

News Release

Announcement by ARYZTA AG of Strategic Investments in North America, Latin America and Asia

Zurich/Switzerland, 12th August 2010

ARYZTA AG (ARYZTA) announces that its subsidiary IAWS Group Limited (IAWS) has reached agreement with Tim Hortons Inc. (Tim Hortons), its 50-50 partner under the Maidstone Bakeries joint venture, to acquire Tim Hortons 50% share of Maidstone Bakeries (Maidstone) for consideration of CAD 475 million (€ 349 million).

The Maidstone facility was designed, constructed and commissioned in partnership with Tim Hortons, the leading quick service restaurant (QSR) in Canada, in 2002 to 2003. This investment helped transform the Tim Hortons business as their restaurants were enabled to produce freshly baked goods across all parts of the day under their 'always fresh' bakery concept. Maidstone operates in Brantford, Ontario from a purpose built c.400, 000 square foot bakery. Currently Maidstone exclusively services the Tim Hortons network under a contractual arrangement which extends to 2016 (or 2017 at Tim Hortons option) and may be extended beyond this point by mutual agreement.

Following this new investment by ARYZTA, it will be in a position to fast track growth from its manufacturing capability in North America by leveraging Maidstone's experienced labour force and intellectual property embedded in its' design and operations, to serve the dynamic QSR segment. Maidstone has the capability to produce a broad range of products including sandwich carriers, handheld snacks, and breakfast products both sweet and savoury to meet the highest quality standards and consistency of product demanded by the best operators in the QSR industry. Maidstone generates an annualised EBITDA of CAD 67 million (€ 49 million) at its estimated 55% current capacity utilisation.

Following this investment, Maidstone will be under ARYZTA's 100% ownership and ARYZTA will be in a position to market Maidstone's spare capacity across all its customer channels with a particular focus on its recently expanded customer base from its acquisition of Fresh Start Bakeries. This increased capacity utilisation will unlock value for ARYZTA from its investments in Maidstone which will total € 409 million* after this investment. Completion of the Maidstone transaction will close at earliest by end of calendar year 2010. ARYZTA will fully consolidate the operations of Maidstone following completion. ARYZTA has been advised by BMO Capital on the Maidstone transaction.

Commenting on this investment by ARYZTA, Don Schroeder, president and CEO, Tim Hortons said;

"Product innovation and quality are cornerstone elements of the Tim Hortons brand position, which has contributed to sector leadership in our core market. We look forward to continuing to work with ARYZTA through Maidstone Bakeries as a strategic supplier in meeting the baked goods supply needs of our restaurant owners."

* Based on the sum of the carrying value of the investment in Maidstone JV at 31 January 2010 of € 60 million and this investment of € 349 million

Forex rates used in this announcement: CAD / € 1.36, USD / € 1.32 for illustrative purposes only



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Separately ARYZTA's US subsidiary, Fresh Start Bakeries, is in the process of completing an investment in three bakeries in Asia (located in Taiwan, Singapore and Malaysia) and will commence the construction of a new bakery in Brazil. These bakeries principally service a leading international QSR operator, who continues to expand in these regions. The cost of these investments by Fresh Start Bakeries is expected to total in the order of USD 48 million (€ 36 million). This brings the total investment, including Maidstone to € 385 million. These investments are expected to be earnings enhancing within 12 months.

It is planned that ARYZTA will issue a Perpetual Callable Subordinated Instrument ('Hybrid instrument') in the near term as the principal financing for these strategic investments.

Commenting on these investments, Owen Killian Chief Executive Officer of ARYZTA AG said;

"These investments are in keeping with our strategic positioning of developing customer partnership models with leading operators in every channel to customers. ARYZTA highly values its relationship with Tim Hortons and welcomes the opportunity to enhance the value of Maidstone Bakeries which complements our recent investments in North America. These investments significantly enhance our bakery capability in North America and in the emerging QSR growth regions of Latin America and Asia. In the meantime ARYZTA remains on track to achieve underlying EPS growth in FY2010, as indicated in its Q3 trading update on 8th June 2010."

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