IAWS Group, plc

Preliminary Results Announcement

Year ended 31 July 2007

2007 Preliminary Results Summary

	2007 €'000	2006 €'000	%
Group revenue	1,907,619	1,557,305	22.5
*Group operating profit	146,448	111,815	31.0
Share of assoc. & JV	26,656	25,653	3.9
*Operating profit incl. associates	173,104	137,468	25.9
Exceptional items (pre tax)	22,732	1,347	-
Finance cost	(30,099)	(13,929)	116.1
*Pre tax profits	143,005	123,539	15.8
Profit for the financial year	123,473	99,129	24.6
*Adjusted profit	120,607	103,659	16.3
*Adjusted fully diluted EPS (cent)	94.17c	81.60c	15.4

*before intangible amortisation and exceptional items

Chief Executive Officer's comment:

Commenting on the 2007 performance, IAWS Group Chief Executive, Owen Killian said:

"IAWS Group, plc has had an excellent year with strong underlying growth across the entire business. This has been a transformational year for the Group with our largest ever acquisition, that of Otis Spunkmeyer, in the USA followed by the successful IPO of Origin Enterprises plc ("Origin") in June. We also successfully placed US$450 million of long term debt with an average maturity of 9.2 years on favourable terms. The combination of the long term debt placing together with the release of €256 million in cash from Origin has considerably strengthened the Group's financial position. We have made a substantial investment for future growth in both the US and European markets during the period. The rapid rise in grain and food costs augurs well for the future growth of Origin. At the same time, the food inflation arising from these trends will affect the trading environment for all food companies. Our Lifestyle Foods proposition to consumers conveys substantial benefits over cost and we remain confident that our business model will continue to generate growth."

The Preliminary Results Announcement is available on the Group's website www.iaws.com. A conference call will be held at 8.30 AM UK / Irish time today. Call details are available from the Group's website.

ENDS **24th September 2007**

IAWS Group, plc - Financial Review

EPS

IAWS Group, plc announces an increase of 15.4 per cent in diluted earnings per share* for the year ending 31 July 2007 to 94.17c compared to 81.60c in the previous year. The adjusted profit* for the financial year was €120.6 million compared with €103.7 million in 2006 - this was before an increased amortisation charge of €15.9 million compared to €7.1 million in the previous year.

Dividend

A final dividend of 7.80 cent is proposed giving a total dividend for the year of 15.31 cent per share, an overall increase of 13.5 per cent.

Revenue

Group revenue was 22.5 per cent higher at €1.9 billion. The Food business achieved revenues of €1.0 billion, an increase of 37.5 per cent. Food North America reported revenue growth of 165.4 per cent. This includes 9 months of revenue from Otis Spunkmeyer [€220.1 million] and an increase in underlying revenues at La Brea Bakery of 15.2 per cent. Food Europe delivered underlying revenue growth of 7.3 per cent to €649.1 million. Origin reported revenue growth of 8.9 per cent to €889.4 million.

Operating profit

Group operating profit* increased by 31 per cent to €146.4 million. The operating profit* from the Food business was €108.3 million compared to €77.1 million in 2006 – an increase of 40.4 per cent. Origin delivered a good performance with operating profits* of €38.1 million which is 9.9 per cent higher than last year.

Associates

The profit contribution from Food associates and joint venture grew by 7.8 per cent to €23.0 million compared with €21.3 million in 2006. The profit contribution from Origin's associates was down from €4.4 million in 2006 to €3.7 million in 2007 primarily due to the timing of price increases in its flour milling associate.

Free cash flow

During the year, due to strong underlying performance and cash management, the Group's free cash flow increased by 36% to €136.6 million.

Balance sheet

The Group balance sheet was considerably strengthened in the period with net assets increasing by 60% to €766.7 million. Total borrowings were €479.6 million at the end of the financial period compared to €216.5 million at the end of July 2006. This is a strong performance after a cash acquisition spend of €459.9 million and investment capital expenditure of €89.0 million. During the year IAWS Group, plc placed debt of US$450 million with US and UK institutions with an average maturity of 9.2 years on favourable terms. The combined impact of placing long term debt and the releasing of circa €256 million in cash from Origin have contributed to the strength of the IAWS Group balance sheet. Net debt (€71.7 million): EBITDA for Origin was 1.6 times, while net debt (€407.9 million): EBITDA ratio for the Group (excluding Origin) was 2.4 times.

