



ARYZTA AG: Building on solid foundations

Full year results ended 31 July 2008

- **Pro forma Revenues of € 3.13 billion**
- **Pro forma Operating Profit of € 262 million**
- **Pro forma Earnings Per Share of 202c**
- **Strong performance from both IAWS and Hiestand**
- **Outstanding contribution from Origin Enterprises**

Zurich, 22 September 2008. Formed from the merger of IAWS Group in Ireland and Switzerland's Hiestand Holding AG, ARYZTA AG is the global leader in speciality bakery. ARYZTA was listed on the SWX Swiss Stock Exchange and the Irish Stock Exchange on 22 August 2008, and today presents pro forma results to 31 July 2008. These show Revenues of €3.13 billion (approximately CHF 5bn) and Operating Profit of €262 million, with Earnings per Share of 202c. This result reflects a strong performance from both IAWS Group, Limited and Hiestand Holding AG over the period under review.

Commenting on the results of the newly enlarged Group, ARYZTA AG Chief Executive Officer Owen Killian said:

“2008 was a great year for IAWS and Hiestand, culminating in the successful merger to create ARYZTA, completed shortly after the financial year end. The year was marked by further strong growth in both businesses. The pro forma results for ARYZTA reflect the enlarged base from which this new business will develop and grow.

The results for Hiestand for the six months to 30 June 2008 and the IAWS results for the year to 31 July 2008 demonstrate the growth momentum now channelled into ARYZTA from both Food businesses. In addition, the momentum created by Origin Enterprises of which IAWS Group owns 71.4 per cent, has delivered an outstanding contribution. The Food businesses have experienced continued consumer demand across all channels for their always fresh and convenient food offerings, while Origin has benefited substantially from a strong performance in agricultural markets and acquisitions in the period.

ARYZTA is primarily a speciality bakery. The aroma of a fresh bakery conveys a powerful consumer response in all markets. Expertise in the bakery world is at the heart of who we are and is one of the overarching connections across our entire portfolio. The birth of ARYZTA creates a global business with geographic, customer and product diversification and leading positions in the growth area of the speciality bakery market. From this base and with this underlying momentum, ARYZTA can look forward with confidence to further sustained earnings growth and development.”

Note for analysts

A telephone conference for investment analysts is being held at 9.00 a.m. CET (8.00 a.m. BST) today, Monday 22 September 2008, during which CEO Owen Killian and CFO Patrick McEniff will discuss the results.

The numbers to dial for this telephone conference are:

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ARYZTA AG

Results Announcement Year ended 31 July 2008

Pro Forma Results Summary

	€'000 (Unaudited)
Group revenue	3,134,201
Group operating profit ¹	245,017
Share of associate and JV ²	17,455
Operating profit incl. associates and JV ¹	262,472
Finance cost	(44,446)
Pre tax profits ¹	218,026
Income tax ¹	(42,907)
Minority interest ³	(15,476)
Adjusted profit for the financial period	159,643
Adjusted EPS (cent)	202.2c

Pro forma results based on audited results for IAWS Group, Ltd. ("IAWS") for the year ending 31 July 2008 and Hiestand trailing twelve month results to 30 June 2008 (Hiestand 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).

Further disclosures on the pro forma adjustments and basis of preparation are set out in Appendix 2 of this announcement.

1. Before impact of intangible amortisation, exceptional items.
2. Presented after interest and tax.
3. Presented after dilutive impact of Origin equity entitlement.

ARYZTA - Outlook

The bringing together of the two complementary businesses of IAWS and Hiestand to create ARYZTA has resulted in a leading global food business focused on the speciality bakery market. ARYZTA commands significant geographic diversification with its customer base extending from North America through Eastern and Western Europe to South East Asia and Australia.

ARYZTA is confident that its business model will deliver benefits to customers and is well placed to deliver future earnings growth.

Hiestand Holding AG

Results Announcement

6 Months ended 30 June 2008

Hiestand Holding AG Interim Results Summary

	6 Months ended 30 June 2008 €'000	6 Months ended 30 June 2007 €'000	% increase
Group revenue	243,659	212,785	14.5
Group operating profit*	24,717	20,566	20.2
Finance cost	(3,774)	(2,442)	
Pre tax profits*	20,943	18,124	
Income tax*	(5,425)	(5,445)	
Minority interest	(1,226)	(1,512)	
Adjusted profit for the financial period	14,292	11,167	28.0

Hiestand six months results to 30 June 2008 are unaudited. Hiestand six month results to 30 June 2007 are based on previously published interim results for the six months to 30 June 2007.

Hiestand 30 June 2008 results have been translated using a rate of CHF1.63 to €1. The 30 June 2007 results have been translated using a rate of CHF1.66 to €1.

**Before impact of intangible amortisation and exceptional items.*

Hiestand Half Year Results Highlights

- Excellent Revenue Growth and Margin conversion during the 6 month period to 30 June 2008.
- Increase of business penetration and distribution in all Hiestand countries; strong organic growth.
- Focus on Hiestand core business, concentration on core competences and further development of Hiestand strengths.
- Ongoing efficiency increase in all business areas.
- Fricopan fully integrated and incorporated for the entire period.

IAWS Group, Ltd.

