each IAWS Group share they held and the acquisition by ARYZTA AG of 0.2 million issued shares in Hiestand Holding AG, in exchange for 6.9 million shares in ARYZTA AG in accordance with the terms set out in Part 1 (7) of the Prospectus whereby each shareholder in Hiestand Holding AG received 36 ARYZTA AG shares for each Hiestand Holding AG share they held.

Accounting for step (i)

As a result of step (i), IAWS increased its ownership in the Hiestand Group from 32% to 64%. Hiestand was thereafter treated as a subsidiary of IAWS and was consolidated into the financial statements of IAWS. All assets, liabilities and contingent liabilities acquired were recognised at their fair value on the date of acquisition with the remaining 36% share not held by IAWS reflected within minority interests at fair value. However, for the purposes of presenting the unaudited *pro forma* condensed financial information, no adjustment has been made to the Hiestand Group numbers for any fair value adjustments which arose on the acquisition or the consequential impact on earnings, including the amortisation of identified intangible assets. The goodwill and intangible assets used in the unaudited *pro forma* condensed financial statements is that per note 5 of the ARYZTA unaudited interim financial statements for the six month period ended 31 January 2009. These reflect the impact of the provisional fair value adjustments for the Hiestand Group as a result of the transaction.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

Accounting for step (ii)

The acquisition of IAWS (by means of the Scheme of Arrangement) and simultaneous absorption into ARYZTA of the remaining 36% interest in Hiestand by means of a statutory merger under Swiss law resulted in the elimination of the minority interest described in the accounting for step (i) above. As in step (i), no adjustment has been made to the Hiestand Group numbers for any fair value adjustments which arose on the acquisition or the consequential impact on earnings, including the amortisation of identified intangible assets. The goodwill and intangible assets used in the unaudited *pro forma* condensed financial statements is that per note 5 of the ARYZTA unaudited interim financial statements for the six month period ended 31 January 2009.

The provisional cumulative goodwill calculated on the basis set out above is as follows:

	€'000
Consideration:	
Equity consideration (a)	421,491
Cash consideration – Lion Capital	30,000
Deemed consideration of previously held interest	120,762
Transaction costs	28,462
	600,715
Less net assets of Hiestand	(264,110)
Goodwill	**336,605**

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

(a) Equity consideration for step (i) is €187,960,000 for the purposes of the unaudited pro forma condensed financial information. This is represented by the issuance of 12.7 million IAWS Group shares issued at a market value of €14.8 being the opening quoted price of IAWS shares on 31 July 2008.

Equity consideration for step (ii) is €233,531,000. This is the fair value of the equity consideration for step (ii) as defined by IFRS 3, *Business Combinations.* This was calculated by determining the number of IAWS shares which would need to be issued to non-IAWS shareholders of Hiestand to give them the same stake in IAWS Group as they will have in ARYZTA AG going forward. This would be satisfied by the issuance of 13.7 million IAWS shares to the non-IAWS shareholders of Hiestand Holding AG at a market value of €17.00 being the opening quoted price of IAWS shares on 21 August 2008, the date of the merger.

6. The *pro forma* earnings per share ("EPS") has been calculated by taking the *pro forma* adjusted profit for the financial period and dividing it by the number of ARYZTA AG shares in issuance – 78,940,460.

7. No account has been taken of the trading results or changes in financial position of Hiestand Group and its subsidiary undertakings since 31 December 2007.

Section 3 B
Pro Forma Information for the year ended 31 July 2008

Pro Forma Information for the year ended 31 July 2008

The unaudited *pro forma* results (the "*pro forma* results"), unaudited *pro forma* free cash flow statement (the "*pro forma* free cash flow statement") and unaudited *pro forma* balance sheet (the "*pro forma* balance sheet") (together, the "*pro forma* condensed financial information") have been prepared to illustrate indicative results, cash flows and net assets of ARYZTA AG (the "Company"), as enlarged by IAWS Group Ltd and its subsidiary undertakings ("IAWS Group") and Hiestand Holding AG and its subsidiary undertakings ("Hiestand Group") (together, the "Enlarged Group"), as though the Enlarged Group had been in existence as a single entity for a twelve month period, and to illustrate the effect of the acquisition by IAWS Group of a 32% interest in Hiestand Group from Lion Capital for €30,000,000 and the issuance of 12.7 million IAWS shares; and the merger on the equity position of the Company had it occurred at the dates stated.