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

Review of Operations

The Group's record of consistent double digit growth was maintained in a transformational year. There was strong underlying growth in the core Lifestyle Foods business and substantial scale was achieved in the North American business. The Group successfully completed its largest ever acquisition, Otis Spunkmeyer, which made an excellent contribution to the Group in its first nine months. Origin Enterprises was listed on the IEX/AIM stock markets raising €100 million of development capital to fund future growth.

Highlights of the year included:

- Strong underlying growth in Lifestyle Foods
- Substantial scale achieved in North American market
- The Group's largest ever acquisition - Otis Spunkmeyer
- US$450 million long term debt placing on favourable terms
- Successful Origin IPO raises €100 million development capital
- €256 million in cash released from Origin to IAWS
- New underlying growth dynamic for Origin
- Cash acquisition spend of €459.9 million and capex of €89.0 million
- Commenced development of innovative European facility
- Free cash flow grows 36 per cent to €136.6 million
- Year end net debt to EBITDA, excluding Origin, ratio 2.4 times

The Group is now reporting in three segments, Food North America, Food Europe and Origin. This segmental analysis reflects the changed profile of the group and the comparative period has been restated accordingly.

Food North America:

	Total 2007 €000	Total 2006 €000	Change
Revenue	**369,131**	139,072	165.4%
Operating profit*	**41,745**	16,631	151%

*before intangible amortisation and exceptional items

The Group has made substantial investment in developing its Lifestyle Foods business in the North American value added bakery market through acquisition and capital investment in recent years. This has created an operation of substantial scale with iconic brands and a national reach in the USA. During the year under review, the Group attained a 5 per cent share of the $12 billion value added bakery market.

Category leadership has been established in artisan breads and sweet baked goods. The Group estimates that the US market is growing at a rate of 8 per cent for artisan bread and 5 per cent for freshly baked cookies. The acquisition of La Brea Bakery in 2001 enabled the Group to grow category leadership nationally in artisan bread while the Otis Spunkmeyer acquisition gives leadership in sweet baked goods.

Revenues in the US have now reached an annualised $600 million. In the year under review, revenue grew by 165.4 per cent to €369.1 million, including an excellent contribution from Otis Spunkmeyer of €220.1 million for the nine month period. Operating profits in North America were up 151.0 per cent at €41.7 million for the year. Otis Spunkmeyer contributed a strong €22.1 million, making the acquisition earnings accretive for the Group in its first nine months.

Underlying growth in La Brea Bakery continued at a high rate with revenues increasing by 15.2 per cent to €149.0 million while operating profits rose by 17.8 per cent to €19.6 million after allowing for foreign currency fluctuations. Innovative product development based on lifestyle trends and superior brand awareness continue to drive above par growth in this dynamic category. This, together with ongoing capital investment in the Group's unique bakery technology, enables La Brea to maximise opportunities arising from growth trends favourable to freshly baked artisan bread.

The acquisition of Otis Spunkmeyer has been an excellent strategic fit, giving the Group new levels of reach and scale in North America by virtue of its extensive US production capabilities and distribution infrastructure. In North America the Lifestyle Foods business has 2,368 employees, 53 direct store delivery ("DSD") points and 7 manufacturing facilities. These extensive infrastructure and production capabilities service over 300 DSD routes and over 70,000 DSD customers.

The Lifestyle Foods business has well invested unique bakery assets which provide a substantial platform for growth. The Group now has strength and depth in both the foodservice and retail markets. Foodservice and retail have an equal share of the US value added bakery market.

The ongoing investment programme in North America has given the Group scale and reach with unrivalled route to market. Category leadership, superior branded concepts, high quality products and unique supply chain capabilities convey substantial benefits over costs for customers. This, together with a committed and proven management team, positions the Group favourably for further development and growth in North America.