Results Announcement Year ended 31 July 2008

Results Summary

	2008 €'000	2007 €'000	% increase
Group revenue	2,660,946	1,907,619	39.5
Group operating profit ¹	196,303	146,448	
Share of associate and JV ²	28,070	26,656	
Operating profit incl. associates and JV ¹	224,373	173,104	29.6
Finance cost	(37,630)	(30,099)	
Pre tax profits ¹	186,743	143,005	
Income tax ¹	(32,777)	(21,920)	
Minority interest ³	(13,853)	(478)	
Adjusted profit for the financial period	140,113	120,607	16.2
Adjusted fully diluted EPS (cent)	109.1c	94.2c	15.8

1. Before impact of intangible amortisation, exceptional items.
2. Presented after interest and tax.
3. Presented after dilutive impact of Origin equity entitlement.

IAWS Full Year Results Highlights

- Excellent underlying revenue growth across the business.
 - Food Europe 9.4%
 - Food North America 14.1%
 - Origin 29.9%
- Operating margin maintained in the Food business.
- Origin operating profit increased by 86% in the period.

IAWS Group Financial Review

EPS*

IAWS announces an increase of 15.8 per cent in diluted earnings per share for the year ending 31 July 2008 to 109.1c compared to 94.2c in the previous year. The adjusted profit for the financial year was €140.1 million compared with €120.6 million in 2007.

Dividend

As a result of the merger and on acceptance of the shareholder agreement no dividend will be paid based on the results of the business for the year to 31 July 2008.

Revenue

Group revenue was 39.5 per cent higher at €2.661 billion. Food grew revenues to €1.162 billion, an increase of 14.1 per cent with an underlying growth of 11.1 per cent. Origin's revenues were €1.499 billion[^], an increase of 68.5 per cent with an underlying growth of 29.9 per cent.

Operating profit*

Group operating profit including associates is up 29.6 per cent to €224.4 million. The operating profit from the Food business including associates and JV was €151.2 million compared to €131.3 million in the previous year – an increase of 15.1 per cent. Origin delivered an excellent performance with operating profits of €73.2 million including associates which is 75.1 per cent higher than last year.

Associates^{^^}

The profit contribution from Food associates and joint venture grew by 12.3 per cent to €25.8 million compared with €23.0 million in the previous year. The profit contribution from Origin's associates was down to €2.3 million from €3.7 million year on year reflecting the movement of profits from Odlums into full consolidation following the acquisition of the remaining 50 per cent of that business during the period.

Minority interest[‡]

IAWS Group minority interest has increased to €13.9 million in the year compared with €0.5 million in the previous year. This reflects profit flows from Origin attributable to minority shareholders in the period following the IPO of Origin in June 2007.

Free cash flow

During the year, due to continued strong underlying performance and cash management, the Group's free cash flow increased by 34.4 per cent to €183.5 million.

Balance sheet

Net assets increased by 10.4 per cent to €846.8 million in the period. Total borrowings were €588.3 million compared with €479.6 million in the previous year. This is a strong performance after a cash acquisition spend for the Group of €193.0 million and investment capital expenditure of €143.0 million. Origin cash acquisition and investment capital expenditure spend was €157.4 million and €15.8 million respectively. Food business cash acquisition and investment capital expenditure spend was €35.6 million and €127.2 million respectively. Net debt (€175.1 million): EBITDA for Origin was 2.20 times, while net debt (€413.2 million): EBITDA ratio for the Group excluding Origin was 2.22 times.

* Items presented before impact of intangible amortisation, exceptional items

‡ After dilutive impact of equity entitlements in Origin.

[^] Excludes intra group sales to IAWS Food businesses

^{^^} Share of associates and joint venture is presented after interest and tax

IAWS Group Review of Operations

IAWS continued its record of double digit growth during a year in which the foundations were put in place to ensure the successful merger with Hiestand Holding AG (“Hiestand”) to create ARYZTA, a global leader in speciality bakery.

IAWS highlights for the year included:

Food

- Successful management of commodity inflation and customer pricing to maintain margins.
- 15.7% operating profit growth (excl associate and JV).
- 14.1% underlying revenue growth in Food North America.
- 9.4% underlying revenue growth in Food Europe.
- 21.0% growth in free cash flow.
- First full year of contribution from Otis Spunkmeyer.
- New innovative European facility nearing completion on schedule.

Origin

- First year financial and operating performance.
- 86.0% operating profit growth (excl associates and JV).
- 29.9% underlying revenue growth.
- 64.9% growth in free cash flow.
- Acquisition of Masstock Group Holdings Ltd. (“Masstock”).
- Acquisition of controlling interest in Odlum Group Ltd. (“Odlums”).

Food North America:

	Total 2008 €'000	Total 2007 €'000	% increase
Revenue	453,301	369,131	22.8
Operating profit*	51,865	41,745	24.2

*before intangible amortisation and exceptional items

In the year under review, revenue grew by 22.8 per cent or 14.1 per cent underlying. Segmental operating profit grew by 24.2 per cent year on year. The results for Food North America include a strong first full year contribution from Otis Spunkmeyer which was acquired in the 2007 financial year (November 2006).

The Group has made substantial investment in developing its Food businesses in the North American speciality bakery market through acquisition and capital investment in recent years. The Food business now has circa 2,400 employees, 8 manufacturing facilities and 53 direct store delivery locations across America.

North America has a circa €8 billion (US\$12 billion) value added bakery market which has experienced a compound annual growth rate (CAGR) of circa 4 per cent over the last 10 years[^]. Through La Brea Bakery and more recently Otis Spunkmeyer, the Group has grown category leadership in artisan bread and in sweet baked goods. The Group's growth in this segment is driven by its always fresh and convenient offerings, superior product and concept development and unique supply chain capabilities that convey substantial benefits over cost for customers.

The Group's extensive asset base and significant reach across North America offers significant opportunity to leverage strong brands and manufacturing capacity to drive continued growth in the region.