IAWS Group and Hiestand Group have different reporting periods and consequently the *pro forma* condensed financial information combines the results of the IAWS Group for the year ended 31 July 2008 and the net assets as at 31 July 2008 with the results of the Hiestand Group for the twelve month period ended 30 June 2008 and the net assets at 30 June 2008 without adjustments for the fact that they are prepared for and at different dates. The *pro forma* condensed financial information has been prepared on the basis of the notes set out below.

The underlying financial information has been prepared in accordance with the recognition and measurement principles of all International Financial Reporting Standards and their interpretations issued by the International Accounting Standards Board, effective for years commencing on or after 1 January 2007 up to years commencing on or after 1 August 2008.

The *pro forma* condensed financial information has been prepared for illustrative purposes only and does not constitute statutory financial statements of the Company. Because of its nature the *pro forma* condensed financial information addresses a hypothetical situation and hypothetical financial period at the year end date and, therefore, does not represent the Company's actual financial position or results following the acquisition by IAWS Group of a 32% interest in Hiestand Group from Lion Capital and the subsequent merger with the Hiestand Group.

For the purposes of these pro forma statements the financial results, cash flows and net assets of the Hiestand Group have been translated from Swiss franc to euro using an exchange rate of €1.00: CHF 1.66.

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE TWELVE MONTH PERIOD ENDED ON 31 JULY 2008

ARYZTA pro forma results – year ended 31 July 2008

	IAWS Group 12 Months ended 31 July 2008 €'000	Hiestand Group 12 Months ended 30 June 2008 €'000	Pro Forma Adjustments €'000	Note Ref	ARYZTA pro forma 2008 €'000
Group revenue	2,660,946	481,681	(8,426)	5.1	3,134,201
Group operating profit*	196,303	48,714	-		245,017
Share of associate and JV**	28,070	-	(10,615)	5.2	17,455
Operating profit incl. associates and JV*	224,373	48,714	(10,615)	5.2	262,472
Finance cost	(37,630)	(6,816)	-		(44,446)
Pre tax profits*	186,743	41,898	(10,615)	5.2	218,026
Income tax*	(32,777)	(10,130)	-		(42,907)
Minority interest*	(13,853)	(1,623)	-		(15,476)
Adjusted profit for the financial period*	**140,113**	**30,145**	**(10,615)**	**5.2**	**159,643**
ARYZTA equivalent EPS (cent)*					**202.2c**

**EPS (and the Items presented) are before impact of intangible amortisation, non recurring items and after dilutive impact of Origin management incentives.*

***Share of associates and joint venture is presented after interest and tax.*

ARYZTA adjusted profit – year ended 31 July 2008

	IAWS Group 12 Months ended 31 July 2008 €'000	Hiestand Group 12 Months ended 30 June 2008** €'000	Pro Forma Adjustments €'000	ARYZTA pro forma 2008 €'000
Profit for period	129,752	30,846	(28,840)*	131,758
Intangible amortisation	18,997	3,431	19,178*	41,606
Amortisation of related deferred tax	(6,905)	(4,132)	(953)*	(11,990)
Non recurring items, net of tax	(603)	-	-	(603)
Dilutive effect of Origin management incentives on adjusted profit	(1,128)	-	-	(1,128)
Adjusted profit	**140,113**	**30,145**	**(10,615)**	**159,643**

** Adjustment to recognise the effect of the increased intangible asset amortisation and related deferred tax arising as a result of the revaluation of certain Hiestand intangible assets on acquisition and the adjustment for IAWS previously held 32% interest as described in note 5.2.*

*** The 12 months ended Hiestand pro forma numbers are derived from the six months results to 31 December 2007 extracted from audited accounts for the year ended 31 December 2007 and unaudited six months results ended 30 June 2008.*

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE TWELVE MONTH PERIOD ENDED ON 31 JULY 2008 (*continued*)

ARYZTA pro forma free cash – year ended 31 July 2008

	IAWS Group 12 Months ended 31 July 2008	Hiestand Group 12 Months ended 30 June 2008*	Pro Forma Adjustments	ARYZTA pro forma 2008
	€'000	€'000	€'000	€'000
Cash flow from ordinary activities	240,948	68,599	-	309,547
Dividends received/(paid)	(3,259)	(8,341)	3,991**	(7,609)
Working capital movement	13,899	(6,401)	-	7,498
Ongoing capital expenditure	(15,247)	(13,166)	-	(28,413)
Interest and taxation	(52,814)	(16,631)	-	(69,445)
Others	785	509	-	1,294
Free cash	**184,312**	**24,569**	**3,991**	**212,872**