Food Europe:

	Total 2007 € 000	Total 2006 € 000	Change
Revenue	**649,125**	601,362	7.9%
Operating profit*	**66,576**	60,494	10.1%

*before intangible amortisation and exceptional items

Revenue in Food Europe which comprises the Lifestyle Foods businesses in Ireland, the UK and France, increased to €649.1 million. This reflects revenue growth of 7.9 per cent (underlying revenue growth of 7.3 per cent). Operating profit* in Food Europe increased by 10.1 per cent to €66.6 million.

The Group estimates that there is a €90 billion bakery market in Western Europe within which there is a €13 billion value added bakery market. The Lifestyle Foods business has an extensive product range in the value added bakery market. The Group estimates that the value added bakery market is growing at a rate of 4.5%. In Europe the Lifestyle Foods business has 2,170 employees, 23 DSD points and 3 manufacturing facilities. This extensive infrastructure and production capability services over 300 DSD routes and over 50,000 DSD customers.

The Group has considerable strength and depth in both the foodservice and retail markets. In retail the Lifestyle Foods 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 our customers to maximise their profitability through focusing 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 Lifestyle Foods business continual focus and investment in concept and product development will ensure our value proposition to customers continues. This focus and investment on concept and product development is the primary driver for growth.

To further underpin this growth the Lifestyle Foods business is currently constructing a new world class facility at Grangecastle, Dublin, Ireland. Construction work has commenced on the site and €53 million has been invested in the year under review. The commissioning of the facility will commence at the end of the current financial year and the benefits from this investment will be delivered from 2009 onwards.

The Group has well invested food infrastructure, production capabilities and a proven management team which will underpin its successful business model and its future growth.

Origin Enterprises plc:

	Total 2007 €000	Total 2006 €000	Change
Revenue	**889,363**	816,871	8.9%
Operating profit*	**38,127**	34,690	9.9%

*before intangible amortisation and exceptional items

Origin revenue was 8.9 per cent up at €889.4 million (€816.9 million). *Operating profit increased by 9.9 per cent to €38.1 million from €34.7 million.

Origin established a €350 million credit facility during the period and raised €100 million of development capital through the IPO of 25 per cent of its shares on the IEX / AIM stock markets. This development capital will facilitate the investment by Origin in future growth. Origin made a good contribution to the Group during the period and shows a potential new growth dynamic arising from the renewed focus on the Origin businesses. Origin has a dedicated management resource to unlock value from its development property sites. Following the year end Origin acquired a controlling interest in Odlums for €35 million and assumed €22 million of debt.

Dividend

The Board is recommending a final dividend of 7.80 cent per share compared with 6.78 cent per share in 2006. Together with the interim dividend of 7.51 cent per share, this raises the total dividend payment for the year to 15.31 cent per share, an increase of 13.5 per cent on the 2006 dividend.

Outlook

The Group has made substantial investment in the period and the business is now well positioned in all its markets. Food inflation is now a reality and a challenge for all food companies operating in this area. We remain confident that our business model will continue to deliver benefits to our customers and that we are well placed to achieve future growth.

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

ENDS

IAWS Group, plc

Group income statement

for the year ended 31 July 2007

	Pre-exceptional 2007 €'000	**Exceptional 2007 €'000**	**Total 2007 €'000**	Pre-exceptional 2006 €'000	Exceptional 2006 €'000	Total 2006 €'000
Revenue	**1,907,619**	**-**	**1,907,619**	1,557,305	-	1,557,305
Cost of sales	**(1,416,507)**	**-**	**(1,416,507)**	(1,204,238)	-	(1,204,238)
Gross profit	**491,112**	-	**491,112**	353,067	-	353,067
Operating costs, net	**(344,664)**	**22,732**	**(321,932)**	(241,252)	1,347	(239,905)
Operating profit before amortisation of intangible assets	**146,448**	**22,732**	**169,180**	111,815	1,347	113,162
Amortisation of intangible assets	**(15,927)**	**-**	**(15,927)**	(7,100)	-	(7,100)
Operating profit	**130,521**	**22,732**	**153,253**	104,715	1,347	106,062
Share of profit of associates and joint venture	**26,656**	**-**	**26,656**	25,653	-	25,653
Profit before financing costs	**157,177**	**22,732**	**179,909**	130,368	1,347	131,715
Financing income	**6,609**	**-**	**6,609**	4,964	-	4,964
Financing costs	**(36,708)**	**-**	**(36,708)**	(18,893)	-	(18,893)
Profit before tax	**127,078**	**22,732**	**149,810**	116,439	1,347	117,786
Income tax expense	**(17,514)**	**(8,823)**	**(26,337)**	(17,800)	(857)	(18,657)
Profit for the financial year	**109,564**	**13,909**	**123,473**	98,639	490	99,129
Attributable as follows:						
Equity shareholders			**122,995**			98,798
Minority interest			**478**			331
			123,473			99,129
Basic earnings per share			**97.22c**			78.68c
Diluted earnings per share			**96.04c**			77.77c