[^]Based on ARYZTA source, Euromonitor 2007 report and independent analysis.

Food Europe:

	Total 2008 €'000	Total 2007 €'000	% increase
Revenue	708,806	649,125	9.2
Operating profit*	73,512	66,576	10.4

*before intangible amortisation and exceptional items

Revenue in Food Europe, which comprises the Food businesses in Ireland, the UK and France, increased by 9.2 per cent, to €708.8 million. Underlying revenue growth was 9.4 per cent over the period. Operating profit in Food Europe increased by 10.4 per cent to €73.5 million.

Europe has a circa €14.1 billion value added bakery market with a 5 year CAGR of circa 4 per cent[^]. The Food business has an extensive product range in the speciality bakery market. In Europe, the Food business has circa 2,100 employees, 3 manufacturing facilities and 23 direct sales delivery locations.

ARYZTA has diverse businesses servicing many channels in both the foodservice and retail markets. In retail, the Food business offers value added concepts through focusing on space profitability and differentiated offerings that satisfy consumers' continuous demand for high quality, appealing and convenient products. In foodservice, the Group offers solutions to customers to maximise their profitability through focussing on menus, lower staff costs, less baking time and minimal product waste.

In both retail and foodservice the Group offers an excellent value proposition which provides our customers with substantial benefits over costs. The Food business continually focuses and invests in concepts and product development that will ensure our value proposition to customers continues. This focus and investment in concept and product development is the primary driver of growth.

ARYZTA's continued investment in world class technology complements the Group's existing food infrastructure which, combined with the proven management team in place means that the business has a solid foundation to deliver further growth to ARYZTA into the future.

[^]Based on ARYZTA sources, GIRA 2006, Euromonitor 2007 reports and independent analysis.

Origin Enterprises plc:

	Total 2008 '000	Total 2007 '000	% increase
Revenue	1,498,839	889,363	68.5
Operating profit*	70,926	38,127	86.0
Adjusted profit for the financial period*	46,871	32,787	43.0
Adjusted fully diluted EPS (cent) *	34.1c	23.9c	42.3
Comparable adjusted fully diluted EPS (cent) **	34.0c	19.6c	74.0

Note: Origin revenue excludes intra group sales with IAWS food businesses.

*before intangible amortisation and exceptional items.

**represents 2007 diluted EPS adjusted to reflect current capital structure of Origin Enterprises.

Revenue was 68.5 per cent higher at €1.499 billion, while underlying revenue growth excluding the impact of foreign currency and acquisitions was 29.9 per cent.

Operating profit increased by 86.0 per cent to €70.9 million, underlying growth in operating profit excluding acquisitions and currency impact was 44.6 per cent.

This has been a transformational year for Origin where it has significantly extended its business model through strategic acquisitions. In August 2007 Origin acquired a controlling interest in Odlums for €35 million and assumed €27 million of debt. The integration of this business is well advanced and the business has seen an improved performance in the second half of the year.

This acquisition was followed in February 2008, by the acquisition of Masstock, the leading provider of integrated agronomy and farming systems advisory services to arable and grassland farm enterprises across the United Kingdom and Poland. This acquisition significantly contributed to the expansion of the Group and will deliver further geographic expansion opportunities.

Finally in July 2008, Origin acquired a 20 per cent interest in Continental Farmers Group plc ('Continental Farmers') a large scale producer of high value agriculture crops and providing access to direct arable farming in the expanding Eastern European market.

Alongside the growth achieved through acquisitions, Origin has continued to experience strong underlying performance in its Agri-Nutrition business.

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

Dividend

Subsequent to the delisting of IAWS Group plc and the creation of ARYZTA AG no dividend will be paid based on the results of the business for the year to 31 July 2008. The Board of ARYZTA expects to resume the payment of dividends to its shareholders based on the Group's results for the financial year to 31 July 2009.

ENDS

22 September 2008

Appendix 1
IAWS Group, Limited

Group Income Statement
Group Statement of Recognised Income and Expenses
Group Balance Sheet
Group Cash Flow statement
Notes to the results statement
Year ended 31 July 2008

IAWS Group, Limited (*formerly IAWS Group, plc*)

Group income statement
for the year ended 31 July 2008

	Pre- exceptional 2008 €'000	Exceptional 2008 €'000	Total 2008 €'000	Pre- exceptional 2007 €'000	Exceptional 2007 €'000	Total 2007 €'000
Revenue	2,660,946	-	2,660,946	1,907,619	-	1,907,619
Cost of sales	(2,017,580)	-	(2,017,580)	(1,416,507)	-	(1,416,507)
Gross profit	643,366	-	643,366	491,112	-	491,112
Operating costs, net	(466,060)	198	(465,862)	(360,591)	22,732	(337,859)
Operating profit	177,306	198	177,504	130,521	22,732	153,253
Share of profit of associates and joint venture	28,070	-	28,070	26,656	-	26,656
Profit before financing costs	205,376	198	205,574	157,177	22,732	179,909
Financing income	8,703	-	8,703	6,609	-	6,609
Financing costs	(46,333)	-	(46,333)	(36,708)	-	(36,708)
Profit before tax	167,746	198	167,944	127,078	22,732	149,810
Income tax expense	(25,872)	405	(25,467)	(17,514)	(8,823)	(26,337)
Profit for the financial year	141,874	603	142,477	109,564	13,909	123,473
	=====	=====	=====	=====	=====	=====
Attributable as follows:						
Equity shareholders			129,752			122,995
Minority interest			12,725			478
			142,477			123,473
			=====			=====
Basic earnings per share			102.08c			97.22c
Diluted earnings per share			100.19c			96.04c

