2013

Interim Report and Accounts

ARYZTA
Passion for good food

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Interim Report 2013

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Interim Financial and Business Review

1 Key performance highlights

Food Group

- Revenue increase of 6.9% to €1.50bn.
    - Food Europe increased by 2.0%.
    - Food North America increased by 10.6%.
    - Food Rest of World increased by 11.8%.
- EBITA increase of 6.3% to €183.9m.
    - Food Europe increased by 4.6%.
    - Food North America increased by 6.8%.
    - Food Rest of World increased by 12.5%.
    - Food Group EBITA margin remained consistent at 12.3%.
- Underlying fully diluted net profit increased by 5.1% to €121.5m.
- Conversion of EBITDA to Operating Free Cash of 84.8% (H1 2012: 75.3%).
- Net debt: EBITDA ratio of 1.79x (H1 2012: 2.13x).
- Food Group gross term debt weighted average maturity of circa 5.38 years.
- Weighted average interest cost of Food Group debt financing facilities of circa 4.59%.

Origin

- Revenue increased in the period by 11.9% to €567.7m.
- EBITA declined by 59.3% to €2.4m.
- EBITA margin decreased by 80bps to 0.4%.
- Contribution from associates and joint ventures increased by 53.8% to €10.9m.
- Underlying fully diluted EPS increased by 16.2% to 7.59 cent.

Group

- Group revenue increased by 8.2% to €2.07bn.
- Group EBITA increased by 4.2% to €186.3m.
- Underlying fully diluted net profit increased by 5.6% to €129.4m.
- Underlying fully diluted EPS increased by 0.5% to 146.4 cent.

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

"ARYZTA's underlying net profit performance was robust despite challenging trading conditions. Good progress on net debt reduction was also achieved despite significant ATI related investments. ARYZTA expects to complete its ATI programme as planned in FY 2014 to enhance its customer centric strategy.

Consensus FY 2013 underlying fully diluted EPS, including accretion from the recently announced strategic acquisition, looks reasonable at this stage.

ARYZTA expects to return to double-digit underlying fully diluted EPS growth in FY 2014."

Interim Financial and Business Review (continued)

2 ARYZTA Group – Income Statement

Six month period ended 31 January 2013

in EUR `000	January 2013	January 2012	% Change
Group revenue	2,067,994	1,911,456	8.2%
EBITA	186,311	178,832	4.2%
EBITA margin	9.0%	9.4%	–
Associates and JVs, net	11,069	7,567	–
EBITA incl. associates and JVs	197,380	186,399	5.9%
Finance cost, net	(33,367)	(31,679)	–
Hybrid instrument accrued dividend	(8,234)	(8,240)	–
Pre-tax profits	155,779	146,480	–
Income tax	(21,696)	(19,968)	–
Non-controlling interests	(4,652)	(3,909)	–
Underlying fully diluted net profit	129,431	122,603	5.6%
Underlying fully diluted EPS (cent)	**146.4c[1]**	**145.6c[1]**	**0.5%**

1 The January 2013 weighted average number of ordinary shares used to calculate diluted earnings per share is 88,395,981 (H1 2012: 84,176,373). The increase in the weighted average number of ordinary shares is primarily due to the impact of the 4,252,239 shares issued during January 2012 on the weighted average shares outstanding during each respective period.

2 See glossary in section 21 for definitions of financial terms and references used in the financial and business review.

3 ARYZTA Group – Underlying revenue growth

Six month period ended 31 January 2013

in EUR million	Food Europe	Food North America	Food Rest of World	Total Food Group	Origin	Total Group
Group revenue	641.6	740.5	118.2	1,500.3	567.7	2,068.0
Underlying growth	0.5%	2.2%	5.6%	1.7%	5.4%	2.7%
Acquisitions	–	2.7%	4.8%	1.7%	–	1.2%
Currency	1.5%	5.7%	1.4%	3.5%	6.5%	4.3%
Revenue Growth	**2.0%**	**10.6%**	**11.8%**	**6.9%**	**11.9%**	**8.2%**

4 ARYZTA Group – Segmental EBITA

Six month period ended 31 January 2013

in EUR `000	January 2013	January 2012	% Change
Food Group			
Food Europe	77,611	74,164	4.6%
Food North America	90,738	84,955	6.8%
Food Rest of World	15,576	13,851	12.5%
Total Food Group	183,925	172,970	6.3%
Origin	2,386	5,862	(59.3)%
Total Group EBITA	**186,311**	**178,832**	**4.2%**
Associates & JVs, net			
Food JVs	203	502	(59.6)%
Origin associates & JVs	10,866	7,065	53.8%
Total associates & JVs, net	**11,069**	**7,567**	**46.3%**
Total EBITA incl. associates and JVs	**197,380**	**186,399**	**5.9%**

Interim Financial and Business Review (continued)

5 Food Group – Income Statement
Six month period ended 31 January 2013

in EUR `000	January 2013	January 2012	% Change
Group revenue	1,500,314	1,404,035	6.9%
EBITA	183,925	172,970	6.3%
EBITA margin	12.3%	12.3%	–
JVs, net	203	502	–
EBITA incl. JVs	184,128	173,472	6.1%
Finance cost, net	(30,333)	(28,555)	–
Hybrid instrument accrued dividend	(8,234)	(8,240)	–
Pre-tax profits	145,561	136,677	–
Income tax	(21,986)	(19,236)	–
Non-controlling interests	(2,073)	(1,818)	–
Underlying net profit	121,502	115,623	5.1%

6 Food Group business
ARYZTA's Food Group business is primarily focused on speciality baking, a niche segment of the overall bakery market. Speciality bakery consists of freshly prepared offerings giving the best value, variety, taste and convenience to consumers at the point of sale. ARYZTA's customer channels consist of a mix of convenience and independent retail, large retail, quick serve restaurants ('QSR') and other foodservice categories.

Total Food Group revenue grew by 6.9% to €1.50bn. ARYZTA's underlying Food business performed well, posting underlying revenue growth of 1.7% in what continues to be a very challenging trading environment.

Food EBITA increased by 6.3%, while EBITA margins were maintained at 12.3%, reflecting the impact of the fragile consumer spending environment and the absence of any notable price increases in the period.

7 Food Europe
Food Europe has leading market positions in the European speciality bakery market. It has a diversified customer base including convenience retail, gas stations, multiple retail, restaurants, catering and hotels, leisure and QSR.

Food Europe revenue grew by 2.0% to €641.6m, of which 0.5% was underlying growth, with favourable currency movements accounting for the balance. The improvement in underlying growth compared to the decline of 1.0% reported for the year ended 31 July 2012 represents a very strong performance by Food Europe, given the absence of any visible signs of significant economic improvement in the region. Selling prices remained unchanged in the period despite raw material volatility, especially in wheat, which is expected to trigger price increases during the second half of the year.

EBITA increased by 4.6% to €77.6m, with margins expanding by 30bps to 12.1%, due to the benefits of ongoing ATI measures and changes in the food offering.

Interim Financial and Business Review (continued)

Macro-economic conditions remained challenging across the region throughout the period, with continued fragile consumer spending, due to increased government taxation and employment concerns.

Investment in upgrading facilities continued throughout the period, and the new bakery in Poland is expected to begin production during the second half of the current financial year. This will help satisfy increased demand from QSR customers in the region. Additional capital investment in the roll-out of the Food Group single-instance ERP platform also continued to progress to plan during the period.

8 Food North America

Food North America is a leading player in the US speciality bakery market. It has a diversified customer base, including multiple retail, restaurants, catering and hotels, leisure, hospitals, military, fundraising and QSR. ARYZTA is the leader in high-value artisan bakery through La Brea Bakery, which focuses on the premium bakery segment. ARYZTA's well-established partnerships with key global QSR customers, which dominate the North American convenience food landscape, position the Group to grow market share in tandem with these customers.

Food North America revenue grew by 10.6% to €740.5m, with underlying revenue growth of 2.2% and additional contributions from acquisitions of 2.7%. Favourable currency movements supported the reported performance in the period by 5.7%. The underlying revenue growth in North America was almost entirely due to changes in product mix and increased volumes. This reflects the continued progress on deepening customer relationships and leveraging the broader range of ARYZTA food offerings within the region. The performance also benefited from somewhat stronger consumer spending trends in North America compared to Europe.

EBITA grew by 6.8% to €90.7m during the period, representing a margin of 12.3%. This margin contraction of 40bps is due to the impact of discontinued businesses and new business development and is expected to be temporary.