** The 12 months ended Hiestand pro forma numbers are derived from the six months results to 31 December 2007 extracted from audited accounts for the year ended 31 December 2007 and unaudited six months results ended 30 June 2008.*

*** This pro forma adjustment represents the reversal of dividends paid by Hiestand to IAWS during the period.*

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE TWELVE MONTH PERIOD ENDED ON 31 JULY 2008 (*continued*)

ARYZTA pro forma balance sheet – as at 31 July 2008

	ARYZTA AG as at 31 July 2008 €'000	IAWS Group as at 31 July 2008 €'000	Hiestand Group as at 30 June 2008 €'000	Pro forma adjustments €'000	Note Ref. €'000	ARYZTA pro forma as at 31 July 2008 €'000
Assets						
Property, plant and equipment	-	482,991	150,356	11,886	5.3	645,233
Investment properties	-	192,418	3,101	-		195,519
Goodwill and intangible assets	-	835,827	137,104	452,740*	5.4	1,425,671
Investments in associates and JV	-	178,131	-	(87,267)	5.2	90,864
Other assets	-	21,620	5,389	-		27,009
Inventory	-	234,107	26,251	-		260,358
Trade and other receivables	-	367,649	76,617	-		444,266
Total Assets	-	2,312,743	398,818	377,359		3,088,920
Liabilities						
Net debt	62	(588,315)	(109,309)	(30,062)	5.4	(727,624)
Other payables	-	(291,381)	(34,066)	(65,146)**	5.3	(390,593)
Trade and other payables	-	(586,297)	(58,967)	(28,462)	5.4	(673,726)
Total liabilities	62	(1,465,993)	(202,342)	(123,670)		(1,791,943)
Net assets	62	846,750	196,476	253,689		1,296,977
Total Equity	(62)	(846,750)	(196,476)	(253,689)		(1,296,977)

** Hiestand's existing goodwill and intangibles were increased by €452,740,000 to recognise the current provisional closing position of the Goodwill and intangibles arising on acquisition of €336,605,000 and €253,239,000 respectively.*

***Includes deferred tax related to intangible assets recognised of €53,260,000.*

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION

1. The balance sheet as at 31 July 2008 and results for the period from incorporation to 31 July 2008 of ARYZTA AG (the "Company") has been extracted without material adjustment from the Accountant's Report on the Company set out in Part 12, Part III, Section A of the Prospectus published on 11 July 2008 (the "Prospectus").

2. The results of IAWS Group for the year ended 31 July 2008 have been extracted from the audited consolidated financial statements of IAWS Group as set out in the year ended 31 July 2008 Preliminary Results announcement of ARYZTA released on 22 September 2008.

3. The balance sheet of IAWS Group as at 31 July 2008 has been extracted, without material adjustment, from the audited consolidated financial statements of IAWS Group as set out in the year ended 31 July 2008 Preliminary Results announcement of ARYZTA released on 22 September 2008.

4. The balance sheet and results of Hiestand Group as at and for the trailing twelve month period ended 30 June 2008 have been extracted from the unaudited interim results of Hiestand Group.

5. Pro forma adjustments as at and for the twelve month period are as follows:

5.1. Elimination of intercompany sales and purchases

Hiestand Group sells product to IAWS Group on an on-going basis. The results of Hiestand Group for the twelve month period to 30 June 2008 reflects sales of €8,426,000 to the IAWS Group. In future these sales will represent intercompany sales and consequently an adjustment has been made to the "Group revenue" line to eliminate sales of €8,426,000 in the twelve month period ended 31 July 2008. This adjustment is expected to have a continuing impact.

5.2. Reversal of equity accounting for Hiestand Group by IAWS Group

Since 2003, IAWS Group has built up a 32% stake in Hiestand. IAWS Group has historically accounted for its investment in Hiestand Group as an associate using the equity method of accounting. Therefore, for the purposes of the unaudited *pro forma* results for the twelve month period ended 31 July 2008, €10,615,000 has been reversed from "Operating profit incl. associates and JV". For the purposes of the unaudited *pro forma* balance sheet, the book value of the investment in Hiestand Group (€87,267,000) included in "Investment in associates and JV" has been eliminated against retained earnings.