IAWS Group, Limited (*formerly IAWS Group, plc*)

Group statement of recognised income and expense
for the year ended 31 July 2008

	2008 €'000	2007 €'000
Items of income and expense recognised directly in equity		
Foreign exchange translation effects		
- foreign currency net investments	(109,163)	(39,496)
- foreign currency borrowings	48,102	35,398
Share of associates' foreign exchange translation adjustment	1,491	1,719
Actuarial (loss)/gain on Group defined benefit pension schemes	(19,577)	9,063
Deferred tax effect of actuarial (loss)/gain	2,371	(1,095)
Share of associate's actuarial gain on defined benefit scheme	2,455	3,531
Share of associate's deferred tax on actuarial gain	(692)	-
Effective portion of changes in fair value of cash flow hedge	5,014	1,299
Fair value of cash flow hedges transferred to income statement	(5,186)	(3,185)
Deferred tax effect of cash flow hedges	189	712
Share of joint venture's gains on cash flow hedges	92	(66)
Share of joint venture's deferred tax relating to cash flow hedges	(11)	-
Revaluation of previously held investment in Odiums	17,960	-
Revaluation gains on properties transferred to investment properties	-	140,129
Deferred tax effect of revaluation gains on properties transferred to investment properties	-	(25,502)
Net (expense)/income recognised directly in equity	(56,955)	122,507
Profit for the financial year	142,477	123,473
Total recognised income for the year	85,522	245,980
	=====	=====
Attributable as follows:		
Equity shareholders	74,353	244,933
Minority interest	11,169	1,047
Total recognised income and expense for the year	85,522	245,980
	=====	=====

IAWS Group, Limited (*formerly IAWS Group, plc*)

Group balance sheet

as at 31 July 2008

	2008 €'000	2007 €'000
ASSETS		
Non current assets		
Property, plant and equipment	482,991	356,493
Investment properties	192,418	165,473
Goodwill and intangible assets	835,827	784,481
Investments in associates and joint venture	178,131	169,005
Other financial assets	-	204
Deferred tax assets	18,911	14,689
	-----	-----
Total non current assets	1,708,278	1,490,345
	-----	-----
Current assets		
Inventory	234,107	137,646
Trade and other receivables	367,649	240,451
Derivative financial instruments	2,709	734
Cash and cash equivalents	150,093	86,059
	-----	-----
Total current assets	754,558	464,890
	-----	-----
TOTAL ASSETS	2,462,836	1,955,235
	=====	=====

IAWS Group, Limited (*formerly IAWS Group, plc*)

Group balance sheet (*continued*)
as at 31 July 2008

	2008 €'000	2007 €'000
EQUITY		
Called up share capital	39,275	38,174
Share premium	59,734	57,001
Retained earnings and other reserves	686,259	620,922
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Total equity attributable to equity shareholders of the company	785,268	716,097
Minority interest	61,482	50,631
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TOTAL EQUITY	846,750	766,728
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LIABILITIES		
Non current liabilities		
Interest bearing loans and borrowings	693,285	527,684
Employee benefits	25,556	8,705
Deferred government grants	3,906	2,929
Other payables	406	350
Deferred tax liabilities	149,224	147,041
Derivative financial instruments	600	-
Provisions	37,705	45,089
	<hr/>	<hr/>
Total non current liabilities	910,682	731,798
	<hr/>	<hr/>
Current liabilities		
Interest bearing loans and borrowings	45,123	37,958
Trade and other payables	586,297	383,065
Corporation tax payable	40,486	31,741
Derivative financial instruments	5,524	3,945
Provisions	27,974	-
	<hr/>	<hr/>
Total current liabilities	705,404	456,709
	<hr/>	<hr/>
TOTAL LIABILITIES	1,616,086	1,188,507
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TOTAL EQUITY AND LIABILITIES	2,462,836	1,955,235
	=====	=====

IAWS Group, Limited (*formerly IAWS Group, plc*)

Group cash flow statement
for the year ended 31 July 2008

	2008	2007
	€'000	€'000
Cash flows from operating activities		
Profit before tax	167,944	149,810
Financing income	(8,703)	(6,609)
Financing costs	46,333	36,708
Share of profit of associates and joint venture	(28,070)	(26,656)
Exceptional items	(198)	(22,732)
Depreciation of property, plant and equipment	35,882	33,451
Amortisation of intangible assets	18,997	15,927
Amortisation of government grants	(327)	(79)
Employee share-based payment charge	11,886	6,007
Other	(2,796)	(1,836)
	<hr/>	<hr/>
Operating profit before changes in working capital	240,948	183,991
(Increase) in inventory	(81,115)	(22,740)
(Increase)/decrease in trade and other receivables	(59,080)	14,241
Increase in trade and other payables	154,094	11,814
	<hr/>	<hr/>
Cash generated from operating activities	254,847	187,306
Interest paid	(34,500)	(29,547)
Income tax paid	(18,314)	(9,371)
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Net cash inflow from operating activities	202,033	148,388
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IAWS Group, Limited (*formerly IAWS Group, plc*)