Food North America also completed two small acquisitions during the period, which will support the continued optimisation of the North American manufacturing network. During the period Food North America also discontinued its Direct Store Delivery business, resulting in the closure of 50 distribution centres and 224 truck routes. Additionally, the Group disposed of its 50% interest in a joint venture, previously held as part of the Food North America segment.

9 Food Rest of World

Food Rest of World revenues grew by 11.8% to €118.2m, with acquisition contribution of 4.8% and underlying revenue growth of 5.6%. Favourable currency benefited reported growth by 1.4%.

Interim Financial and Business Review (continued)

EBITA grew by 12.5% to €15.6m, while EBITA margins improved by 10bps to 13.2%. This was largely due to improved capacity utilisation from recently completed capacity in Brazil and the non-recurrence of costs incurred during the building and commissioning of this new bakery. The new capacity expansion underway in Malaysia remains on track and new sales offices were established in Jakarta and Singapore during the period. The key driver of revenue growth and capacity expansion in this region remains ARYZTA's partnerships with global QSR groups, which should underpin the Group's future growth prospects.

10 ARYZTA Transformation Initiative

In September 2011, ARYZTA announced a three year plan to invest €400m in the ARYZTA Transformation Initiative ('ATI'), through supply chain optimisation, ERP implementation and upgrading the Food Group's manufacturing footprint to fewer, larger, more efficient multi-product bakeries. ATI was launched with the goal of becoming the leading global bakery company, by leveraging ARYZTA's people, capabilities, partnerships and brands. Critical to this initiative is the development of a customer-centric strategy, with highly effective cross-functional teams, to replace the previous business model of autonomous business units. The financial goal of these investments is to improve the ARYZTA Food Group ROIC from FY 2011 underlying food assets to 15% by 2015.

Since the launch of ATI, the Food Group has expanded by over 15% through acquisitions. Furthermore, additional opportunities to improve the Food Group's competitiveness have been identified, including the cessation of Direct Store Distribution in the USA and the further centralisation of certain administrative tasks. Accordingly, the original €400m estimate is expected to increase by up to 15% and non-recurring cash costs could be up to 40% of the overall ATI investment.

Management remains confident that continuing this transformation effort will further align our organisational structure internally and will also better support our overall customer-centric strategy. The successful efforts to date have positioned the group well for continued growth and margin expansion as we enter the second half of the ATI program.

Interim Financial and Business Review (continued)

11 Food Group acquisition, disposal and restructuring related costs

Acquisition, disposal and restructuring related costs were incurred during the period, as a result of ATI initiatives aimed at improving focus on the customer and on more efficient manufacturing. Since the launch of ATI, the costs incurred are as follows:

in EUR `000	Non-cash	Cash	Total
Net loss on acquisition, disposals and dilution	(705)	–	**(705)**
Transaction-related costs	–	(3,797)	**(3,797)**
Asset write-downs and fair value adjustments	(9,869)	–	**(9,869)**
Severance and other staff-related costs	–	(18,519)	**(18,519)**
Other costs arising on integration	–	(9,820)	**(9,820)**
Period ended 31 January 2013	(10,574)	(32,136)	**(42,710)**
Year ended 31 July 2012	(6,333)	(77,144)	**(83,477)**
Total ATI acquisition, disposal and restructuring related costs	(16,907)	(109,280)	**(126,187)**

12 Primary food inflation

While price increases were minimal in the period, raw material inflationary pressures re-surfaced during the period. ARYZTA uses a range of tools to deal with this key business risk. In this regard, ARYZTA continues to work closely with customers to mitigate the impact of pricing on the consumer through product innovation, selection and service model efficiencies. The outlook for food raw materials continues to be volatile and is expected to remain so for the foreseeable future.

13 Financial position

ARYZTA's 68.8% subsidiary and separately listed company, Origin, has separate funding structures, which are financed without recourse to ARYZTA. Origin's net debt amounted to €178.7m at 31 January 2013.

The consolidated net debt of the Food Group, excluding Origin's non-recourse debt, amounts to €884.1m. The Food Group net debt: EBITDA ratio is 1.79x (excluding hybrid instrument as debt) and interest cover of 8.18x (excluding hybrid interest). The weighted average maturity of the Food Group gross term debt is circa 5.38 years. ARYZTA intends to maintain an investment grade position in the range of 2x–3x net debt to EBITDA.

ARYZTA's financing facilities and key financial covenants (excluding Origin, which has separate ring-fenced financing without recourse to ARYZTA) are as follows:

Debt Funding	Principal[1]	Maturity
Nov 2011 – Syndicated Bank Loan	CHF 970m	Dec 2016
May 2010 – US Private Placement	USD 420m/EUR 25m	May 2013–May 2022
Dec 2009 – US Private Placement	USD 200m	Dec 2021–Dec 2029
Nov 2009 – Swiss Bond	CHF 200m	Mar 2015
Jun 2007 – US Private Placement	USD 450m	Jun 2014–Jun 2019

1 Weighted average interest cost of Food Group debt financing facilities (including overdrafts) as at 31 January 2013 of c. 4.59%.

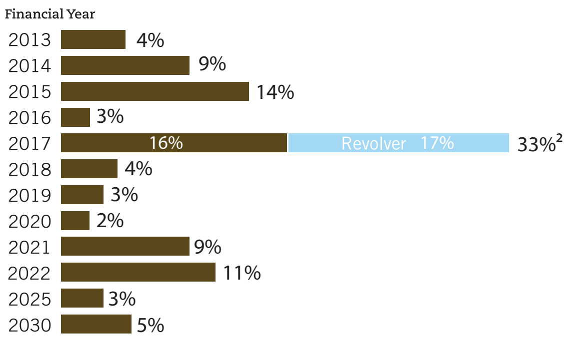
Interim Financial and Business Review (continued)

Hybrid Funding
CHF 400m Hybrid instrument with 5% coupon funded in October 2010
After first call date (October 2014) coupon equates to 905bps plus 3 month CHF LIBOR
Traded on SIX Swiss exchange
Treated as 100% equity for bank covenant purposes
Treated as 25% equity for US PP covenant purposes

Net Debt: EBITDA[1] calculations as at 31 January 2013	Ratio
Net Debt: EBITDA[1] (hybrid as equity)	1.79x
Net Debt: EBITDA[1] (hybrid as debt)	2.44x

1 Calculated based on the Food Group EBITDA for the 12 month period ended 31 January 2013, including dividend received from Origin, adjusted for the pro forma full-year contribution of Food Group acquisitions.

Gross Term Debt Maturity Profile[1]



1 The term debt maturity profile is set out as at 31 January 2013. Food Group gross term debt at 31 January 2013 is €1.18bn. Food Group net debt at 31 January 2013 is €884.1m, which also includes overdrafts and finance leases, and is net of cash and related capitalised upfront borrowing costs.

2 Incorporating the drawn amount on the Revolving Credit Facility of €201.4m as at 31 January 2013, which represents 17% of the Food Group gross term debt.

Interim Financial and Business Review (continued)

Food Group cash generation

in EUR `000	Period ended 31 January 2013	Period ended 31 January 2012
EBIT	135,188	125,960
Amortisation	48,737	47,010
EBITA	183,925	172,970
Depreciation	46,252	43,838
EBITDA	230,177	216,808
Working capital movement	(14,987)	(31,428)
Dividends received[1]	14,250	10,567
Maintenance capital expenditure	(20,104)	(22,032)
Interest and tax	(38,078)	(44,494)
Other non-cash (income) / charges	(302)	1,821
Cash flow generated from activities	**170,956**	**131,242**
Investment capital expenditure[2]	(66,527)	(36,802)
Cash flows generated from activities after investment capital expenditure	**104,429**	**94,440**
Underlying net profit	**121,502**	**115,623**

Food Group net debt and investment activity

in EUR `000	Period ended 31 January 2013	Period ended 31 January 2012
Food Group opening net debt as at 1 August	**(976,283)**	**(955,468)**
Cash flows generated from activities	170,956	131,242
Net debt cost of acquisitions	(28,031)	(100,959)
Share placement	–	140,854
Transaction and restructuring related cash flows	(46,948)	(33,213)
Investment capital expenditure[2]	(66,527)	(36,802)
Proceeds from disposal of joint venture	1,941	–
Deferred consideration	(268)	(7,247)
Dividends paid	(2,482)	(2,255)
Hybrid dividend	(16,561)	(16,305)
Foreign exchange movement[3]	79,981	(73,855)
Other[4]	141	1,655
Food Group closing net debt as at 31 January	**(884,081)**	**(952,353)**

1 Includes dividends from Origin of €14,250,000 (H1 2012: €10,450,000).

2 Includes expenditure on intangible assets.

3 Foreign exchange movement for the period ended 31 January 2013 attributable primarily to the fluctuation in the US Dollar to euro rate between July 2012 (1.2370) and January 2013 (1.3450).

