2010

Interim Report and Accounts

ARYZTA

Passion for good food

Table of Contents
Interim Report 2010

Interim Report 2010
Interim Financial and Business Review

1 Key performance highlights in first six months

Food

Balance Sheet strengthened
- Net Debt reduced by €137.6m to €487.9m (H1 2009: €625.5m)
- Net Debt : EBITDA 1.69x (H1 2009: 2.32x)
- €27.9m dividend payment to equity shareholders in December 2009, represents payment of CHF 0.5324 per share
- 10.7% return on investment, growth of 70 bps (H1 2009: 10.0%)
- Tenure of debt maturity extended to c. 7.4 years

Income Statement stable
- Revenue declined 7.4% to €800.9m
- Operating profit (incl. joint venture) remained constant at €106.5m
- Underlying net profit growth of 1.1% to €73.8m

Origin
- Net debt reduced by €9.9m to €190.5m (H1 2009: €200.4m)
- 17.6% return on investment
- Underlying fully diluted EPS declined 22.3% to 8.7 cent for the period

Group (incl. Origin)
- 11.9% return on investment, growth of 20 bps (H1 2009: 11.7%)
- Underlying fully diluted EPS declined 3.0% to 104.5 cent for the period

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

"The global economic recovery has yet to reach consumers who continue to adjust their patterns of spending in response to tough economic conditions. Credit availability remains difficult for many customers who need to maintain and develop their consumer-facing investment. Those customers who have adapted to the conditions and who offer a satisfying consumer experience by using 'freshly baked' throughout the dayparts demonstrate the resilience of the business.

Bakery offers excellent food value for consumers, and ARYZTA remains committed to developing customer relationships and delivery channels that enhance the consumer experience.

The Group has optimised its capital structure over the period through accessing the Swiss bond and US private placement markets. As a result, ARYZTA's debt maturity has been extended to c. 7.4 years, leaving it well positioned within the fragmented speciality bakery industry.

The Group continues to focus on cash generation and operating efficiencies, and confirms existing guidance on underlying EPS of 224 cent for FY 2010."

Interim Financial and Business Review (continued)

2 Summary income statement for six months ended 31 January 2010

in Euro `000	Food Group 2010	Origin 2010	Total Group 2010	Total Group 2009	% Change
Group revenue	**800,921**	**593,132[4]**	**1,394,053**	1,571,169	(11.3)%
Group operating profit[1]	**98,080**	**15,933**	**114,013**	126,450	(9.8)%
Share of associates and JVs[2]	**8,468**	**5,167**	**13,635**	7,837	–
Operating profit incl. associates and JVs[1]	**106,548**	**21,100**	**127,648**	134,287	(4.9)%
Finance cost, net	**(15,961)**	**(7,762)**	**(23,723)**	(24,405)	–
Pre tax profits[1]	**90,587**	**13,338**	**103,925**	109,882	–
Income tax[1]	**(15,576)**	**(1,389)**	**(16,965)**	(19,675)	–
Minority Interest[3]	**(1,257)**	**–**	**(4,430)**	(6,233)	–
Underlying fully diluted net profit	**73,754**	**11,949**	**82,530**	83,974	(1.7)%
Underlying fully diluted EPS (cent)		**8.7c[6]**	**104.5c[5]**	107.7c[5]	(3.0)%

Underlying net profit reconciliation

in Euro `000	Food Group 2010	Origin 2010	Total Group 2010	Total Group 2009	% Change
Reported net profit	**57,065**	**10,228**	**64,371**	44,729	43.9%
Amortisation of intangible assets	**21,749**	**2,002**	**23,751**	22,444	–
Tax on amortisation	**(5,060)**	**(281)**	**(5,341)**	(5,370)	–
Merger costs, net of tax	–	–	–	22,520	–
Underlying net profit	**73,754**	**11,949**	**82,781**	84,323	(1.8)%
Dilutive impact of Origin management incentives	**–**	**–**	**(251)**	(349)	–
Underlying fully diluted net profit	**73,754**	**11,949**	**82,530**	83,974	(1.7)%
Underlying fully diluted EPS (cent)	**–**	**8.7c[6]**	**104.5c[5]**	107.7c[5]	(3.0)%

1 Before intangible amortisation, impact of non-recurring items and related tax credits.
2 Associates & JVs profit net of tax and interest.
3 Presented after dilutive impact of Origin management incentives.
4 Origin revenue is presented after deducting intra group sales between Origin and Food Group.
5 Actual 2010 underlying fully diluted EPS calculated using weighted average number of shares in issue of 78,946,101 (January 2009: 77,999,274).
6 The Origin share denominator for the six months ended 31 January 2010 is 137,626,000.