Group cash flow statement (*continued*)
as at 31 July 2008

	2008	2007
	€'000	€'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	920	1,912
Purchase of property, plant and equipment		
- ongoing	(15,247)	(11,710)
- new investments	(121,060)	(87,672)
Purchase of investment properties	(12,945)	-
Proceeds from disposal of business	-	1,031
Acquisition of subsidiaries and businesses, net of cash acquired	(105,060)	(442,449)
Purchase of intangible assets	(7,122)	(12,984)
Cash received on dilution of Origin Enterprises plc, net	-	97,521
Insurance proceeds, net	-	6,118
Dividends received	17,643	18,000
Purchase of minority interest	-	(857)
Investments in associates	(15,632)	-
Purchase of computer related intangible assets	(1,794)	(1,335)
Deferred consideration paid	(1,671)	(3,571)
Other	(135)	5
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Net cash flow from investing activities	(262,103)	(435,991)
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Cash flows from financing activities		
Proceeds from issue of share capital	3,834	5,420
Drawdown of loan capital	144,725	277,528
Capital element of finance lease liabilities	(1,096)	(363)
Equity dividends paid	(20,902)	(18,089)
Receipt from derivative financial instrument	-	1,343
	<hr/>	<hr/>
Net cash flow from financing activities	126,561	265,839
	<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents	66,491	(21,764)
Translation adjustment	(8,236)	470
Cash and cash equivalents at start of year	48,504	69,798
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Cash and cash equivalents at end of year	106,759	48,504
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IAWS Group, Limited (*formerly IAWS Group, plc*)

Notes to the results statement

for the year ended 31 July 2008

1 Basis of preparation

The financial information included on pages 12 to 28 of this results statement has been extracted from the Group financial statements for the year ended 31 July 2008 on which the auditor has issued an unqualified audit opinion.

The financial information has been prepared in accordance with the accounting policies set out in the Group financial statements for the year ended 31 July 2008 which were prepared in accordance with International Financial Reporting Standards adopted by the EU.

The financial information is presented in euro, rounded to the nearest thousand.

IAWS Group, Limited (*formerly IAWS Group, plc*)

Notes to the results statement

for the year ended 31 July 2008

2 Segment information

(a) *Analysis by business segment*

(i) Segment revenue and result	FOOD EUROPE		FOOD NORTH AMERICA		ORIGIN		UNALLOCATED *		TOTAL GROUP	
	2008 €'000	2007 €'000	2008 €'000	2007 €'000	2008 €'000	2007 €'000	2008 €'000	2007 €'000	2008 €'000	2007 €'000
Segment revenue	708,806	649,125	453,301	369,131	1,498,839	889,363	-	-	2,660,946	1,907,619
Operating profit before exceptional items	65,649	59,694	43,128	33,497	68,529	37,330	-	-	177,306	130,521
Exceptional items	(2,262)	(3,683)	(534)	(2,783)	-	1,146	2,994	28,052	198	22,732
Operating profit	63,387	56,011	42,594	30,714	68,529	38,476	2,994	28,052	177,504	153,253
Share of profit of associates and joint venture	10,615	7,209	15,203	15,773	2,252	3,674	-	-	28,070	26,656
Profit before financing costs	74,002	63,220	57,797	46,487	70,781	42,150	2,994	28,052	205,574	179,909

* In 2007 the Group allocated neither the gain on dilution of Origin Enterprises plc nor pension exit costs to any business segment. In 2008 the Group did not allocate the gain on curtailment associated with the transfer of members to the defined contribution scheme.

IAWS Group, Limited (*formerly IAWS Group, plc*)

Notes to the results statement

for the year ended 31 July 2008

2 Segment information (*continued*)

(a) *Analysis by business segment (continued)*

(ii) Segment assets

	FOOD EUROPE		FOOD NORTH AMERICA		ORIGIN		TOTAL GROUP	
	2008 €'000	2007 €'000	2008 €'000	2007 €'000	2008 €'000	2007 €'000	2008 €'000	2007 €'000
Segment assets excluding investments in associates and joint venture	701,008	565,040	633,275	715,193	778,709	404,311	2,112,992	1,684,544
Investments in associates and joint venture	87,230	77,777	58,057	64,707	32,844	26,521	178,131	169,005
Segment assets	788,238	642,817	691,332	779,900	811,553	430,832	2,291,123	1,853,549
	=====	=====	=====	=====	=====	=====		

Reconciliation to total assets as reported in Group balance sheet

Listed investments							-	204
Derivative financial instruments							2,709	734
Cash and cash equivalents							150,093	86,059
Deferred tax assets							18,911	14,689
Total assets as reported in Group balance sheet							2,462,836	1,955,235
							=====	=====

IAWS Group, Limited (formerly IAWS Group, plc)

Notes to the results statement
for the year ended 31 July 2008

2 Segment information (continued)
(a) Analysis by business segment (continued)

(iii) Segment liabilities	FOOD EUROPE		FOOD N. AMERICA		ORIGIN		TOTAL GROUP	
	2008 €'000	2007 €'000	2008 €'000	2007 €'000	2008 €'000	2007 €'000	2008 €'000	2007 €'000
Segment liabilities	217,137	203,768	99,386	104,899	365,321	131,471	681,844	440,138
Reconciliation to total liabilities as reported in Group balance sheet								
Interest bearing loans and borrowings							738,408	565,642
Derivative financial instruments							6,124	3,945
Income tax and deferred tax liabilities							189,710	178,782
Total liabilities as reported in the Group balance sheet							1,616,086	1,188,507
(iv) Other segment information								
Depreciation	15,226	15,422	11,596	10,502	9,060	7,527	35,882	33,451
Amortisation of intangible assets	7,863	6,882	8,737	8,248	2,397	797	18,997	15,927
Capital expenditure – property, plant and equipment	114,861	66,671	19,201	24,835	9,033	10,187	143,095	101,693
Capital expenditure – computer related intangibles	1,158	725	562	581	74	29	1,794	1,335
Capital expenditure – brand related intangibles	-	12,984	-	-	-	-	-	12,984
Capital expenditure – other intangibles	7,122	-	-	-	-	-	7,122	-
Total capital expenditure	123,141	80,380	19,763	25,416	9,107	10,216	152,011	116,012