4 Other comprise primarily proceeds on disposal of fixed assets and amortisation of financing costs.

Interim Financial and Business Review (continued)

14 Return on invested capital

in EUR million	Food Europe	Food North America	Food Rest of World	Total Food Group	Origin	Total
31 January 2013						
Group share net assets[1]	1,392	1,719	272	3,383	469[3]	3,852[3]
EBITA incl. associates and JVs[2]	173	184	31	388	83	471
ROIC	12.4%	10.7%	11.3%	11.5%	17.6%	12.2%
31 July 2012						
Group share net assets[1]	1,447	1,835	290	3,572	460[3]	4,032[3]
EBITA incl. associates and JVs[2]	170	177	29	376	82	458
ROIC	11.7%	9.6%	10.1%	10.5%	17.9%	11.4%

1 Net assets exclude all bank debt, cash and cash equivalents and tax-related balances.

2 ROIC is calculated using pro forma trailing twelve months segmental EBITA ('TTM EBITA') reflecting the full twelve months contribution from acquisitions. EBITA is before interest, tax, non-ERP amortisation and before the impact of non-recurring items. The contribution from associates and JVs is net profit (i.e. presented after interest and tax).

3 Origin net assets adjusted for the fluctuation in its average working capital balance by €47,148,000 (2012: €119,073,000).

4 The Food Group WACC on a pre-tax basis is currently 7.9%.

15 Net assets, goodwill & intangibles

Group Balance Sheet in EUR `000	Total Group January 2013	Total Group July 2012
Property, plant and equipment	1,014,711	1,022,587
Investment properties	29,061	29,268
Goodwill and intangible assets	2,708,698	2,871,982
Associates and joint ventures	127,607	127,384
Other financial assets	38,329	37,223
Working capital	(28,205)	(106,857)
Other segmental liabilities	(85,761)	(68,542)
Segmental net assets	3,804,440	3,913,045
Net debt	(1,062,817)	(1,044,091)
Deferred tax, net	(301,913)	(326,657)
Income tax	(28,897)	(27,440)
Derivative financial instruments, net	(104)	(5,502)
Net assets	**2,410,709**	**2,509,355**

Food Group Balance Sheet in EUR `000	Food Group January 2013	Food Group July 2012
Property, plant and equipment	925,812	931,439
Investment properties	15,753	15,960
Goodwill and intangible assets	2,576,745	2,729,340
Joint ventures	–	2,545
Working capital	(66,940)	(57,782)
Other segmental liabilities	(68,511)	(49,799)
Segmental net assets	3,382,859	3,571,703
Investment in Origin	51,045	51,045
Amounts owed by Origin	709	734
Net debt	(884,081)	(976,283)
Deferred tax, net	(286,510)	(310,674)
Income tax	(23,887)	(16,976)
Derivative financial instruments, net	1,408	(1,739)
Net assets	**2,241,543**	**2,317,810**

Interim Financial and Business Review (continued)

16 Origin

Origin is a leading agri-services group focused on integrated agronomy and agri-inputs in the UK, Ireland and Poland. ARYZTA has a holding of 95 million shares in Origin (68.8% holding).

Origin's separately published results, which were released on 6 March 2013, are available at www.originenterprises.com.

17 Acquisition Update

During February 2013, ARYZTA announced the agreement to acquire Klemme AG, a leading bakery based in Germany, for an enterprise value of €280,000,000, of which €10,000,000 is deferred and will be funded entirely with existing financial resources.

While this acquisition remains subject to anti-trust approvals, upon completion it will substantially transform ARYZTA's European manufacturing footprint and greatly enhance its channel diversification and product capability in the region. This acquisition is also expected to be a catalyst within the Food Europe ATI program, by enhancing ARYZTA's leadership position in speciality bakery and delivering margin enhancement.

Klemme AG reported revenues of €229,000,000 for its financial year ended 31 December 2012 and operates seven bakeries with 1,400 employees. The detailed announcement is available on the ARYZTA website, www.aryzta.com.

18 Outlook

ARYZTA's revenue growth in the first six months of the financial year 2013 continues to reflect the regional consumer trends – weakness in Europe and modest recovery in North America. Little change is expected in the second half of the fiscal year, as the economic outlook for developed markets remains extremely challenging, particularly in Europe where financial market difficulties and government austerity measures continue to subdue consumer sentiment. Additionally, food inflation pressures have re-emerged as a business issue. ARYZTA continues to work closely with its customers to manage the impact of these pressures on consumer affordability, without compromising quality or service levels.

ARYZTA's strategy remains continued transformation through the implementation of ATI, increased leveraging of key customer relationships, investments in emerging markets and availing of acquisition opportunities. Consensus FY 2013 underlying fully diluted EPS, including accretion from the recently announced strategic acquisition, looks reasonable at this stage. ARYZTA expects to return to double-digit underlying fully diluted EPS growth in FY 2014.

Interim Financial and Business Review (continued)

19 Principal risks and uncertainties

The Board and senior management have invested significant time and resources in identifying specific risks across the Group, and in developing a culture of balanced risk minimisation. The Board considers the risks and uncertainties disclosed on page 57 of the ARYZTA AG 2012 Annual Report and Accounts to continue to reflect the principal risks and uncertainties of the Group over the remaining six months of the financial year.

20 Forward looking statement

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

21 Glossary of financial terms and references

'EBITA' – presented before net acquisition, disposal and restructuring related costs and fair value adjustments, and related tax credits. ERP intangible asset amortisation is treated as depreciation.

'Associates and JVs, net' – presented as profit from associates and JVs, net of taxes and interest.

'EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation reported for the period and before net acquisition, disposal and restructuring related costs and fair value adjustments, and related tax credits.

'Non-controlling interests' – presented after dilutive impact of related subsidiaries' management incentives.

'Hybrid instrument' – presented as Perpetual Callable Subordinated Instrument in the Financial Statements.

'ERP' – enterprise resource planning intangible assets include the Food Group SAP and Origin Microsoft Dynamics AX software systems.

Bridge to Group Consolidated Income Statement
for the six months ended 31 January 2013

in EUR `000	Food Group January 2013	Origin January 2013	Total Group January 2013	Total Group January 2012
Group revenue	**1,500,314**	**567,680**	**2,067,994**	1,911,456
EBITA	**183,925**	**2,386**	**186,311**	178,832
Associates and JVs, net	**203**	**10,866**	**11,069**	7,567
EBITA incl. associates and JVs	**184,128**	**13,252**	**197,380**	186,399
Finance cost, net	**(30,333)**	**(3,034)**	**(33,367)**	(31,679)
Hybrid instrument accrued dividend	**(8,234)**	**–**	**(8,234)**	(8,240)
Pre-tax profits	**145,561**	**10,218**	**155,779**	146,480
Income tax	**(21,986)**	**290**	**(21,696)**	(19,968)
Non-controlling interests	**(2,073)**	**–**	**(4,652)**	(3,909)
Underlying fully diluted net profit	**121,502**	**10,508**	**129,431**	122,603
Underlying fully diluted EPS (cent)	**–**	**7.59c[1]**	**146.4c[2]**	145.6c[2]

Underlying net profit reconciliation

in EUR `000	Food Group January 2013	Origin January 2013	Total Group January 2013	Total Group January 2012
Reported net profit[3]	**57,439**	**6,701**	**62,051**	71,855
Intangible amortisation	**48,737**	**2,901**	**51,638**	50,429
Tax on amortisation	**(12,572)**	**(586)**	**(13,158)**	(13,173)
Hybrid instrument accrued dividend	**(8,234)**	**–**	**(8,234)**	(8,240)
Net acquisition, disposal and restructuring related costs and fair value adjustments	**42,710**	**1,791**	**44,501**	24,751
Tax on net acquisition, disposal and restructuring related costs and fair value adjustments	**(6,578)**	**(299)**	**(6,877)**	–
Non-controlling interest portion of acquisition, disposal and restructuring related costs and fair value adjustments	**–**	**–**	**(465)**	(2,762)
Underlying net profit	**121,502**	**10,508**	**129,456**	122,860
Dilutive impact of Origin management incentives	**–**	**–**	**(25)**	(257)
Underlying fully diluted net profit	**121,502**	**10,508**	**129,431**	122,603
Underlying fully diluted EPS (cent)	**–**	**7.59c[1]**	**146.4c[2]**	145.6c[2]

1 Origin H1 2013 underlying fully diluted EPS is calculated using the weighted average number of shares in issue of 138,499,155 (H1 2012: 138,499,155).