Interim Financial and Business Review (continued)

3 Underlying revenue growth

in Euro million	Food Europe	Food North America	Food Developing Markets	Total Food Group	Origin[4]	Total Group
Group revenue	533.6	254.7	12.6	800.9	593.1	1,394.0
Underlying growth	(10.1)%	(2.7)%	3.4%	(7.6)%	(11.9)%	(9.5)%
Acquisitions and disposals	3.4%[2]	–	–	2.3%	(0.8)%[3]	0.9%
Transfer within segments	(0.2)%[1]	–	18.2%[1]	–	–	–
Currency	(0.8)%	(5.2)%	4.7%	(2.1)%	(3.3)%	(2.7)%
Revenue Growth	**(7.7)%**	**(7.9)%**	**26.3%**	**(7.4)%**	**(16.0)%**	**(11.3)%**

1 Reflects the transfer of business activity from Food Europe to Food Developing Markets due to operational change.
2 Reflects the contribution of French bolt on acquisition in February 2009 not included in the prior year comparative.
3 In the case of Origin this reflects the impact of the disposal of its marine protein and oils business in February 2009 which is now included in the share of profit from associates & JV line. It also reflects the contribution from the acquisitions of CSC Crop Protection Ltd. and GB Seeds Ltd. which are not included in the prior year comparative.
4 Origin revenue is presented after deducting intra group sales between Origin and Food Group.

4 Segmental operating profit performance[1]

in Euro '000	Food Europe	Food North America	Food Developing Markets	Total Food Group	Origin	Total Group
Operating Profit	60,736	35,271	2,073	98,080	15,933	114,013
Operating Profit Growth	**(5.1)%**	**2.8%**	**126.0%**	**(1.1)%**	**(41.5)%**	**(9.8)%**

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

5 Food business

About

ARYZTA AG's ('ARYZTA') food business is primarily focused on speciality bakery, a niche part of the total global bakery market. The total bakery market at retail selling price is valued at €260bn. The North American market accounts for 20% and the European market for 45% of this total. Speciality bakery accounts for €30bn of the total €260bn bakery market. North America's and Europe's share of this €30bn market is split 30% and 47% respectively.

Speciality bakery consists of freshly prepared bakery offerings giving the best value, variety, taste and convenience to consumers at point of sale. The aroma of freshly baked goods at the point of sale drives consumer footfall and represents a point of difference for ARYZTA's customers in foodservice and retail establishments.

The bakery business has a diversified customer base across convenience retail, gas stations, restaurants, catering, hotels and leisure, large multiple retail and quick service restaurants.

Revenue continued to decline during the period and this decline is evident across most channels and markets. Consumers continued to switch channels during the period with food service more impacted than retail. Lower consumer spending and in some cases

Interim Financial and Business Review (continued)

customers experiencing difficulties in obtaining credit has led to customers reducing costs and postponing investment decisions.

Bakery is everyday food. It is basic and sustainable. It is also indulgent and affordable. The challenge is to deliver everyday consumer experience, with consistently high quality baked goods. To do this, investment must be maintained in best in class execution and innovation of freshly baked goods at point of sale.

6 Food Europe

About

Food Europe has leading market positions in the speciality bakery market in Switzerland, Germany, Poland, the UK, Ireland and France. In Europe, ARYZTA has a mixture of business to business and consumer brands, including Hiestand, Cuisine de France, Delice de France and Coup de Pates. It has a diversified customer base including convenience retail, gas stations, multiple retail, restaurants, catering and hotels and leisure.

Food Europe continued to face tough trading conditions in the 6 months to January 2010 with like-for-like revenues (excluding impact of acquisitions and foreign exchange) for the period declining by 10.1%. Food Europe's operating profit declined by 5.1% to €60.7m.

In Europe the decline in revenue is still most evident in Ireland and the UK from the continuing economic downturn and customer credit concerns. In Continental Europe revenue growth from new customers, through investment in additional field sales personnel, has partially compensated for slower revenues.

7 Food North America

About

Food North America has leading market positions in freshly baked cookies and freshly baked artisan breads. The business has two iconic brands which evoke emotional appeal with the US consumer, namely Otis Spunkmeyer and La Brea Bakery. Food North America has a strong diversified customer base across the US foodservice channel from restaurants, catering (including hospitals, military and fundraising events), to hotels and leisure, quick service restaurants and across the US multiple retail channel.