2 Segment information (continued)

(b) Analysis by geographical segment

	EUROPE		NORTH AMERICA		TOTAL GROUP	
	2008	2007	2008	2007	2008	2007
	€'000	€'000	€'000	€'000	€'000	€'000
Segment revenue	2,207,645	1,538,488	453,301	369,131	2,660,946	1,907,619
Segment assets	1,599,791	1,073,649	691,332	779,900	2,291,123	1,853,549
Capital expenditure	132,248	90,596	19,763	25,416	152,011	116,012

3 Earnings per share

The calculation of basic earnings per share is based on the weighted average number of ordinary shares in issue during the year

The calculation of diluted earnings per share at 31 July 2008 was based on diluted profit for the financial year attributable to ordinary shareholders of €128,677,000 (2007: €122,969,000) and the weighted average number of ordinary shares (diluted) outstanding during the year ended 31 July 2008 of 128,436,523 (2007: 128,040,000) calculated as follows:

	2008	2007
	€'000	€'000
Profit for financial year attributable to equity shareholders	129,752	122,995
Effect on minority interest share of profits due to dilutive effect of Origin equity entitlements	(1,075)	(26)
Diluted profit for financial year attributable to equity shareholders	128,677	122,969
	=====	=====
Weighted average number of ordinary shares (diluted)	'000	'000
Weighted average number of ordinary shares used in basic calculation	127,113	126,505
Effect of equity instruments with a dilutive effect	1,323	1,535
Weighted average number of ordinary shares (diluted) for the year	128,436	128,040
	=====	=====
Diluted earnings per share	100.19 cent	96.04 cent
	=====	=====

3 Earnings per share (continued)

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

Basic	2008		2007	
	'000		'000	
Weighted average number of ordinary shares (basic) at 31 July	127,113		126,505	
	=====		=====	
	2008	2008	2007	2007
	€'000	Per share	€'000	Per share
		€ cent		€ cent
Profit for the financial year	129,752	102.08	122,995	97.22
<i>Adjustments:</i>				
Amortisation of intangible assets	18,997	14.94	15,927	12.59
Amortisation of related deferred tax liability	(6,905)	(5.43)	(4,406)	(3.48)
Exceptional items, net of tax	(603)	(0.47)	(13,909)	(10.99)
Adjusted basic earnings per share	141,241	111.12	120,607	95.34
	=====	=====	=====	=====

3 Earnings per share (continued)

Diluted	2008		2007	
	'000		'000	
Weighted average number of ordinary shares (diluted) at 31 July	128,436		128,040	
	=====		=====	
	2008	2008	2007	2007
	€'000	Per share	€'000	Per share
		€ cent		€ cent
Diluted profit for financial year attributable to equity shareholders	128,677	100.19	122,969	96.04
<i>Adjustments:</i>				
Amortisation of intangible assets	18,997	14.79	15,927	12.44
Amortisation of related deferred tax liability	(6,905)	(5.38)	(4,406)	(3.44)
Exceptional items, net of tax	(603)	(0.47)	(13,909)	(10.87)
Additional dilutive effect of equity entitlements in Origin on adjusted profit for the period	(53)	(0.04)	(5)	-
Adjusted fully diluted earnings per share	140,113	109.09	120,576	94.17
	=====	=====	=====	=====

4 Adjusted profit for the financial year before taxation

	2008	2007
	€'000	€'000
Profit for the financial year before taxation	167,944	149,810
Add: Intangible amortisation	18,997	15,927
Less: Exceptional profit	(198)	(22,732)
	—————	—————
Adjusted profit for the financial year before taxation	186,743	143,005
	=====	=====

5 Statement of changes in shareholders' equity

	Share Capital	Share premium	Cash flow hedge reserve	Re- valuation reserve	Share- based payment reserve	Other reserves	Foreign currency translation reserve	Retained earnings	Minority interest	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
31 July 2008										
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	-	-	-	-	-	-	(58,442)	-	(2,619)	(61,061)
Share of associates' foreign exchange translation reserve	-	-	-	-	-	-	1,491	-	-	1,491
Group defined benefit pension schemes	-	-	-	-	-	-	-	(14,001)	(5,576)	(19,577)
Deferred tax on defined benefit pension schemes	-	-	-	-	-	-	-	1,692	679	2,371
Share of associate defined benefit schemes	-	-	-	-	-	-	-	1,791	664	2,455
Share of associates' deferred tax on defined benefit pension scheme	-	-	-	-	-	-	-	(506)	(186)	(692)
Effective portion of changes in fair value of cashflow hedges	-	-	4,856	-	-	-	-	-	158	5,014
Fair value of cashflow hedges transferred to income statement	-	-	(5,186)	-	-	-	-	-	-	(5,186)
Deferred tax relating to cash flow hedges	-	-	209	-	-	-	-	-	(20)	189
Share of joint venture gains relating to cash flow hedges	-	-	92	-	-	-	-	-	-	92
Share of joint venture deferred tax relating to cash flow hedges	-	-	(11)	-	-	-	-	-	-	(11)
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)	127,446	19,986	3,198	(60,035)	596,174	61,482	846,750
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

6 Acquisitions

During the year the Group completed a number of acquisitions as follows:

1. On 30 August 2007, Origin completed the acquisition of the remaining 50% interest in the Odlum Group not previously owned.
2. On 1 February 2008, Origin completed the acquisition of 100% of Masstock Group Holdings Limited ("Masstock"). Masstock, with operations in the United Kingdom and Poland, is the leading provider of specialist agronomy services directly to arable and grassland farm enterprises.
3. During the year, the Food Europe segment also purchased two additional businesses, the results of which are not individually material to the Group.