2 The January 2013 weighted average number of ordinary shares used to calculate diluted earnings per share is 88,395,981 (2012: 84,176,373). The increase in the weighted average number of ordinary shares is primarily due to the impact of the 4,252,239 shares issued during January 2012 on the weighted average shares outstanding during each respective period.

3 Food Group reported net profit excludes dividend income of €14,250,000 (H1 2012: €10,450,000) from Origin.

Group Consolidated Income Statement
for the six months ended 31 January 2013

in EUR `000	Notes	Six months ended 31 January 2013 Unaudited	Six months ended 31 January 2012 Unaudited
Revenue	3	**2,067,994**	1,911,456
Cost of sales		**(1,507,827)**	(1,365,511)
Gross profit		**560,167**	545,945
Distribution expenses		**(288,679)**	(278,249)
Administration expenses		**(136,815)**	(139,293)
Operating profit before net acquisition, disposal and restructuring related costs and fair value adjustments		**134,673**	128,403
Net acquisition, disposal and restructuring related costs and fair value adjustments	4	**(44,501)**	(24,751)
Operating profit		**90,172**	103,652
Share of profit after tax of associates and joint ventures		**11,069**	7,567
Profit before financing income, financing costs and income tax expense		**101,241**	111,219
Financing income		**5,588**	6,374
Financing costs		**(38,955)**	(38,053)
Profit before income tax		**67,874**	79,540
Income tax expense		**(1,661)**	(6,795)
Profit for the period		**66,213**	72,745
Attributable as follows:			
Equity shareholders		**62,051**	71,855
Non-controlling interests		**4,162**	890
Profit for the period		**66,213**	72,745

Earnings per share for the period	Notes	Six months ended 31 January 2013 Euro cent	Six months ended 31 January 2012 Euro cent
Basic earnings per share	5	**61.1**	75.9
Diluted earnings per share	5	**60.9**	75.6

Group Consolidated Statement of Comprehensive Income
for the six months ended 31 January 2013

in EUR `000	Six months ended 31 January 2013 Unaudited	2012 Unaudited
Profit for the period	**66,213**	72,745
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange translation effects		
– Foreign currency net investments	**(207,063)**	109,457
– Foreign currency borrowings	**102,994**	(80,141)
Cash flow hedges		
– Effective portion of changes in fair value of cash flow hedges	**3,679**	(2,803)
– Fair value of cash flow hedges transferred to income statement	**1,359**	792
– Deferred tax effect of cash flow hedges	**(1,207)**	411
– Share of joint ventures and associates gain/(loss) on cash flow hedges, net of deferred tax	**214**	(344)
Total of items that may be reclassified subsequently to profit or loss	**(100,024)**	27,372
Items that will not be reclassified to profit or loss:		
Defined benefit plans		
– Actuarial loss on Group defined benefit pension plans	**(2,633)**	(822)
– Deferred tax effect of actuarial loss	**666**	91
– Share of associates' actuarial (loss)/gain on defined benefit plans, net of deferred tax	**(3,255)**	291
Deferred tax effect of change in tax rates	**(495)**	–
Total of items that will not be reclassified to profit or loss	**(5,717)**	(440)
Total other comprehensive (loss)/income	**(105,741)**	26,932
Total comprehensive (loss)/income for the period	**(39,528)**	99,677
Attributable as follows:		
Equity shareholders of the Company	**(40,527)**	99,402
Non-controlling interests	**999**	275
Total comprehensive (loss)/income for the period	**(39,528)**	99,677

Group Consolidated Balance Sheet
as at 31 January 2013

in EUR `000	Notes	31 January 2013 Unaudited	31 July 2012 Audited
Assets			
Non-current assets			
Property, plant and equipment		**1,014,711**	1,022,587
Investment properties		**29,061**	29,268
Goodwill and intangible assets		**2,708,698**	2,871,982
Investments in associates and joint ventures		**127,607**	127,384
Other receivables		**38,329**	37,223
Deferred income tax assets		**80,223**	85,465
Total non-current assets		**3,998,629**	4,173,909
Current assets			
Inventory		**335,330**	281,917
Trade and other receivables		**401,726**	553,566
Derivative financial instruments		**2,957**	422
Cash and cash equivalents	6	**529,102**	547,474
Total current assets		**1,269,115**	1,383,379
Total assets		**5,267,744**	5,557,288

Group Consolidated Balance Sheet
as at 31 January 2013 (continued)

in EUR `000	Notes	31 January 2013 Unaudited	31 July 2012 Audited
Equity			
Called up share capital		**1,172**	1,172
Share premium		**773,735**	773,735
Retained earnings and other reserves		**1,557,467**	1,648,223
Total equity attributable to equity shareholders of the Company		**2,332,374**	2,423,130
Non-controlling interests		**78,335**	86,225
Total equity		**2,410,709**	2,509,355
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	6	**1,348,078**	1,330,446
Employee benefits		**25,906**	23,710
Deferred income from government grants		**9,220**	10,210
Other payables		**43,252**	24,580
Deferred income tax liabilities		**382,136**	412,122
Derivative financial instruments		**2,519**	2,008
Total non-current liabilities		**1,811,111**	1,803,076
Current liabilities			
Interest-bearing loans and borrowings	6	**243,841**	261,119
Trade and other payables		**765,261**	942,340
Income tax payable		**28,897**	27,440
Derivative financial instruments		**542**	3,916
Deferred consideration		**7,383**	10,042
Total current liabilities		**1,045,924**	1,244,857
Total liabilities		**2,857,035**	3,047,933
Total equity and liabilities		**5,267,744**	5,557,288

Group Consolidated Statement of Changes in Equity
for the six months ended 31 January 2013

for the six months ended 31 January 2013 in EUR `000	Share capital	Share premium	Treasury shares	Other equity reserve	Cash flow hedge reserve	Revaluation reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total share-holders equity	Non con-trolling interests	Total
At 1 August 2012	**1,172**	**773,735**	**(57)**	**285,004**	**(2,381)**	**15,403**	**10,148**	**140,298**	**1,199,808**	**2,423,130**	**86,225**	**2,509,355**
Profit for the period	–	–	–	–	–	–	–	–	62,051	62,051	4,162	66,213
Other comprehensive income	–	–	–	–	3,431	–	–	(101,589)	(4,420)	(102,578)	(3,163)	(105,741)
Total comprehensive income	**–**	**–**	**–**	**–**	**3,431**	**–**	**–**	**(101,589)**	**57,631**	**(40,527)**	**999**	**(39,528)**
Transfer of share-based payment reserve to retained earnings	–	–	–	–	–	–	(7,642)	–	7,642	–	–	–
Release of treasury shares due to exercise of LTIP	–	–	1	–	–	–	–	–	–	1	–	1
Share-based payments	–	–	–	–	–	–	1,521	–	–	1,521	46	1,567
Equity dividends	–	–	–	–	–	–	–	–	(43,517)	(43,517)	–	(43,517)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(8,935)	(8,935)
Dividend accrued on perpetual callable subordinated instrument	–	–	–	–	–	–	–	–	(8,234)	(8,234)	–	(8,234)
Total contributions by and distributions to owners	**–**	**–**	**1**	**–**	**–**	**–**	**(6,121)**	**–**	**(44,109)**	**(50,229)**	**(8,889)**	**(59,118)**
At 31 January 2013	**1,172**	**773,735**	**(56)**	**285,004**	**1,050**	**15,403**	**4,027**	**38,709**	**1,213,330**	**2,332,374**	**78,335**	**2,410,709**

Group Consolidated Statement of Changes in Equity (continued)
for the six months ended 31 January 2013

for the six months ended 31 January 2012 in EUR `000	Share capital	Share premium	Treasury shares	Other equity reserve	Cash flow hedge reserve	Revalua-tion reserve	Share-based payment reserve	Foreign currency trans-lation reserve	Retained earnings	Total share-holders equity	Non con-trolling interests	Total
At 1 August 2011	**1,061**	**632,951**	**(30)**	**285,004**	**260**	**17,148**	**24,989**	**44,054**	**1,118,659**	**2,124,096**	**72,410**	**2,196,506**
Profit for the period	–	–	–	–	–	–	–	–	71,855	71,855	890	72,745
Other comprehensive income	–	–	–	–	(1,393)	–	–	29,340	(400)	27,547	(615)	26,932
Total comprehensive income	**–**	**–**	**–**	**–**	**(1,393)**	**–**	**–**	**29,340**	**71,455**	**99,402**	**275**	**99,677**
Issue of treasury shares	41	–	(41)	–	–	–	–	–	–	–	–	–
Issue of shares, net of costs	70	140,784	–	–	–	–	–	–	–	140,854	–	140,854
Transfer of share-based payments reserve to retained earnings	–	–	–	–	–		(19,545)	–	19,545	–	–	–
Release of treasury shares due to exercise of LTIP	–	–	14	–	–	–	–	–	–	14	–	14
Share-based payments	–	–	–	–	–	–	3,332	–	–	3,332	121	3,453
Equity dividends	–	–	–	–	–	–	–	–	(41,490)	(41,490)	–	(41,490)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(6,437)	(6,437)
Dividend accrued on perpetual callable subordinated instrument	–	–	–	–	–	–	–	–	(8,240)	(8,240)	–	(8,240)
Total contributions by and distributions to owners	**111**	**140,784**	**(27)**	**–**	**–**	**–**	**(16,213)**	**–**	**(30,185)**	**94,470**	**(6,316)**	**88,154**
At 31 January 2012	**1,172**	**773,735**	**(57)**	**285,004**	**(1,133)**	**17,148**	**8,776**	**73,394**	**1,159,929**	**2,317,968**	**66,369**	**2,384,337**