IAWS Group, plc

Group statement of recognised income and expense

for the year ended 31 July 2007

	2007	2006
	€'000	€'000
Items of income and expense recognised directly in equity		
Foreign exchange translation adjustment	**(4,063)**	(57)
Share of associates' foreign exchange translation adjustment	**1,684**	524
Actuarial gain on Group and associate defined benefit pension schemes	**12,594**	4,811
Deferred tax effect of actuarial gain	**(1,095)**	(469)
(Losses)/gains relating to cash flow hedges	**(1,952)**	174
Deferred tax effect of cash flow hedges	**712**	(40)
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 income recognised directly in equity	**122,507**	4,943
Profit for the financial year	**123,473**	99,129
Total recognised income for the year	**245,980**	104,072
Attributable as follows:		
Equity shareholders	**244,933**	103,720
Minority interest	**1,047**	352
Total recognised income and expense for the year	**245,980**	104,072

IAWS Group, plc

Group balance sheet

as at 31 July 2007

	2007	2006
	€'000	€'000
ASSETS		
Non current assets		
Property, plant and equipment	**356,493**	308,388
Investment properties	**165,473**	-
Goodwill and intangible assets	**784,481**	334,024
Investments in associates and joint venture	**169,005**	159,221
Other investments	**204**	203
Deferred tax assets	**14,689**	8,474
Total non current assets	**1,490,345**	810,310
Current assets		
Inventory	**137,646**	88,539
Trade and other receivables	**240,451**	206,178
Derivative financial instruments	**734**	1,532
Cash and cash equivalents	**86,059**	74,556
Total current assets	**464,890**	370,805
TOTAL ASSETS	**1,955,235**	1,181,115

IAWS Group, plc

Group balance sheet *(continued)*

as at 31 July 2007

	2007	2006
	€'000	€'000
EQUITY		
Called up share capital	**38,174**	37,856
Share premium	**57,001**	51,899
Retained earnings and other reserves	**620,922**	388,071
Total equity attributable to equity shareholders of parent	**716,097**	477,826
Minority interest	**50,631**	2,910
TOTAL EQUITY	**766,728**	480,736
LIABILITIES		
Non current liabilities		
Interest bearing loans and borrowings	**527,684**	285,945
Employee benefits	**8,705**	8,876
Deferred government grants	**2,929**	3,006
Other payables	**350**	345
Deferred tax liabilities	**147,041**	49,902
Provisions	**45,089**	28,878
Total non current liabilities	**731,798**	376,952
Current liabilities		
Interest bearing borrowings	**37,958**	5,136
Trade and other payables	**383,065**	299,570
Corporation tax payable	**31,741**	13,832
Derivative financial instruments	**3,945**	747
Provisions	**-**	4,142
Total current liabilities	**456,709**	323,427
TOTAL LIABILITIES	**1,188,507**	700,379
TOTAL EQUITY AND LIABILITIES	**1,955,235**	1,181,115