5.3. Difference in accounting treatment of deferred government grants

IAWS Group classifies grants that compensate for the cost of an asset as deferred income and amortises it to the income statement on a basis consistent with the depreciation policy of the relevant assets. Hiestand Group classifies grants that compensate for the cost of an asset as a deduction from the carrying amount of the asset and amortises to the income statement by way of depreciation. For the purposes of the unaudited *pro forma* balance sheet, €11,886,000 was reclassified from

"Property, plant and equipment" to "Other payables" in order to align Hiestand Group's accounting treatment on a consistent basis with that of IAWS Group. The accounting policies of IAWS Group are those which will be adopted by ARYZTA.

5.4. The transaction was conducted in two steps:

(i) the acquisition by IAWS Group of a 32% stake in Hiestand Group from Lion Capital through the payment of €30,000,000 cash and the issuance of 12.7 million shares in IAWS Group; and

(ii) the acquisition by ARYZTA of 144.2 million issued shares in IAWS Group in exchange for 72.1 million ARYZTA shares in accordance with the terms of the Scheme of Arrangement set out in Part 1 (7) of the Prospectus, whereby each shareholder of IAWS Group received two ARYZTA shares for each IAWS Group share they held and the acquisition by ARYZTA of 0.2 million issued shares in Hiestand Group, in exchange for 6.9 million shares in ARYZTA in accordance with the terms set out in Part 1 (7) of the Prospectus whereby each shareholder in Hiestand Group received 36 ARYZTA shares for each Hiestand Group share they held.

Accounting for step (i)

As a result of step (i), IAWS Group increased its ownership in the Hiestand Group from 32% to 64%. Hiestand was thereafter treated as a subsidiary of IAWS Group and was consolidated into the financial statements of IAWS Group. All assets, liabilities and contingent liabilities acquired were recognised at their fair value on the date of acquisition with the remaining 36% share not held by IAWS Group reflected within minority interests at fair value. However, for the purposes of presenting the unaudited *pro forma* condensed financial information, no adjustment has been made to the Hiestand Group numbers for any fair value adjustments which arose on the acquisition or the consequential impact on earnings, including the amortisation of identified intangible assets. The goodwill and intangible assets used in the unaudited *pro forma* condensed financial statements is that per note 5 of the ARYZTA unaudited interim financial statements for the six month period ended 31 January 2009. These reflect the impact of the provisional fair value adjustments for the Hiestand Group as a result of the transaction.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

Accounting for step (ii)

The acquisition of IAWS (by means of the Scheme of Arrangement) and simultaneous absorption into ARYZTA of the remaining 36% interest in Hiestand by means of a statutory merger under Swiss law resulted in the elimination of the minority interest described in the accounting for step (i) above. As in step (i), no adjustment has been made to the Hiestand Group numbers for any fair value adjustments which arose on the acquisition or the consequential impact on earnings, including the amortisation of identified intangible assets. The goodwill and intangible assets used in the unaudited *pro forma* condensed financial statements is that per note 5 of the ARYZTA unaudited interim financial statements for the six month period ended 31 January 2009.

The provisional cumulative goodwill calculated on the basis set out above is as follows:

	€'000
Consideration:	
Equity consideration (a)	421,491
Cash consideration – Lion Capital	30,000
Deemed consideration of previously held interest	120,762
Transaction costs	28,462
	600,715
Less net assets of Hiestand	(264,110)
Goodwill	**336,605**

NOTES TO THE UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION (*continued*)

(a) Equity consideration for step (i) is €187,960,000 for the purposes of the unaudited pro forma condensed financial information. This is represented by the issuance of 12.7 million IAWS Group shares issued at a market value of €14.8 being the opening quoted price of IAWS Group shares on 31 July 2008.

Equity consideration for step (ii) is €233,531,000. This is the fair value of the equity consideration for step (ii) as defined by IFRS 3, *Business Combinations.* This was calculated by determining the number of IAWS shares which would need to be issued to non-IAWS shareholders of Hiestand to give them the same stake in IAWS Group as they will have in ARYZTA going forward. This would be satisfied by the issuance of 13.7 million IAWS Group shares to the non-IAWS shareholders of Hiestand Group at a market value of €17.00 being the opening quoted price of IAWS Group shares on 21 August 2008, the date of the merger.

6. The *pro forma* earnings per share ("EPS") has been calculated by taking the *pro forma* adjusted profit for the financial period and dividing it by the number of ARYZTA shares in issuance – 78,940,460.

7. No account has been taken of the trading results or changes in financial position of Hiestand Group and its subsidiary undertakings since 30 June 2008.