In spite of the prevailing environment Food North America delivered revenues of €254.7m which represented a decline of 2.7% in like-for-like revenue growth (excluding impact of acquisitions and foreign exchange) for the first half of the year. An increased focus on operating efficiencies allowed operating profit to grow by 2.8% to €35.3m.

Food North America has experienced revenue weakness across most channels compared with last year but this is against a high comparator of 16.6% growth in the prior period. There are no signs of any significant consumer recovery in the US with consumers continuing to conserve their dollars and customers not making decisions required to stimulate revenue growth.

Interim Financial and Business Review (continued)

8 Food Developing Markets

About

ARYZTA has embryonic businesses in Japan, Malaysia and Australia. This gives ARYZTA an excellent opportunity to understand the customer diversity and opportunity in this vast market.

Like-for-like revenue growth (excluding the impact of acquisitions and foreign exchange) in Food Developing Markets for the period was 3.4%. Food Developing Markets operating profit grew by 126.0% to €2.1m in the period.

9 ARYZTA Technology Initiative

Otis Spunkmeyer is currently implementing SAP Enterprise Resource Planning ('ERP') System across its extensive business platform. The project is on plan and progressing well.

This will provide the blueprint for the rollout of the ARYZTA Technology Initiative ('ATI') across the Food Group. The effective implementation of ATI will drive substantial business efficiencies and reduce cost to serve customers.

10 Canadian joint venture

This joint venture yielded a net contribution after tax and interest of €8.5m in the six months ended 31 January 2010 (€7.3m in the six months ended 31 January 2009).

11 Financial position

ARYZTA's 71.4% subsidiary and separately listed company, Origin, has separate funding structures, which are financed without recourse to ARYZTA. Origin's net debt amounted to €190.5m at 31 January 2010.

The consolidated net debt of the Group excluding Origin's non-recourse debt amounted to €487.9m and relates to the Food segments of the Group.

Food Group cash generation

in Euro `000	**January 2010**
EBIT	76,331
Amortisation	21,749
EBITA	98,080
Depreciation	28,044
EBITDA	126,124
Working capital movement	(9,968)
Dividends received	7,740
Maintenance capital expenditure	(6,683)
Interest and tax	(25,363)
Other	(475)
Cash flow generated from activities	**91,375**
Underlying net profit[1]	**73,754**
Depreciation	28,044
	101,798
Net underlying cash earnings conversion	**90%**

1 Underlying net profit before intangible amortisation and impact of non-recurring items.

Interim Financial and Business Review (continued)

Food Group net debt and investment activity

in Euro `000	**Food Group**
Food Group opening net debt as at 31 July 2009	(505,504)
Cash flow generated from activities	91,375
Investment capital expenditure	(22,591)
Dividends paid	(30,603)
Deferred consideration and acquisition costs	(2,128)
Foreign exchange movement[1]	(16,727)
Other	(1,679)
Food Group closing net debt 31 January 2010	**(487,857)**
Net Debt to EBITDA[2]	1.69x

1 Foreign exchange movement is primarily attributable to the fluctuation in the US Dollar to Euro rate between July 2009 (1.4252) and January 2010 (1.3985) on the US$650m private placement.

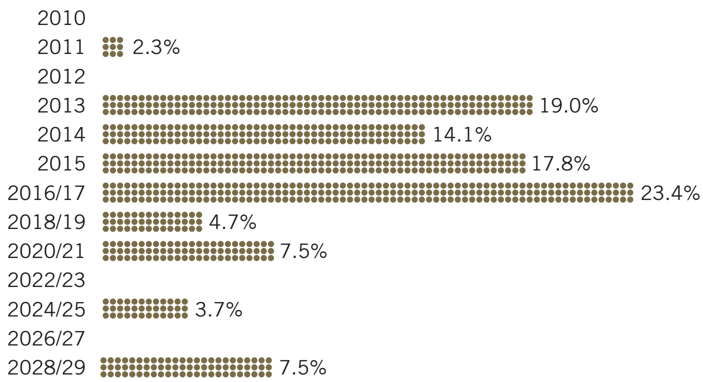
2 Food Group net debt to EBITDA ratio calculated on bank covenant definition. EBITDA includes contribution from the Canadian JV. It is also adjusted for the non-cash share based payments charge.