Group Consolidated Cash Flow Statement
for the six months ended 31 January 2013

in EUR `000	Notes	Six months ended 31 January **2013** **Unaudited**	 2012 Unaudited
Cash flows from operating activities			
Profit for the period		**66,213**	72,745
Income tax		**1,661**	6,795
Financing income		**(5,588)**	(6,374)
Financing costs		**38,955**	38,053
Share of profit after tax of associates and joint ventures		**(11,069)**	(7,567)
Net loss/(gain) on acquisitions, disposals and dilution	4	**705**	(2,305)
Asset write-downs and fair value adjustments	4	**9,869**	9,965
Other restructuring related payments in excess of current-period costs		**(13,817)**	(16,122)
Depreciation of property, plant and equipment		**46,496**	43,874
Amortisation of intangible assets		**54,645**	52,855
Recognition of deferred income from government grants		**(704)**	(719)
Share-based payments	8	**1,476**	2,980
Other		**(128)**	(38)
Cash flows from operating activities before changes in working capital		**188,714**	194,142
(Increase)/decrease in inventory		**(72,365)**	(77,224)
(Increase)/decrease in trade and other receivables		**126,769**	123,384
Increase/(decrease) in trade and other payables		**(162,254)**	(151,912)
Cash generated from operating activities		**80,864**	88,390
Interest paid, net		**(30,104)**	(29,919)
Income tax paid		**(15,583)**	(22,361)
Net cash flows from operating activities		**35,177**	36,110

Group Consolidated Cash Flow Statement
(continued)
for the six months ended 31 January 2013

in EUR `000	Notes	Six months ended 31 January 2013 Unaudited	2012 Unaudited
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**1,319**	3,011
Purchase of property, plant and equipment			
– maintenance capital expenditure		**(24,068)**	(25,009)
– investment capital expenditure		**(50,814)**	(31,001)
Acquisitions of subsidiaries and businesses, net of cash acquired	9	**(28,031)**	(92,031)
Disposal of joint venture	4	**1,941**	–
Purchase of intangible assets		**(18,619)**	(8,348)
Dividends received		**2,220**	10,069
Net receipts from/(contributions to) associates and joint ventures		**20**	(7,817)
Deferred consideration paid		**(2,141)**	(13,194)
Net cash flows from investing activities		**(118,173)**	(164,320)
Cash flows from financing activities			
Net proceeds from issue of shares		**–**	140,854
Gross drawdown of loan capital	6	**115,168**	94,571
Gross repayment of loan capital	6	**–**	(55,148)
Capital element of finance lease liabilities	6	**(1,206)**	(1,524)
Dividend paid on perpetual callable subordinated instrument		**(16,561)**	(16,305)
Dividends paid to non-controlling interests		**(8,935)**	(6,437)
Net cash flows from financing activities		**88,466**	156,011
Net increase in cash and cash equivalents	6	**5,470**	27,801
Translation adjustment	6	**(11,981)**	2,165
Net cash and cash equivalents at start of period	6	**345,089**	317,636
Net cash and cash equivalents at end of period	6	**338,578**	347,602

Notes to the Group Condensed Interim Financial Statements
for the six months ended 31 January 2013

1 Basis of preparation

The Group Condensed Consolidated Interim Financial Statements (hereafter the 'Interim Financial Statements') have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34).

These Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's most recent Annual Financial Statements in respect of the year ended 31 July 2012, which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

These Interim Financial Statements for the six months ended 31 January 2013 and the comparative figures for the six months ended 31 January 2012 are unaudited and have not been reviewed by the auditors. The extracts from the Group's Annual Financial Statements for the year ended 31 July 2012 represent an abbreviated version of the Group's full accounts for that year, on which the auditors issued an unqualified audit report.

Certain amounts in the 31 January 2012 and 31 July 2012 comparative financial statement figures and related notes have been reclassified to conform to the 31 January 2013 presentation. The reclassifications were made for presentation purposes and have no effect on total revenues, expenses, profit for the period, total assets, total liabilities, total equity or cash flow classifications as previously reported.

Income tax expense is recognised based upon the best estimate of the average annual income tax rate expected for the full year.

The principal euro foreign exchange currency rates used by the Group for the preparation of these Interim Financial Statements are as follows:

Currency	Average H1 2013	Average H1 2012	Closing H1 2013	Closing FY 2012
CHF	1.2095	1.2019	1.2450	1.2010
USD	1.2886	1.3586	1.3450	1.2370
CAD	1.2747	1.3726	1.3393	1.2393
GBP	0.8054	0.8592	0.8522	0.7854

2 Accounting policies

Except as described below, the Interim Financial Statements have been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out on pages 72 to 84 of the ARYZTA AG 2012 Annual Report and Accounts.

The IFRS applied by the Group in preparation of these financial statements are those that were effective for accounting periods beginning on or before 1 August 2012. The following standards and interpretations, issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee, are effective for the first time in the current financial year and have been adopted by the Group:

– Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income
– Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

While the above standards and interpretations adopted by the Group modify certain presentation and disclosure requirements, these requirements are not significantly different than information presented as part of the 31 July 2012 year-end financial statements and have no impact on the consolidated results or financial position of the Group.

The Group has not applied early adoption of any standards which are not yet effective.

3 Analysis by business segment

I) Segment revenue and result	Food Europe		Food North America		Food Rest of World		Total Food Group		Origin		Total Group	
	Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January	
in EUR `000	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Segment revenue[1]	**641,558**	629,046	**740,559**	669,299	**118,197**	105,690	**1,500,314**	1,404,035	**567,680**	507,421	**2,067,994**	1,911,456
Operating profit/(loss) before net acquisition, disposal and restructuring related costs and fair value adjustments[2]	**56,015**	52,151	**67,244**	63,086	**11,929**	10,723	**135,188**	125,960	**(515)**	2,443	**134,673**	128,403
Net acquisition, disposal and restructuring related costs and fair value adjustments[2] (note 4)	**(19,948)**	(4,435)	**(22,762)**	(10,493)	**–**	(158)	**(42,710)**	(15,086)	**(1,791)**	(9,665)	**(44,501)**	(24,751)
Operating profit/(loss)	**36,067**	47,716	**44,482**	52,593	**11,929**	10,565	**92,478**	110,874	**(2,306)**	(7,222)	**90,172**	103,652
Share of profit after tax of associates and joint ventures	**–**	39	**203**	23	**–**	440	**203**	502	**10,866**	7,065	**11,069**	7,567
Profit/(loss) before financing income, financing cost and income tax expense	**36,067**	47,755	**44,685**	52,616	**11,929**	11,005	**92,681**	111,376	**8,560**	(157)	**101,241**	111,219
Financing income[3]							**2,100**	2,828	**3,488**	3,546	**5,588**	6,374
Financing costs[3]							**(32,433)**	(31,383)	**(6,522)**	(6,670)	**(38,955)**	(38,053)
Profit/(loss) before income tax expense as reported in Group Consolidated Income Statement							**62,348**	82,821	**5,526**	(3,281)	**67,874**	79,540

1 There were no significant intercompany revenues between the Group's business segments.

2 Certain central executive and support costs have been allocated against the operating profits of each business segment.