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

	Acquiree's carrying amount €'000	Fair value adjustments €'000	Fair value €'000	Masstock €'000	Odlums €'000	Other €'000
Net assets acquired:						
Property, plant and equipment	48,351	(667)	47,684	14,095	25,256	8,333
Investment property	-	14,000	14,000	-	14,000	-
Intangible assets	5,176	52,693	57,869	14,718	28,900	14,251
Inventory	29,924	(855)	29,069	18,456	8,377	2,236
Trade and other receivables	81,029	(586)	80,443	52,992	20,524	6,927
Trade and other payables	(67,218)	(893)	(68,111)	(53,926)	(8,602)	(5,583)
Debt acquired	(67,548)	-	(67,548)	(36,776)	(27,085)	(3,687)
Finance leases	(3,097)	-	(3,097)	(2,144)	-	(953)
Deferred tax	(233)	(12,762)	(12,995)	(3,276)	(7,604)	(2,115)
Deferred government grants	(1,453)	-	(1,453)	-	(248)	(1,205)
Defined benefit pension obligations	(4,218)	-	(4,218)	(1,794)	(2,424)	-
Corporation tax	(53)	(576)	(629)	90	(156)	(563)
	-----	-----	-----	-----	-----	-----
Net Assets acquired			71,014	2,435	50,938	17,641
Goodwill arising on acquisition			79,746	53,804	10,019	15,923
			-----	-----	-----	-----
Consideration			150,760	56,239	60,957	33,564
			=====	=====	=====	=====
Satisfied by:						
Cash consideration including acquisition expenses of (€2,705,000)			104,272	42,037	35,350	26,885
Contingent consideration			23,157	12,987	-	10,170
Cash acquired			(5,080)	1,215	(2,804)	(3,491)
Fair value of previously held 50% interest			28,411	-	28,411	-
			-----	-----	-----	-----
Consideration			150,760	56,239	60,957	33,564
			=====	=====	=====	=====

6 Acquisitions (continued)

Post acquisition revenues and operating profit relating to these acquisitions amounted to €395,562,000 and €18,319,000, respectively. Masstock contributed revenue of €300,613,000 and operating profit of €12,104,000. Odlums contributed revenue of €77,355,000 and operating profit of €4,797,000.

If the acquisitions had occurred on 1 August 2007, management estimates that consolidated revenue would have been €2,888,597,000 and consolidated operating profit for the period would have been €177,550,000. In determining these amounts management has assumed that the fair value adjustments that arose on the dates of acquisition would have been the same if the acquisition occurred on 1 August 2007.

The goodwill recognised on the acquisitions is attributable to the skills and technical talent of the acquired business's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business.

7 Subsequent events

On 1 August 2008, IAWS Group, Limited (*formerly IAWS Group, plc*) acquired 170,000 shares in Hiestand Holding AG ("Hiestand") from Lion Capital, thereby increasing its ownership in Hiestand from 32 percent as at 31 July 2008 to 64 percent. The consideration for the shares was €30 million cash plus the issuance of 12,700,000 ordinary shares in IAWS Group, Limited (*formerly IAWS Group, plc*). The closing quoted market price of IAWS shares on the day immediately prior to the transaction was €14.80.

On 22 August 2008, following the approval by its shareholders, IAWS Group, Limited (*formerly IAWS Group, plc*) was merged with Hiestand Group to create ARYZTA AG, an SWX Swiss Exchange listed company. Under the terms of this merger ARYZTA AG acquired the issued shares of IAWS Group, Limited (*formerly IAWS Group, plc*) with each IAWS shareholder receiving one ARYZTA AG share for every two IAWS Group plc shares held by them. Simultaneously and following approval by its shareholders, the remaining 36 percent interest in Hiestand was absorbed by ARYZTA AG by means of a statutory merger under Swiss Law with each Hiestand shareholder receiving 36 ARYZTA AG shares for each Hiestand share owned.

As a result of the above, the former IAWS shareholders owned 91.3% of ARYZTA AG and the former Hiestand shareholders (not including IAWS shareholders) owned 8.7% of ARYZTA AG.

Under IFRS 3, *Business Combinations*, the above transaction will be treated as a reverse acquisition where IAWS is deemed to be the acquirer as it has the power to govern the financial and operating policies of ARYZTA AG. The information required by IFRS 3, *Business Combinations*, has not been disclosed in this annual report due to the proximity between the date of completion of the acquisition and the date of approval of the financial statements.

Appendix 2
ARYZTA AG

**Unaudited pro forma condensed financial information for the
Full year results ended 31 July 2008**

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE FULL YEAR RESULTS ENDED ON 31 JULY 2008

The unaudited *pro forma* results (the “*pro forma* results”) 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 and net assets of ARYZTA A.G. (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 Holding AG from Lion Capital for €30 million 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 Ltd and Hiestand Holding AG 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.

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 plc of a 32% interest in Hiestand Holding AG from Lion Capital for €30 million and 12.7 million IAWS shares, and the Merger.

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE FULL YEAR RESULTS ENDED ON 31 JULY 2008 (continued)

ARYZTA pro forma results – year ended 31 July 2008

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

1. Before impact of intangible amortisation, exceptional items.
2. Presented after interest and tax.
3. Presented after dilutive impact of Origin equity entitlement.