ARYZTA's banking facilities and financial covenants (excluding Origin, which is separately financed) are as follows:

Description	Revolving credit	Swiss Bond	Private placement
Principal	€795m	CHF 200m	$650m
Maturity	20 June 2013	18 March 2015	13 June 2014 - 09 December 2029
Net Debt : EBITDA (not greater than)	3.5 times	–	3.5 times
Interest Cover (not less than)	4.0 times	–	4.0 times

The equity ratio of the Food Group is 49.6%. The weighted average debt maturity of the Food Group's debt is c. 7.4 years.

Debt Maturity Profile of Gross Debt*



* Food Group gross debt at 31 January 2010 of €757.5m. Food Group net debt at 31 January 2010 of €487.9m.

The Group seeks to ensure a reasonable balance in terms of capital requirements between bank, debt capital and equity markets. The Group intends to maintain it's investment grade credit position and see its optimum leverage position in the range of 2x – 3x Net Debt : EBITDA.

Interim Financial and Business Review (continued)

12 Assets, goodwill & intangibles

Group balance sheet in Euro '000	Total Group 2010
Property, plant and equipment	655,288
Investment properties	63,083
Goodwill and intangible assets	1,508,187
Associates and joint ventures	147,270
Working capital, net	40,135
Other segmental liabilities	(89,563)
Segmental net assets	2,324,400
Net debt	(678,348)
Deferred tax, net	(174,644)
Income tax	(43,907)
Derivative financial instruments, net	(6,710)
Net assets	**1,420,791**

Food balance sheet in Euro '000	Total Food 2010
Property, plant and equipment	570,745
Investment properties	3,869
Goodwill and intangible assets	1,395,017
Joint venture	60,118
Working capital, net	(18,884)
Other segmental liabilities	(40,217)
Segmental net assets	1,970,648
Net debt	(487,857)
Deferred tax, net	(160,838)
Income tax	(42,466)
Derivative financial instruments, net	(4,176)
Net assets	**1,275,311**

Interim Financial and Business Review (continued)

13 Origin

Origin has performed well during the first half of 2010 in a difficult trading environment. Year-on-year comparisons are impacted by increased seasonality as agricultural activity becomes more concentrated towards the second half of the financial year with customers adopting a cautious approach and deferring buying decisions until closer to the main application periods.

Origin's integrated agronomy business delivered a strong performance in the first half, emphasising Masstock's resilience against the background of volatile output markets for primary producers. The excellent contribution from the Group's Marine Proteins and Oils Joint Venture reflects increased fishfeed demand and the enhanced position of the business globally.

Market conditions within Food continue to be extremely competitive. A continuous focus on service, value innovation and cost alignment remains key to maintaining the competitive positioning of Origin's consumer brands.

The recent uplift in primary output markets, while welcome, has yet to noticeably impact farm incomes. The business environment remains challenging, however Origin remains confident for the full year and expects to deliver consensus market expectations. Origin will continue to focus on cash generation and operational efficiencies to ensure the business is well positioned to respond to new opportunities as they arise.

Origin's separately published results are available at www.originenterprises.com.

14 Outlook

The unprecedented global consumer downturn continued during the period. At a macroeconomic level there are signs of recovery, however this has not yet reached consumers.

ARYZTA continues to focus on maximising cash generation and operating efficiencies. The business has an efficient cash generative business platform and is therefore very well positioned to benefit from future economic growth. The fragmented bakery market offers opportunities for disciplined strategic expansion. The company guidance on underlying EPS of 224 cent for FY2010 remains unchanged.

15 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.

16 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 37 of the ARYZTA AG 2009 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.

Group Income Statement
for the six months ended 31 January 2010

in Euro `000	Notes	Six months ended 31 January 2010 Unaudited	2009 Unaudited
Revenue	3	**1,394,053**	1,571,169
Cost of sales		**(1,005,422)**	(1,150,860)
Gross profit		**388,631**	420,309
Distribution expenses		**(200,236)**	(216,551)
Administration expenses		**(98,133)**	(99,752)
Operating profit before merger costs		**90,262**	104,006
Merger costs		–	(22,738)
Operating profit		**90,262**	81,268
Share of profit of associates and joint ventures		**13,635**	7,837
Profit before financing income and costs		**103,897**	89,105
Financing income		**3,057**	3,914
Financing costs		**(26,780)**	(28,319)
Profit before tax		**80,174**	64,700
Income tax		**(11,624)**	(14,087)
Profit for the period		**68,550**	50,613
Attributable as follows:			
Equity shareholders of the company		**64,371**	44,729
Minority interest		**4,179**	5,884
Profit for the period		**68,550**	50,613