IAWS Group, plc

Group cash flow statement

for the year ended 31 July 2007

	2007	2006
	€'000	€'000
Cash flows from operating activities		
Profit before tax	**149,810**	117,786
Financing costs, net	**30,099**	13,929
Share of profit of associates and joint venture	**(26,656)**	(25,653)
Exceptional items	**(22,732)**	(1,347)
Depreciation of property, plant and equipment	**33,451**	27,631
Amortisation of intangible assets	**15,927**	7,100
Amortisation of government grants	**(79)**	(354)
Employee share-based payment charge	**6,007**	1,550
Foreign exchange gains	**(1,836)**	(684)
Special pension contribution	**-**	(23,496)
Operating profit before changes in working capital	**183,991**	116,462
(Increase) in inventory	**(22,740)**	(84)
Decrease/(increase) in trade and other receivables	**14,241**	(32,124)
Increase in trade and other payables	**11,814**	21,189
Cash generated from operating activities	**187,306**	105,443
Interest paid	**(29,547)**	(11,880)
Income tax paid	**(9,371)**	(11,583)
Net cash inflow from operating activities	**148,388**	81,980

IAWS Group, plc

Group cash flow statement (*continued*)

for the year ended 31 July 2007

	2007	2006
	€'000	€'000
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**1,912**	4,448
Purchase of property, plant and equipment		
- ongoing	**(11,710)**	(7,910)
- new investments	**(89,007)**	(67,947)
Proceeds from disposal of business	**1,031**	-
Acquisition of subsidiaries and businesses, net of cash acquired	**(442,449)**	(2,644)
Purchase of intangible assets	**(12,984)**	-
Cash received on dilution of Origin Enterprises plc, net	**97,521**	-
Insurance proceeds, net	**6,118**	-
Disposal of other investments	**-**	655
Dividends received	**18,000**	19,118
Purchase of minority interest	**(857)**	(1,366)
Investments in associates and joint venture	**-**	(35,061)
Deferred consideration and acquisition costs paid	**(3,571)**	(3,988)
Other	**5**	(480)
Net cash flow from investing activities	**(435,991)**	(95,175)
Cash flows from financing activities		
Proceeds from issue of share capital	**5,420**	8,539
Drawdown of loan capital	**277,528**	67,144
Capital element of finance lease liabilities	**(363)**	(20,453)
Equity dividends paid	**(18,089)**	(16,036)
Receipt from derivative financial instrument	**1,343**	-
Net cash flow from financing activities	**265,839**	39,194
Net (decrease)/increase in cash and cash equivalents	**(21,764)**	25,999
Translation adjustment	**470**	380
Cash and cash equivalents at start of year	**69,798**	43,419
Cash and cash equivalents at end of year	**48,504**	69,798

IAWS Group, plc

Notes to the Preliminary results statement

for the year ended 31 July 2007

1 Basis of preparation

The financial information included on pages 8 to 24 of this Preliminary results statement has been extracted from the Group financial statements for the year ended 31 July 2007 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 2007 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, plc

Notes to the Preliminary Results Statement

for the year ended 31 July 2007

2 Segment information

(a) *Analysis by business segment*

(i) Segment revenue and result

	FOOD EUROPE		FOOD NORTH AMERICA		ORIGIN		UNALLOCATED *		TOTAL GROUP	
	2007 €'000	2006 €'000	**2007 €'000**	2006 €'000	**2007 €'000**	2006 €'000	**2007 €'000**	2006 €'000	**2007 €'000**	2006 €'000
Segment revenue	**649,125**	601,362	**369,131**	139,072	**889,363**	816,871	**-**	-	**1,907,619**	1,557,305
Operating profit before exceptional items	**66,576**	60,494	**41,745**	16,631	**38,127**	34,690	**-**	-	**146,448**	111,815
Exceptional items	**(3,683)**	-	**(2,783)**	(228)	**1,146**	1,575	**28,052**	-	**22,732**	1,347
Operating profit before amortisation of intangible assets	**62,893**	60,494	**38,962**	16,403	**39,273**	36,265	**28,052**	-	**169,180**	113,162
Amortisation of intangible assets	**(6,882)**	(6,114)	**(8,248)**	(264)	**(797)**	(722)	**-**	-	**(15,927)**	(7,100)
Operating profit	**56,011**	54,380	**30,714**	16,139	**38,476**	35,543	**28,052**	-	**153,253**	106,062
Share of profit of associates and joint venture	**7,209**	6,489	**15,773**	14,793	**3,674**	4,371		-	**26,656**	25,653
Profit before financing costs	**63,220**	60,869	**46,487**	30,932	**42,150**	39,914	**28,052**	-	**179,909**	131,715