Adjusted Hiestand profit for the 12 months to 30 June 2008 is before an intangible amortisation charge of €3.4 million and a deferred tax credit on intangibles of €4.1 million.

UNAUDITED PRO FORMA CONDENSED FINANCIAL INFORMATION FOR THE FULL YEAR RESULTS ENDED ON 31 JULY 2008 (continued)

ARYZTA pro forma balance sheet – as at 31 July 2008

	ARYZTA AG as at 31 July 2008	IAWS Group, Ltd as at 31 July 2008	Hiestand Holdings AG as at 30 June 2008	Pro forma adjustments	Note Ref.	ARYZTA pro forma as at 31 July 2008
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	383,467	5.4	1,356,398
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	308,086		3,019,647
Liabilities						
Net debt	62	(588,315)	(109,309)	(30,062)	5.4	(727,624)
Other payables	-	(291,381)	(34,066)	(11,886)	5.3	(337,333)
Trade and other payables	-	(586,297)	(58,967)	(30,000)	5.4	(675,264)
Total liabilities	62	(1,465,993)	(202,342)	(71,948)		(1,740,221)
Net assets	62	846,750	196,476	236,138		1,279,426
Total Equity	(62)	(846,750)	(196,476)	(236,138)		(1,279,426)

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 A.G. (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 Ltd for the year ended 31 July 2008 have been extracted from the audited consolidated financial statements of IAWS Group Ltd as set out on page 12 of this Results Announcement.
3. The balance sheet of IAWS Group Ltd as at 31 July 2008 has been extracted, without material adjustment, from the audited consolidated financial statements of IAWS Group Ltd as set out on pages 14 to 15 of this Results Announcement.
4. The balance sheet and results of Hiestand Holding AG as at and for the trailing twelve month period ended 30 June 2008 have been extracted from the audited accounts of Hiestand Holding AG for the year ended 31 December 2007 and from the unaudited half year results to 30 June 2008 as summarised on page 4 of this Results Announcement.
5. Pro forma adjustments as at and for the twelve month period to 31 July 2008 are as follows:

5.1. Elimination of intercompany sales and purchases

Hiestand Holding AG 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 Holding AG by IAWS Group Ltd

Since 2003, IAWS Group Ltd has built up a 32% stake in Hiestand Holding AG. IAWS Group Ltd has historically accounted for its investment in Hiestand Holding AG 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 Holding AG (€87,267,000) 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 Ltd 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 Holding AG 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 Holding AG’s accounting treatment on a consistent basis with that of IAWS Group, Ltd. The accounting policies of IAWS Group Ltd are those which will be adopted by ARYZTA AG.

5.4. The transaction was conducted in two steps:

- (i) the acquisition by IAWS Group, plc on 1 August 2008 of a 32% stake in Hiestand Holding AG from Lion Capital through the payment of €30.0 million cash and the issuance of 12.7 million shares in IAWS Group Plc; and
- (ii) the acquisition by ARYZTA AG of 144.2 million issued shares in IAWS Group Plc 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 Plc received two ARYZTA AG shares for each IAWS Group Plc 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 Hiestand from 32% to 64%. . However, for the purposes of the unaudited *pro forma* condensed financial information, no account has been taken of any fair value adjustments which arose on the acquisition or the consequential impact on earnings, including the amortisation of identified intangible assets, due to the proximity of the transaction to the release of this Results Announcement. Therefore, the indicative goodwill arising on step (i) is shown as the difference between the purchase consideration and the 32% share of net assets acquired in this step being net assets calculated based on the carrying value of Hiestand at 30 June 2008 - €196.5 million.

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

Accounting for step (ii)

The acquisition of IAWS (by means of a Scheme of Arrangement as set out in Part 1 (7) of the Prospectus) 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 account has been taken of any fair value adjustments which have arisen on the acquisition or the consequential impact on earnings, including the amortisation of identified intangible assets. Therefore, for the purposes of the unaudited *pro forma* condensed financial information, the goodwill arising on step (ii) has been calculated based on the difference between the purchase consideration and the remaining 36% share of net assets acquired in this step being net assets calculated based on the carrying value of Hiestand at 30 June 2008 - €196.5 million.

The 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
Fair value of previously held interest (b)	62,873
Estimated transaction costs	30,000
	<hr/>
	544,364
Less net assets of Hiestand at 30 June 2008	(196,476)
	<hr/>
Goodwill	347,888
Goodwill recognised on 32% interest already owned (c)	35,579
	<hr/>
Goodwill	383,467

Note: The ultimate amount of goodwill is dependent upon total transaction costs and their final classification and the final determination of the fair value of Hiestand's net assets

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

- (a) Equity consideration for step (i) is €188.0 million for the purposes of the unaudited pro forma condensed financial information. This is represented by the issuance of 12.7 million IAWS Group Plc shares issued at a market value of €14.80 being the opening quoted price of IAWS shares on 1 August 2008.

Equity consideration for step (ii) is €233.5 million. This is the fair value of the equity consideration for step (ii) as defined by IFRS 3, *Business Combinations*. This 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 AG going forward. This was 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.

- (b) For this purpose, this amount has been calculated by reference to the net assets being the carrying value of Hiestand at 31 June 2008. No account has been taken of any fair value adjustments which may have arisen on the acquisition or the consequential impact on earnings, including the amortisation of identified intangible assets. The difference between the carrying and fair value of the previously held interest has been recognised within equity. Goodwill on the 32% interest already owned by IAWS was calculated at the date that this percentage interest was acquired and formed part of the amount included within investments in associates and joint ventures. This amount is not subject to remeasurement.
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 at 22 September 2008 – 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.