Earnings per share for the period	Notes	Six months ended 31 January 2010 Euro cent	2009 Euro cent
Basic earnings per share	4	**81.54**	57.40
Diluted earnings per share	4	**81.22**	56.94

Group Statement of Comprehensive Income
for the six months ended 31 January 2010

in Euro `000	Six months ended 31 January **2010** **Unaudited**	2009 Unaudited
Profit for the period	**68,550**	50,613
Other Comprehensive Income		
Foreign exchange translation effects		
– foreign currency net investments	**28,968**	54,882
– foreign currency borrowings	**(17,736)**	(62,361)
Cash flow hedges		
– Gains / (losses) arising during the period	**5,464**	2,562
– Reclassification adjustments for amounts recognised in profit or loss	**511**	(73)
– Deferred tax effect of cash flow hedges	**(826)**	(333)
Group defined benefit pension obligations		
– actuarial gain / (loss) arising during the period	**18**	1,049
– deferred tax effect of actuarial gain / (loss)	**255**	(503)
Revaluation of previously held investment in Hiestand	**–**	35,632
Total comprehensive income for the period	**85,204**	81,468
Attributable as follows:		
Equity shareholders of the company	**80,613**	79,080
Minority interest	**4,591**	2,388
Total comprehensive income for the period	**85,204**	81,468

Group Balance Sheet
as at 31 January 2010

in Euro `000	31 January 2010 Unaudited	31 July 2009 Audited
Assets		
Non current assets		
Property, plant and equipment	**655,288**	664,532
Investment properties	**63,083**	62,975
Goodwill and intangible assets	**1,508,187**	1,498,430
Investments in associates and joint ventures	**147,270**	139,351
Deferred tax assets	**33,378**	27,053
Total non current assets	**2,407,206**	2,392,341
Current assets		
Inventory	**204,343**	192,646
Trade and other receivables	**323,538**	406,774
Derivative financial instruments	**3,216**	599
Cash and cash equivalents	**294,724**	294,536
Total current assets	**825,821**	894,555
Total assets	**3,233,027**	3,286,896

Group Balance Sheet (continued) as at 31 January 2010

in Euro `000	31 January 2010 Unaudited	31 July 2009 Audited
Equity		
Called up share capital	**1,005**	1,005
Share premium	**518,006**	518,006
Retained earnings and other reserves	**854,922**	801,345
Total equity attributable to equity shareholders of the company	**1,373,933**	1,320,356
Minority interest	**46,858**	47,612
Total equity	**1,420,791**	1,367,968
Liabilities		
Non current liabilities		
Interest bearing loans and borrowings	**942,423**	927,252
Employee benefits	**28,497**	28,544
Deferred income from government grants	**18,476**	18,941
Other payables	**4,608**	1,025
Deferred tax liabilities	**208,022**	203,527
Derivative financial instruments	**389**	3,244
Deferred consideration	**36,804**	41,259
Total non current liabilities	**1,239,219**	1,223,792
Current liabilities		
Interest bearing loans and borrowings	**30,649**	26,540
Trade and other payables	**487,746**	614,291
Corporation tax payable	**43,907**	40,650
Derivative financial instruments	**9,537**	9,832
Deferred consideration	**1,178**	3,823
Total current liabilities	**573,017**	695,136
Total liabilities	**1,812,236**	1,918,928
Total equity and liabilities	**3,233,027**	3,286,896

Group Statement of Changes in Equity
for the six months ended 31 January 2010

for the six months ended 31 January 2010 in Euro `000	Share capital	Share premium	Treasury shares	Cash flow hedge reserve	Revaluation reserve	Share based payment reserve	Foreign currency translation reserve	Retained earnings	Total shareholders equity	Minority interest	Total
At 1 August 2009	**1,005**	**518,006**	**(30)**	**(6,882)**	**35,108**	**4,131**	**(41,147)**	**810,165**	**1,320,356**	**47,612**	**1,367,968**
Total comprehensive income	–	–	–	4,040	–	–	11,816	64,757	80,613	4,591	85,204
Share-based payments	–	–	–	–	–	739	–	–	739	131	870
Equity dividends	–	–	–	–	–	–	–	(27,861)	(27,861)	–	(27,861)
Dividends to minority interest	–	–	–	–	–	–	–	–	–	(5,898)	(5,898)
Other	–	–	–	–	–	–	–	86	86	422	508
At 31 January 2010	**1,005**	**518,006**	**(30)**	**(2,842)**	**35,108**	**4,870**	**(29,331)**	**847,147**	**1,373,933**	**46,858**	**1,420,791**