3 Financing income/(costs) and income tax expense are managed on a centralised basis and therefore these items are not allocated between business segments for the purposes of presenting information to the Chief Operating Decision Maker.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

II) Segment assets	Food Europe		Food North America		Food Rest of World		Total Food Group		Origin		Total Group	
in EUR `000	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012
Segment assets excluding investments in associates and joint ventures	1,725,951	1,760,828	1,960,756	2,042,006	311,976	329,833	3,998,683	4,132,667	490,843	626,653	4,489,526	4,759,320
Investments in associates and joint ventures and other financial assets	–	530	–	2,015	–	–	–	2,545	165,936	162,062	165,936	164,607
Segment assets	1,725,951	1,761,358	1,960,756	2,044,021	311,976	329,833	3,998,683	4,135,212	656,779	788,715	4,655,462	4,923,927
Reconciliation to total assets as reported in the Group Consolidated Balance Sheet												
Derivative financial instruments							1,531	327	1,426	95	2,957	422
Cash and cash equivalents							479,967	452,175	49,135	95,299	529,102	547,474
Deferred income tax assets							75,983	80,745	4,240	4,720	80,223	85,465
Total assets as reported in Group Consolidated Balance Sheet							4,556,164	4,668,459	711,580	888,829	5,267,744	5,557,288

III) Segment liabilities	Food Europe		Food North America		Food Rest of World		Total Food Group		Origin		Total Group	
in EUR `000	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012	as at 31 Jan 2013	as at 31 Jul 2012
Segment liabilities	333,608	314,553	242,166	208,659	40,050	40,297	615,824	563,509	235,198	447,373	851,022	1,010,882
Reconciliation to total liabilities as reported in Group Consolidated Balance Sheet												
Interest-bearing loans and borrowings							1,364,048	1,428,458	227,871	163,107	1,591,919	1,591,565
Derivative financial instruments							123	2,066	2,938	3,858	3,061	5,924
Current and deferred income tax liabilities							386,380	408,395	24,653	31,167	411,033	439,562
Total liabilities as reported in Group Consolidated Balance Sheet							2,366,375	2,402,428	490,660	645,505	2,857,035	3,047,933

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

4 Acquisition, disposal and restructuring related costs and fair value adjustments

		Food Europe		Food North America		Food Rest of World		Total Food Group		Origin		Total Group	
		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January	
in EUR `000	Notes	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
(Loss)/gain on acquisition, disposals and dilution													
Loss on disposal of interest in joint venture	4.1	**–**	–	**(705)**	–	**–**	–	**(705)**	–	**–**	–	**(705)**	–
Gain on dilution of associate interests	4.2	**–**	–	**–**	–	**–**	–	**–**	–	**–**	2,305	**–**	2,305
Net (loss)/gain on acquisition, disposals and dilution		**–**	–	**(705)**	–	**–**	–	**(705)**	–	**–**	2,305	**(705)**	2,305
Transaction-related costs	4.3	**(2,108)**	(669)	**(1,689)**	–	**–**	(136)	**(3,797)**	(805)	**–**	(2,305)	**(3,797)**	(3,110)
Restructuring-related costs and fair value adjustments	4.4												
Asset write-downs		**(2,449)**	(300)	**(7,420)**	–	**–**	–	**(9,869)**	(300)	**–**	–	**(9,869)**	(300)
Fair value adjustments of investment properties		**–**	–	**–**	–	**–**	–	**–**	–	**–**	(9,665)	**–**	(9,665)
Severance and other staff related costs		**(10,010)**	(1,575)	**(8,509)**	(5,819)	**–**	–	**(18,519)**	(7,394)	**(1,305)**	–	**(19,824)**	(7,394)
Contractual obligations		**(83)**	–	**(1,837)**	–	**–**	–	**(1,920)**	–	**–**	–	**(1,920)**	–
Advisory and other costs		**(5,298)**	(1,891)	**(2,602)**	(4,674)	**–**	(22)	**(7,900)**	(6,587)	**(486)**	–	**(8,386)**	(6,587)
Total restructuring-related costs and fair value adjustments		**(17,840)**	(3,766)	**(20,368)**	(10,493)	**–**	(22)	**(38,208)**	(14,281)	**(1,791)**	(9,665)	**(39,999)**	(23,946)
Total acquisition, disposal and restructuring related costs and fair value adjustments		**(19,948)**	(4,435)	**(22,762)**	(10,493)	**–**	(158)	**(42,710)**	(15,086)	**(1,791)**	(9,665)	**(44,501)**	(24,751)

4.1 Loss on disposal of interest in joint venture

During January 2013, the Group completed the disposal of its interest in a joint venture, previously held as part of the Food North America segment. Consideration received on disposal was €1,941,000, which was less than the carrying value of the investment of €2,646,000 at the time, resulting in a loss of €705,000.

4.2 Gain on dilution of interest in associate

During the six months ended 31 January 2012, Origin's investment in Valeo Foods Group Limited ('Valeo') was reduced from 44.1% to 32.0% as a result of Valeo raising additional funding from investors. As a result of this transaction the Group recorded a gain of €2,305,000 on the dilution of the holding, which is recorded in the Group Consolidated Income Statement for the period ended 31 January 2012.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

4.3 Transaction-related costs

Transaction-related costs of €3,797,000 incurred during the period ended 31 January 2013 relate to Food Group acquisition-related activities. The transaction-related costs of €3,110,000 incurred during the period ended 31 January 2012 related primarily to Origin's share of Valeo transaction and rationalisation costs, as well as costs associated with the Food Group acquisitions.

These costs include share purchase tax, due diligence and other professional service fees. Since the adoption of IFRS 3 (Revised), these costs no longer form part of the acquisition consideration and are expensed within operating profit in the Group Consolidated Income Statement.

4.4 Restructuring-related costs and fair value adjustments

During the period, the Group has continued progress on its ATI programme to integrate or rationalise existing business assets to enable optimised manufacturing and business support throughout the Group. As a result of these programmes the Group has recognised costs, including providing for amounts as required by IAS 37, Provisions, Contingent Liabilities and Contingent Assets, in the Group Consolidated Income Statement, as follows:

Asset write-downs and fair value adjustments

The Group incurred €9,869,000 (2012: €9,965,000) of asset write-downs and fair value adjustments during the period. These amounts relate primarily to the write-down of certain manufacturing, distribution and administration assets within the Food Group, due to the closure and/or reduction in activity at those locations as part of the implementation of the Group's integration and rationalisation programmes.

The amount incurred during the period ended 31 January 2012 related primarily to a fair value adjustment of €9,665,000, which was recorded to the carrying value of investment properties within Origin. This was the result of the continuing decline in the Irish property market, a lack of transactions, restricted bank financing for property-related deals, a generally difficult economic environment, and in particular the indication that the value of development land in regional areas is converging to that of agricultural land. Therefore, Origin's directors determined that an adjustment to the fair value of Origin's investment properties was necessary.

Severance and other staff-related costs

The Group incurred €19,824,000 (2012: €7,394,000) in severance and other staff-related costs during the period, in relation to employees whose service was discontinued following certain rationalisation decisions throughout the Group.

Contractual obligations

The operational decisions made through the Group's integration and rationalisation projects triggered early termination penalties and/or resulted in certain operational contracts becoming onerous. The Group incurred total costs of €1,920,000 (2012: €Nil) during the period to either exit or provide for such contractual obligations.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

Advisory and other costs
During the period, the Group incurred €8,386,000 (2012: €6,587,000) in other costs related directly to the implementation of its integration and rationalisation programs. These costs are comprised principally of restructuring-related advisory costs, directly attributable incremental internal staff costs and operational site decommissioning costs.

5 Earnings per share

	Six months ended 31 January	
	2013	2012
Basic earnings per share	in Euro '000	in Euro '000
Profit for period attributable to equity shareholders	**62,051**	71,855
Perpetual callable subordinated instrument accrued dividend	**(8,234)**	(8,240)
Profit used to determine basic earnings per share	**53,817**	63,615
Weighted average number of ordinary shares	'000	'000
Ordinary shares outstanding at 1 August[1]	**88,038**	82,810
Effect of exercise of equity instruments during the period[2]	**52**	675
Effect of shares issued during the period	**–**	327
Weighted average number of ordinary shares used to determine basic earnings per share	**88,090**	83,812
Basic earnings per share	**61.1 cent**	75.9 cent

	2013	2012
Diluted earnings per share	in Euro '000	in Euro '000
Profit for period used to determine basic earnings per share	**53,817**	63,615
Effect on non-controlling interests share of reported profits, due to dilutive impact of Origin management equity entitlements[3]	**(16)**	–
Profit used to determine diluted earnings per share	**53,801**	63,615
Weighted average number of ordinary shares (diluted)	'000	'000
Weighted average number of ordinary shares used to determine basic earnings per share	**88,090**	83,812
Effect of equity-based incentives with a dilutive impact[2]	**306**	364
Weighted average number of ordinary shares used to determine diluted earnings per share[4]	**88,396**	84,176
Diluted earnings per share	**60.9 cent**	75.6 cent

1 Issued share capital excluding treasury shares.

2 The change in the equity-based incentives with a dilutive impact is due to continued vesting of management share based incentives, offset by the impact of incentives that have been exercised, which are now included in the weighted average number of ordinary shares used to determine basic earnings per share.