* The Group has not allocated the gain on dilution of Origin Enterprises plc or the pension exit costs to any business segment

IAWS Group, plc

Notes to the Preliminary Results Statement
for the year ended 31 July 2007

2 Segment information *(continued)*

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

(ii) Segment assets

	FOOD EUROPE		FOOD NORTH AMERICA		ORIGIN		TOTAL GROUP	
	2007 €'000	2006 €'000	**2007 €'000**	2006 €'000	**2007 €'000**	2006 €'000	**2007 €'000**	2006 €'000
Segment assets excluding investments in associates and joint venture	**565,040**	517,921	**715,193**	170,678	**404,311**	248,530	**1,684,544**	937,129
Investments in associates and joint venture	**77,777**	74,024	**64,707**	65,577	**26,521**	19,620	**169,005**	159,221
Segment assets	**642,817**	591,945	**779,900**	236,255	**430,832**	268,150	**1,853,549**	1,096,350
Reconciliation to total assets as reported in Group balance sheet								
Listed investments							**204**	203
Derivative financial instruments							**734**	1,532
Cash and cash equivalents							**86,059**	74,556
Income tax and deferred tax assets							**14,689**	8,474
Total assets as reported in Group balance sheet							**1,955,235**	1,181,115

IAWS Group, plc

Notes to the Preliminary Results Statement

for the year ended 31 July 2007

2 Segment information *(continued)*

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

(iii) Segment liabilities

	FOOD EUROPE		FOOD NORTH AMERICA		ORIGIN		TOTAL GROUP	
	2007 €'000	2006 €'000	**2007 €'000**	2006 €'000	**2007 €'000**	2006 €'000	**2007 €'000**	2006 €'000
Segment liabilities	**203,768**	190,846	**104,899**	23,565	**131,471**	130,406	**440,138**	344,817
Reconciliation to total liabilities as reported in Group balance sheet								
Interest bearing loans and borrowings							**565,642**	291,081
Derivative financial instruments							**3,945**	747
Income tax and deferred tax liabilities							**178,782**	63,734
Total liabilities as reported in the Group balance sheet							**1,188,507**	700,379

(iv) Other segment information

Depreciation	**15,422**	14,749	**10,502**	5,532	**7,527**	7,350	**33,451**	27,631
Capital expenditure – property, plant and equipment	**66,671**	17,941	**24,835**	27,006	**10,187**	8,645	**101,693**	53,592
Capital expenditure – computer related intangibles	**725**	4,625	**581**	-	**29**	69	**1,335**	4,694
Capital expenditure – brand related intangibles	**12,984**	-	**-**	-	**-**	782	**12,984**	782
Total capital expenditure	**80,380**	22,566	**25,416**	27,006	**10,216**	9,496	**116,012**	59,068

IAWS Group, plc

Notes to the Preliminary results statement

for the year ended 31 July 2007

2 Segment information *(continued)*

(b) *Analysis by geographical segment*

	EUROPE		NORTH AMERICA		TOTAL GROUP	
	2007	2006	**2007**	2006	**2007**	2006
	€'000	€'000	**€'000**	€'000	**€'000**	€'000
Segment revenue	**1,538,488**	1,418,233	**369,131**	139,072	**1,907,619**	1,557,305
Segment assets	**1,073,649**	860,095	**779,900**	236,255	**1,853,549**	1,096,350
Capital expenditure	**90,596**	32,062	**25,416**	27,006	**116,012**	59,068

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 2007 was based on diluted profit for the financial year attributable to ordinary shareholders of €122,964,000 *(2006: €98,798,000)* and the weighted average number of ordinary shares (diluted) outstanding during the year ended 31 July 2007 of 128,040,000 *(2006: 127,037,055)* calculated as follows:

	2007	2006
	€'000	€'000
Profit for financial year attributable to equity shareholders	**122,995**	98,798
Effect on minority interest share of profits due to dilutive effect of Origin equity entitlements	**(31)**	-
Diluted profit for financial year attributable to equity shareholders	**122,964**	98,798