for the six months ended 31 January 2009 in Euro `000	Share capital	Share premium	Treasury shares	Cash flow hedge reserve	Revaluation reserve	Share based payment reserve	Foreign currency translation reserve	Retained earnings	Total shareholders equity	Minority interest	Total
At 1 August 2008	**39,275**	**59,734**	**–**	**(510)**	**127,446**	**19,986**	**(60,035)**	**599,372**	**785,268**	**61,482**	**846,750**
Total comprehensive income	–	–	–	1,827	–	–	(3,491)	80,744	79,080	2,388	81,468
Issue of shares, net of costs	3,810	183,140	–	–	–	–	–	–	186,950	–	186,950
Effect of reverse acquisition	(42,110)	275,641	–	–	–	–	–	–	233,531	–	233,531
Issue of treasury shares	30	–	(30)	–	–	–	–	–	–	–	–
Share-based payments	–	–	–	–	–	18,442	–	–	18,442	131	18,573
Share-based payment reserve released on cancellation of schemes	–	–	–	–	–	(37,449)	–	37,449	–	–	–
Minority interest arising on acquisition	–	–	–	–	–	–	–	–	–	7,886	7,886
Repurchase/disposal of minority interests	–	–	–	–	–	–	–	–	–	(1,293)	(1,293)
At 31 January 2009	**1,005**	**518,515**	**(30)**	**1,317**	**127,446**	**979**	**(63,526)**	**717,565**	**1,303,271**	**70,594**	**1,373,865**

Group Cash Flow Statement
for the six months ended 31 January 2010

in Euro `000	Six months ended 31 January 2010 Unaudited	2009 Unaudited
Cash flows from operating activities		
Profit for period	**68,550**	50,613
Income tax	**11,624**	14,087
Financing income	**(3,057)**	(3,914)
Financing costs	**26,780**	28,319
Share of profit of associates and joint ventures	**(13,635)**	(7,837)
Merger costs and other expenses	–	22,738
Depreciation of property, plant and equipment	**31,254**	29,007
Amortisation of intangible assets	**23,751**	22,444
Amortisation of government grants	**(949)**	(205)
Employee share-based payment charge	**870**	458
Other	–	159
Cash flow from operating activities before changes in working capital	**145,188**	155,869
Decrease/(increase) in inventory	**(10,881)**	(41,301)
Decrease/(increase) in trade and other receivables	**79,758**	105,342
(Decrease)/increase in trade and other payables	**(122,729)**	(128,006)
Cash generated from operating activities	**91,336**	91,904
Interest paid, net	**(20,811)**	(24,779)
Income tax paid	**(13,924)**	(14,004)
Net cash flow from operating activities	**56,601**	53,121

Group Cash Flow Statement (continued)
for the six months ended 31 January 2010

in Euro `000	Six months ended 31 January 2010 Unaudited	2009 Unaudited
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**1,249**	814
Purchase of property, plant and equipment		
– maintenance	**(9,180)**	(10,890)
– new investments	**(22,591)**	(42,830)
Acquisition of subsidiaries and businesses, net of cash acquired	–	(38,795)
Sale of intangible assets	–	6,797
Sale of other investments	–	1,305
Dividends received	**9,714**	9,489
Investments in associates and joint venture	**(2,455)**	(3,507)
Deferred consideration paid	**(2,128)**	(22,342)
Other	**10**	(7)
Net cash flow from investing activities	**(25,381)**	(99,966)
Cash flows from financing activities		
Net proceeds from issue of share capital	–	(260)
(Repayment) / drawdown of loan capital	**(3,016)**	174,872
Capital element of finance lease liabilities	**(801)**	(754)
Dividends paid to minority interests	**(2,742)**	–
Dividends paid to equity shareholders	**(27,861)**	–
Net cash flow from financing activities	**(34,420)**	173,858
Net increase in cash and cash equivalents	**(3,200)**	127,013
Translation adjustment	**(1,089)**	(641)
Cash and cash equivalents at start of period	**269,144**	106,759
Net cash and cash equivalents at end of period	**264,855**	233,131

Notes to the Group Condensed Interim Financial Statements
for the six months ended 31 January 2010

1 Basis of preparation

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

These condensed 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 annual financial statements in respect of the year ended 31 July 2009, which have been prepared in accordance with IFRS.