3 This adjustment reflects the dilutive impact of equity entitlements granted to Origin senior management under the Origin Plan as detailed in note 8.3 of these Group consolidated financial statements. These equity entitlements dilute the Group's share of Origin profits available as part of its diluted earnings per share calculation.

4 The January 2013 weighted average number of ordinary shares used to calculate diluted earnings per share is 88,395,981 (H1 2012: 84,176,373). The increase in the weighted average number of ordinary shares is primarily due to the impact of the 4,252,239 shares issued during January 2012 on the weighted average shares outstanding during each respective period.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

In addition to the basic and diluted earnings per share measure calculated above, as required by IAS 33, Earnings per Share, the Group also presents the following underlying earnings per share measure in accordance with IAS 33 paragraph 73, as it is the Group's policy to declare dividends based on underlying fully diluted earnings per share of the Group.

Underlying fully diluted net profit adjusts reported net profit by the following items and their related tax impacts:

– includes the perpetual callable subordinated instrument accrued dividend as an expense, similar to the adjustment for basic and diluted earnings per share;
– excludes non-ERP-related intangible amortisation;
– excludes net acquisition, disposal and restructuring related costs and fair value adjustments; and
– adjusts for the impact of dilutive instruments on non-controlling interests share of adjusted profits.

	Six months ended 31 January	
	2013	2012
Underlying fully diluted earnings per share	in Euro '000	in Euro '000
Profit used to determine basic earnings per share	**53,817**	63,615
Amortisation of non-ERP intangible assets	**51,638**	50,429
Tax on amortisation of non-ERP intangible assets	**(13,158)**	(13,173)
Net acquisition, disposal and restructuring related costs and fair value adjustments	**44,501**	24,751
Tax on net acquisition, disposal and restructuring related costs and fair value adjustments	**(6,877)**	–
Non-controlling interest portion of acquisition, disposal and restructuring related costs and fair value adjustments	**(465)**	(2,762)
Effect on non-controlling interests share of adjusted profits due to dilutive impact of Origin management equity entitlements	**(25)**	(257)
Underlying fully diluted net profit	**129,431**	122,603
Weighted average number of ordinary shares used to determine basic earnings per share	**88,090**	83,812
Underlying basic earnings per share	**146.9 cent**	146.3 cent
Weighted average number of ordinary shares used to determine diluted earnings per share	**88,396**	84,176
Underlying fully diluted earnings per share	**146.4 cent**	145.6 cent

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

6 Analysis of net debt

Analysis of net debt in EUR `000	1 August 2012	Cash flows	Non-cash movements	Translation adjustment	31 January 2013
Cash	547,474	2,171	–	(20,543)	529,102
Overdrafts	(202,385)	3,299	–	8,562	(190,524)
Cash and cash equivalents	**345,089**	**5,470**	**–**	**(11,981)**	**338,578**
Loans	(1,385,488)	(115,168)	(1,454)	102,994	(1,399,116)
Finance leases	(3,692)	1,206	–	207	(2,279)
Net debt	**(1,044,091)**	**(108,492)**	**(1,454)**	**91,220**	**(1,062,817)**

Split of net debt in EUR `000	1 August 2012	Cash flows	Non-cash movements	Translation adjustment	31 January 2013
Food Group net debt	(976,283)	13,360	(1,139)	79,981	(884,081)
Origin net debt	(67,808)	(121,852)	(315)	11,239	(178,736)
Net debt	**(1,044,091)**	**(108,492)**	**(1,454)**	**91,220**	**(1,062,817)**

Finance leases include amounts due within one year of €1,272,000 (2012: €2,431,000).

ARYZTA's 68.8% subsidiary and separately listed company, Origin, has separate ring-fenced funding structures, which are financed without recourse to ARYZTA.

7 Dividends

The proposed dividend covering the 12 month period ended 31 July 2012 of CHF 0.6125 (31 July 2011: CHF 0.5679) per registered share was approved at the annual general meeting held on 11 December 2012. The total resulting dividend of €43,517,000 (2012: €41,490,000) was paid in February 2013, to those shareholders holding shares in ARYZTA AG on 29 January 2013.

8 Share Based Payments

The Group has outstanding grants of equity-based incentives under the following LTIP plans:

- ARYZTA Matching Plan LTIP
- ARYZTA Option Equivalent Plan LTIP
- Origin Enterprises Long-Term Incentive Plan
- Origin Enterprises Matching Plan LTIP

The total cost reported in the Group Financial Statements in the current period in relation to equity settled share-based payments is €1,567,000, of which €1,476,000 was reported in the Group Consolidated Income Statement.

The following activity occurred within these plans during the current period.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

8.1 ARYZTA Matching Plan LTIP

Matching Plan awards	Weighted conversion price in CHF	Number of equity entitlements
Outstanding at beginning of the period	**0.02**	**750,000**
Issued during the period	0.02	222,750
Forfeited during the period	0.02	(55,500)
Outstanding at the end of the period	**0.02**	**917,250**
Exercisable at the end of the period	–	–

Matching Plan awards outstanding by conversion price	Weighted conversion price in CHF	Number of equity entitlements	Actual remaining life (years)
Issued during financial years 2012 and 2013	0.02	**917,250**	**8.7**
As of 31 January 2013	0.02	**917,250**	**8.7**

Plan description
The equity instruments granted under the ARYZTA Matching Plan LTIP are equity-settled share-based payments, as defined in IFRS 2, Share-based Payment. The Group has no legal or constructive obligation to repurchase or settle the matching plan awards in cash.

Participants with Matching Plan awards have the prospect of receiving up to three shares for each recognised qualifying interest held throughout the performance period. Vesting is determined by reference to compound annual underlying fully diluted EPS growth. Vesting may occur on a fractional pro-rata basis ranging from a multiple of one to three for growth between 10.0% and 15.0%. In the event of the minimum 10.0% growth target not being achieved, no awards vest.

Awards under the Matching Plan are subject to additional conditions, including notably: (a) the requirement to remain in service throughout the performance period; (b) the requirement to hold recognised qualifying interests throughout the performance period; (c) the requirement that the ARYZTA Food Group's reported ROIC over the expected performance period is not less than its weighted average cost of capital and (d) the requirement that annual dividends to shareholders are at least 15% of the underlying EPS during the performance period.

The Matching Plan Awards can be exercised as of the time the performance conditions described above have been met, but no longer than ten years after grant date.

The fair value assigned to equity entitlements issued under the ARYZTA Matching Plan represents the full value of an ordinary share on the date of grant, adjusted for the estimated lost dividends between date of issue and vesting date and adjusted for the nominal value of the share. The weighted average fair value of Matching Plan entitlements granted during the period was CHF 45.30 (2012: CHF 38.54).

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

8.2 ARYZTA Option Equivalent Plan LTIP

Option Equivalent Plan awards	Weighted conversion price in CHF	Number of equity entitlements
Outstanding at beginning of the period	**38.72**	**2,510,000**
Issued during the period	46.70	222,750
Exercised during the period	37.23	(370,000)
Forfeited during the period	39.95	(55,500)
Outstanding at the end of the period	**39.70**	**2,307,250**
Exercisable at the end of the period	**37.23**	**765,000**

Option Equivalent Plan awards outstanding by conversion price	Weighted conversion price in CHF	Number of equity entitlements	Actual remaining life (years)
Issued during financial year 2010	37.23	**765,000**	**6.6**
Issued during financial year 2012	39.95	**1,319,500**	**8.7**
Issued during financial year 2013	46.70	**222,750**	**9.8**
As of 31 January 2013	39.70	**2,307,250**	**8.1**

Plan description

The equity instruments granted under the ARYZTA Option Equivalent Plan LTIP are equity-settled share-based payments as defined in IFRS 2, Share-based Payment. The Group has no legal or constructive obligation to repurchase or settle the Option Equivalent awards in cash.

Vesting of the awards is conditional on compound annual growth in underlying fully diluted EPS in the three consecutive accounting periods following the date of grant exceeding the growth in the eurozone Core Consumer Price Index, plus 5% on an annualised basis.

Awards under the Option Equivalent Plan are subject to additional conditions, including notably: (a) the requirement to remain in service throughout the performance period; (b) the requirement that the ARYZTA Food Group's reported ROIC over the expected performance period is not less than its weighted average cost of capital and (c) the requirement that annual dividends to shareholders are at least 15% of the underlying EPS during the performance period.