Weighted average number of ordinary shares (diluted)		
	'000	'000
Weighted average number of ordinary shares used in basic calculation	**126,505**	125,568
Effect of equity instruments with a dilutive effect	**1,535**	1,469
Weighted average number of ordinary shares (diluted) for the year	**128,040**	127,037

IAWS Group, plc

Notes to the Preliminary results statement

for the year ended 31 July 2007

3 Earnings per share (*continued*)

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

Basic	**2007 €'000**	**2007 Per share € cent**	2006 €'000	2006 Per share € cent
Profit for the financial year	**122,995**	**97.22**	98,798	78.68
Adjustments:				
Amortisation of intangible assets	**15,927**	**12.59**	7,100	5.65
Amortisation of related deferred tax liability	**(4,406)**	**(3.48)**	(1,749)	(1.39)
Exceptional items, net of tax	**(13,909)**	**(10.99)**	(490)	(0.39)
Adjusted basic earnings per share	**120,607**	**95.34**	103,659	82.55

Diluted	**2007 €'000**	**2007 Per share € cent**	2006 €'000	2006 Per share € cent
Diluted profit for the financial year	**122,964**	**96.04**	98,798	77.77
Adjustments:				
Amortisation of intangible assets	**15,927**	**12.44**	7,100	5.59
Amortisation of related deferred tax liability	**(4,406)**	**(3.44)**	(1,749)	(1.38)
Exceptional items, net of tax	**(13,909)**	**(10.87)**	(490)	(0.38)
Adjusted fully diluted earnings per share	**120,576**	**94.17**	103,659	81.60

IAWS Group, plc

Notes to the Preliminary results statement

for the year ended 31 July 2007

4	**Exceptional items**	**2007**	2006
		€'000	€'000
	Gain on dilution of Origin Enterprises plc (i)	**(44,197)**	**-**
	Pension exit costs (ii)	**16,145**	**-**
	Loss on disposal and termination of operations (iii)	**5,162**	572
	Loss/(gain) on disposal and impairments of PP&E	**1,314**	(1,304)
	Gain on disposal of other investments	**-**	(615)
	Insurance settlements, other restructuring costs and litigation claim (iv)	**(1,156)**	**-**
		(22,732)	(1,347)

(i) Gain on dilution of Origin Enterprises plc

In September 2006, the Group established a new operating company, Origin Enterprises plc ("Origin") and on 3 April 2007, the Group transferred its core Agri and non Lifestyle Foods businesses to Origin. During the year, management purchased ordinary shares in Origin totalling 4.7% of the then allotted share capital. On 5 June 2007, Origin allotted 33.3 million shares in an initial public offering. This represented 25% of the enlarged share capital of Origin. The Group recognised a net gain on dilution of Origin of €44.2 million being the difference in the proceeds received, net of costs, and the carrying amount of minority interest arising on the initial public offering.

(ii) Pension exit costs

€16.1 million of costs were recorded as an exceptional item in the current year in relation to the restructuring of the IAWS Group Defined Benefit Pension Scheme.

(iii) Loss on disposal and termination of operations

During the year a loss on disposal of operations was recognised on the disposal of assets in Power Seeds Limited, an Irish based company engaged in the business of seed assembly.

In addition a loss on termination of operations was recognised which consists primarily of provisions and impairments of property, plant and equipment made in respect of the termination of warehousing and distribution operations in the Lifestyle Foods business.

In 2006, the loss on termination of operations consisted primarily of the loss on the disposal of Premier Petfoods Limited, an Irish based company engaged in the distribution of pet foods.

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Notes to the Preliminary results statement

for the year ended 31 July 2007

4 Exceptional items (*continued*)

(iv) Insurance settlement, other restructuring costs and litigation claim

During the year, two facilities operated by the Group suffered fire damage. Contingency plans were implemented and the impact on customers and operations was minimised. The insurance settlement represents the excess of the proceeds over the net book value of the assets destroyed and other restructuring costs incurred. The Group also recorded a charge for a litigation claim during the year.