These condensed interim financial statements for the six months ended 31 January 2010 and the comparative figures for the six months ended 31 January 2009 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 July 2009 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 2009 and 31 July 2009 comparative financial statement figures and related notes have been reclassified to conform to the 31 January 2010 presentation. The reclassifications have no effect on total revenues, total expense, profit for the period or total equity 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.

2 Accounting Policies

Except as described below, the condensed consolidated interim financial information has been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates as set out on pages 48 to 57 of the ARYZTA AG 2009 Annual Report and Accounts.

The following Accounting Standards are mandatory for the first time for the financial year beginning 1 August 2009:

– IAS 1 (revised) 'Presentation of financial statements'. The revised standard requires 'non-owner changes in equity' to be presented separately from 'owner changes in equity'. All 'non-owner changes in equity' are required to be shown in a performance statement.
– Entities can choose whether to present one performance statement (the statement of total comprehensive income) or two statements (the income statement and the statement of comprehensive income). The Group has elected to present two statements: income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised presentation requirements.
– Although IFRS 8 Operating Segments has been applied for the first time in the preparation of these condensed interim financial statements, this has not resulted in any changes to the basis of segmentation or to the basis of measurement of operating profit employed in compiling the consolidated financial statements in respect of the year ended 31 July 2009.

Notes to the Group Condensed Interim Financial Statements (continued) for the six months ended 31 January 2010

The following Accounting Standards or interpretations are effective for the financial year beginning 1 August 2009 but do not have a material impact on the Group:

- IFRS 1 'First time Adoption of IFRS' and IAS 27 'Consolidated and Separate Financial Statements'
- IFRS 2 'Share-based Payment'
- IFRS 3 (revised) 'Business Combinations'
- IFRS 7 'Financial Instruments: Disclosures'
- IFRS 8 'Operating Segments'
- IAS 23 (revised) 'Borrowing Costs'
- IAS 27 (revised), 'Consolidated and Separate Financial Statements'
- IAS 32 (amendment) 'Financial Instruments: Presentation'
- IAS 39, 'Financial Instruments: Recognition and Measurement – Embedded Derivatives (Amendments)'
- IFRIC 9 'Reassessment of Embedded Derivatives'
- IFRIC 13 'Customer Loyalty Programmes'
- IFRIC 15 'Agreements for the Construction of Real Estate'
- IFRIC 16 'Hedges of a Net Investment in a Foreign Operation'

There were also additional amendments to various existing standards and interpretations as the result of the IASB 2009 and 2008 Annual Improvement Projects that are effective for the financial year beginning 1 August 2009. These amendments were a collection of relatively minor changes and do not have a material impact on the Group.

The following Accounting Standards or Interpretations are not yet effective and have not been early adopted by the Group:

- IFRS 9 'Financial Instruments'
- IFRIC 17 'Distribution of Non-cash Assets to Owners'
- IFRIC 18 'Transfers of Assets from Customers'

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2010

3 Segment information

Management has determined the operating segments based on the reports regularly reviewed by the Group's Chief Operating Decision Maker (Chief Executive Officer) in making strategic decisions, allocating resources and assessing performance. The Group is primarily organised into four main operating segments: Food Europe, Food North America, Food Developing Markets and Origin.

Food Europe has leading market positions in the speciality bakery market in Switzerland, Germany, the UK, Ireland and France. In Europe, ARYZTA has a mixture of business to business and consumer brands, including; Hiestand, Cuisine de France, Delice de France and Coup de Pates. Food Europe has a diversified customer base including convenience retail, gas stations, multiple retail, restaurants, catering and hotels and leisure.

Food North America has leading market positions in freshly baked cookies and artisan breads with two principle brands, namely Otis Spunkmeyer and La Brea Bakery. Food North America has a diversified customer base within the foodservice and retail channels.

Food Developing Markets is an embryonic business in Japan, Malaysia and Australia.

Origin is an agri-nutrition and food group. The agri-nutrition business is focused primarily in Ireland, the UK and Poland with activities in the supply of animal feeds, fertiliser and integrated agronomy services. Origin also operates ambient food and cereal milling businesses in Ireland.