The Option Equivalent Plan awards can be exercised as of the time the performance conditions described above have been met, but no longer than ten years after grant date.

The weighted average fair value assigned to share option equivalents granted under the ARYZTA Option Equivalent Plan LTIP during the period ended 31 January 2013 was CHF 7.27, which was determined using the Black-Scholes valuation model. The significant inputs into the model were the price of the shares as at the grant date, an expected option life of four years, expected share price volatility of 23.91%, the exercise price of CHF 46.70, the expected dividend yield of 1.5% and the risk-free rate of 0.0%.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

8.3 Origin Enterprises Long-Term Incentive Plan

No significant activity occurred within the Origin Enterprises Long-Term Incentive Plan during the period.

8.4 Origin Enterprises Matching Plan LTIP

During the period to 31 January 2013, the Origin Matching Plan LTIP was established under the terms of the Origin Long Term Incentive Plan 2012, as approved by the Origin Enterprises plc shareholders in November 2011. The details are as follows:

Matching Plan awards	Weighted conversion price in EUR	Number of equity entitlements
Outstanding at beginning of the period	–	–
Issued during the period	0.01	1,212,871
Outstanding at the end of the period	**0.01**	**1,212,871**
Exercisable at the end of the period	–	–

Matching Plan awards outstanding by conversion price	Weighted conversion price in EUR	Number of equity entitlements	Actual remaining life (years)
Issued during the period	0.01	**1,212,871**	**8.5**
As of 31 January 2013	0.01	**1,212,871**	**8.5**

Plan Description

The equity instruments granted under the Origin Matching Plan LTIP are equity-settled share-based payments, as defined in IFRS 2, Share-based Payment. Neither Origin nor ARYZTA have a legal or constructive obligation to repurchase or settle the Origin Matching Plan equity entitlements in cash.

Participants with Origin Matching Plan awards have the prospect of receiving up to three Origin shares for each recognised qualifying interest held throughout the performance period. Vesting is determined by reference to Origin's underlying fully diluted EPS growth. Vesting may occur on a fractional pro-rata basis ranging from a multiple of one to three, up to a maximum of 1,212,871, for growth between 7.5% and 12.5%. In the event of the minimum 7.5% growth target not being achieved, no awards vest.

Awards under the Origin Matching Plan are subject to additional conditions, including notably: (a) the requirement to remain in service throughout the performance period; (b) the requirement to hold recognised qualifying interests throughout the performance period; (c) the requirement that the Origin Group's return on invested capital over the expected performance period is not less than its weighted average cost of capital and (d) the requirement that annual dividends to shareholders are at least 33% of Origin's underlying EPS during the performance period.

The Origin Matching Plan Awards can be exercised as of the time the performance conditions described above have been met, but no later than 31 July 2021.

The fair value assigned to equity entitlements issued under the Origin Matching Plan LTIP represents the full value of an ordinary share on the date of grant, adjusted for the estimated lost dividend between date of issue and vesting date and adjusted for the nominal value of the shares. The weighted average fair value of Origin Matching Plan entitlements granted during the period was €3.51.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

9 Business Combinations

9.1 Acquisitions during the interim period ended 31 January 2013

During the period, the Group completed two small acquisitions. The details of the net assets acquired and goodwill arising from these business combinations are set out below. The goodwill arising on these business combinations is attributable to the skills and talent of the in-place work-force and the synergies expected to be achieved from integrating the acquired operations into the Group's existing businesses.

in EUR `000	Provisional fair values
Provisional fair value of net assets acquired:	
Property, plant and equipment	19,910
Intangible assets	14,838
Inventory	2,427
Trade and other receivables	3,984
Trade and other payables	(5,363)
Other payables	(22,225)
Deferred tax	(6,513)
Corporation tax payable	(2,166)
Net assets acquired	**4,892**
Goodwill arising on acquisitions	23,139
Consideration	**28,031**
Satisfied by:	
Cash consideration	28,510
Cash acquired	(479)
Net cash consideration	**28,031**

Transaction related costs of €1,689,000 have been charged to the Group Consolidated Income Statement related to these transactions during the period ended 31 January 2013.

As these small acquisitions occurred near the beginning of the period, no material difference exists between the consolidated revenue reported and the consolidated revenue that would have been reported if these acquisitions had occurred on 1 August 2012. In making this determination, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 August 2012.

For the identification and estimation of the fair value of the acquired intangibles of these acquisitions, ARYZTA was assisted by a non-audit independent appraisal firm. The identified intangibles include the fair value of customer relationships and other unpatented intangibles. The income approach method was the basis for the fair value of the customer relationships and the replacement cost approach was the basis for the valuation of the other unpatented intangibles.

The fair values presented in this note are based on provisional valuations due to the complexity of the transactions.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

Other than the movements reflected above, and the results of foreign currency translation adjustments, there have been no further adjustments to goodwill during the period. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. No indication of impairment has been identified during the period ended 31 January 2013.

9.2 Acquisitions during the interim period ended 31 January 2012

During the period ended 31 January 2012, the Group also completed multiple small acquisitions. The details of the net assets acquired and goodwill arising from these business combinations are set out below. The goodwill arising on these business combinations is attributable to the skills and talent of the in-place work-force and the synergies expected to be achieved from integrating the acquired operations into the Group's existing businesses.

in EUR `000	Final fair values
Final fair value of net assets acquired:	
Property, plant and equipment	19,040
Intangible assets	45,564
Inventory	2,637
Trade and other receivables	11,766
Trade and other payables	(15,216)
Finance leases	(2,971)
Debt acquired	(5,957)
Deferred tax	(12,412)
Deferred income from government grants	(842)
Corporation tax payable	(721)
Net assets acquired	**40,888**
Goodwill arising on acquisitions	51,387
Consideration	**92,275**
Satisfied by:	
Cash consideration	95,826
Cash acquired	(3,795)
Net cash consideration	**92,031**
Deferred consideration	244
Total consideration	**92,275**

The net cash outflow on these acquisitions is disclosed in the Group Consolidated Cash Flow Statement as follows:

in EUR `000	Total
Cash flows from investing activities	
Cash consideration	95,826
Cash acquired	(3,795)
	92,031
Cash flows from financing activities	
Debt acquired, including finance leases	8,928
Cost of acquisitions (including net debt acquired)	**100,959**

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

Transaction related costs of €805,000 were charged to the Group Consolidated Income Statement related to these transactions during the period ended 31 January 2012.

As these small acquisitions occurred near the beginning of the period, no material difference exists between the consolidated revenue reported and the consolidated revenue that would have been reported if these acquisitions had occurred on exactly 1 August 2011. In making this determination, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 August 2011.

For the identification and estimation of the fair value of the acquired intangibles of these acquisitions, ARYZTA was assisted by a non-audit independent appraisal firm. The identified intangibles include the fair value of customer relationships and unpatented technology. The income approach method was the basis for the fair value of these customer relationships and unpatented technology intangible assets.

10 Contingent liabilities

The Group is not aware of any major changes with regard to contingent liabilities, in comparison with the situation as of 31 July 2012.

11 Subsequent events

During February 2013, ARYZTA announced the agreement to acquire Klemme AG, a leading bakery based in Germany for an enterprise value of €280,000,000, of which €10,000,000 is deferred, and which will be funded entirely with existing financial resources.

While this acquisition remains subject to anti-trust approvals, upon completion it will substantially transform ARYZTA's European manufacturing footprint and greatly enhance its channel diversification and product capability in the region.

Further information as required by IFRS 3 (Revised), Business Combinations, has not been disclosed in the interim report due to the proximity between the date of these agreements and the date of approval of the interim report.

12 Seasonality

Due to the nature of the Agri-services sector, Origin results are significantly impacted by seasonality as customers defer buying decisions until closer to the main springtime application period. This seasonality is also reflected in Origin's increased inventory balance during January, compared to the July year-end balance.

13 Related party transactions

There have been no changes in related party transactions other than those described in the ARYZTA AG 2012 Annual Report and Accounts, which could have a material impact on the financial position or performance of the Group in the six months to 31 January 2013.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2013

14 Distribution of interim report

The Annual Report and Accounts, Interim Management Statements, Interim Report and Accounts and other useful information about the Company, such as the current share price, is available on our website www.aryzta.com.

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

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

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

  a) *Regulation 8 (2) of the Transparency (Directive 2004/109/EC) Regulations 2007,* being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) *Regulation 8 (3) of the Transparency (Directive 2004/109/EC) Regulations 2007,* being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

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

On behalf of the Board

Denis Lucey
Chairman, Board of Directors

Owen Killian
CEO, Member of the Board of Directors

11 March 2013