5 Adjusted profit for the financial year before taxation

	2007	2006
	€'000	€'000
Profit for the financial year before taxation	**149,810**	117,786
Add: Intangible amortisation	**15,927**	7,100
Less: Exceptional profit	**(22,732)**	(1,347)
Adjusted profit for the financial year before taxation	**143,005**	123,539

6 Adjusted profit for the financial year after taxation

	2007	2006
	€'000	€'000
Profit for the financial year attributable to equity shareholders	**122,995**	98,798
Add: Intangible amortisation	**15,927**	7,100
Less: Related deferred tax liability	**(4,406)**	(1,749)
Less: Exceptional items, net of tax	**(13,909)**	(490)
Adjusted profit for the financial year after taxation	**120,607**	103,659

IAWS Group, plc

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for the year ended 31 July 2007

7 Statement of changes in shareholders' equity

31 July 2007

	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	Total €'000
At 1 August 2006	**51,899**	**735**	**-**	**3,067**	**3,198**	**(630)**	**381,701**	**439,970**
Foreign exchange translation	-	-	-	-	-	(4,063)	-	(4,063)
Group and associate defined benefit pension schemes	-	-	-	-	-	-	12,594	12,594
Deferred tax on Group defined benefit pension schemes	-	-	-	-	-	-	(1,095)	(1,095)
Gains relating to Group and associate cash flow hedges	-	(1,952)	-	-	-	-	-	(1,952)
Deferred tax relating to cash flow hedges	-	712	-	-	-	-	-	712
Revaluation of investment property	-	-	140,129	-	-	-	-	140,129
Deferred tax relating to revaluation of investment property	-	-	(25,502)	-	-	-	-	(25,502)
Profit for the period	-	-	-	-	-	-	123,473	123,473
Issue of ordinary shares	5,102	-	-	-	-	-	-	5,102
Share based payments	-	-	-	6,007	-	-	-	6,007
Dividends paid	-	-	-	-	-	-	(18,089)	(18,089)
Share of associate's other reserve movements	-	-	-	-	-	1,684	-	1,684
	57,001	**(505)**	**114,627**	**9,074**	**3,198**	**(3,009)**	**498,584**	**678,970**
Changes in equity attributable to minority interests								(1,047)
Shareholders' equity at 31 July 2007								**677,923**

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Notes to the Preliminary results statement

for the year ended 31 July 2007

8 Acquisitions

On 2 November 2006 the Group completed the acquisition of 100% of Otis Spunkmeyer Holdings, Inc ("Otis"), a leading US specialty baked goods business.

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

	Acquiree's carrying amount €'000	Fair value adjustments €'000	Provisional fair value €'000
Net assets acquired:			
Property, plant and equipment	20,860	(753)	20,107
Intangible assets	56,042	131,208	187,250
Inventory	27,886	647	28,533
Trade and other receivables	50,406	(543)	49,863
Trade and other payables	(33,481)	(10,105)	(43,586)
Deferred tax	(18,009)	(52,267)	(70,276)
Derivative liabilities	(766)	-	(766)
Corporation tax	1,047	(238)	809
Net assets acquired			**171,934**
Goodwill arising on acquisition			288,364
Consideration			**460,298**
Satisfied by:			
Cash consideration, net of expenses			439,546
Bank overdraft acquired			2,903
Deferred purchase consideration			15,537
Accrued acquisition expenses			2,312
			460,298

Post acquisition revenues and operating profit relating to Otis Spunkmeyer amounted to €220,130,000 and €22,147,000, respectively. Goodwill arising on the acquisition of Otis reflects the strategic positioning of the Group in North America.

The Group also acquired holdings in a Food Europe business previously held by third parties. The Group recorded goodwill of €464,000 on the purchase of this minority interest.

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Notes to the Preliminary results statement

for the year ended 31 July 2007

9 Subsequent events

On 30 August 2007, the Group completed the acquisition of the 50% interest in the Odlum Group ("Odlums") not already owned for a consideration of €35m plus the assumption of related bank debt in Odlums of approximately €22m. Odlums has been accounted for as an associate for the year ended 31 July 2007. The information required by paragraph 67 of IFRS 3, *Business Combinations* has not been disclosed in this annual report due to the proximity between the date of the completion of the acquisition and the date of approval of the Group financial statements.