Net finance costs and income tax are managed on a centralised basis and therefore these items are not allocated between operating segments for the purpose 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 2010

3 Analysis by business segment

I) Segment revenue and result	Food Europe		Food North America		Food Developing Markets		Origin		Unallocated		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 Euro `000	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
Segment revenue	**533,624**	578,485	**254,657**	276,584	**12,640**	10,009	**593,132**	706,091	**–**	–	**1,394,053**	1,571,169
Operating profit before non-recurring items	**43,439**	47,851	**30,819**	29,477	**2,073**	917	**13,931**	25,761	**–**	–	**90,262**	104,006
Non-recurring items	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(22,738)	**–**	(22,738)
Operating profit	**43,439**	47,851	**30,819**	29,477	**2,073**	917	**13,931**	25,761	**–**	(22,738)	**90,262**	81,268
Share of profit of associates and joint ventures	**–**	–	**8,468**	7,275	**–**	–	**5,167**	562	**–**	–	**13,635**	7,837
Profit before financing costs	**43,439**	47,851	**39,287**	36,752	**2,073**	917	**19,098**	26,323	**–**	(22,738)	**103,897**	89,105
Financing costs											**(23,723)**	(24,405)
Profit before tax as reported in Group Income Statement											**80,174**	64,700

* There are no significant intercompany revenues between the Group's food business segments.
There were €3,661,000 (2009: €4,008,000) in intra group revenue between the Origin and food business segments of the Group.

II) Segment assets	Food Europe		Food North America		Food Developing Markets		Origin		Total Group	
in Euro `000	**as at 31 Jan 2010**	as at 31 Jul 2009	**as at 31 Jan 2010**	as at 31 Jul 2009	**as at 31 Jan 2010**	as at 31 Jul 2009	**as at 31 Jan 2010**	as at 31 Jul 2009	**as at 31 Jan 2010**	as at 31 Jul 2009
Segment assets excluding investments in associates and joint ventures	**1,557,558**	1,566,132	**695,525**	691,875	**11,387**	10,256	**489,969**	557,094	**2,754,439**	2,825,357
Investments in associates and joint ventures	**–**	–	**60,118**	55,720	**–**	–	**87,152**	83,631	**147,270**	139,351
Segment assets	**1,557,558**	1,566,132	**755,643**	747,595	**11,387**	10,256	**577,121**	640,725	**2,901,709**	2,964,708
Reconciliation to total assets as reported in Group balance sheet										
Derivative financial instruments									**3,216**	599
Cash and cash equivalents									**294,724**	294,536
Deferred tax assets									**33,378**	27,053
Total assets as reported in Group balance sheet									**3,233,027**	3,286,896

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2010

4 Earnings per share

	Six months ended 31 January	
	2010	2009
Basic earnings per share	in Euro `000	in Euro `000
Profit for period attributable to equity shareholders	**64,371**	44,729
Weighted average number of ordinary shares	`000	`000
Issued ordinary shares at 1 August	**78,946**	63,669
Effect of shares issued during the period	–	14,253
Weighted average number of ordinary shares for the period	**78,946**	77,922
Basic earnings per share	**81.54 cent**	57.40 cent

	2010	2009
Diluted earnings per share	in Euro `000	in Euro `000
Profit for period attributable to equity shareholders	**64,371**	44,729
Effect on minority interest share of profits due to dilutive effect of Origin equity entitlements	**(251)**	(318)
Diluted profit for financial period attributable to equity shareholders	**64,120**	44,411
Weighted average number of ordinary shares (diluted)	`000	`000
Weighted average number of ordinary shares used in basic calculation	**78,946**	77,922
Effect of equity instruments with a dilutive effect	–	77
Weighted average number of ordinary shares (diluted) for the period	**78,946**	77,999
Diluted earnings per share	**81.22 cent**	56.94 cent

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2010

5 Analysis of net debt

in Euro '000	1 August 2009	Cash flow	Non-cash movement	Translation adjustment	31 January 2010
Cash	294,536	1,273	–	(1,085)	294,724
Overdrafts	(25,392)	(4,473)	–	(4)	(29,869)
Cash and cash equivalents	**269,144**	**(3,200)**	**–**	**(1,089)**	**264,855**
Loans	(924,492)	3,016	(911)	(17,736)	(940,123)
Finance leases	(3,908)	801	–	27	(3,080)
Net debt	**(659,256)**	**617**	**(911)**	**(18,798)**	**(678,348)**

Split of net debt

in Euro `000	1 August 2008	Cash flow	Non cash movements	Translation adjustment	31 July 2009
Food net debt	(505,504)	34,852	(478)	(16,727)	(487,857)
Origin net debt	(153,752)	(34,235)	(433)	(2,071)	(190,491)
Net debt	**(659,256)**	**617**	**(911)**	**(18,798)**	**(678,348)**

Finance leases include amounts due within 1 year of €780,000 (2009: €1,148,000).

ARYZTA's 71.4% subsidiary and separately listed company, Origin, has separate ring-fenced funding structures, which are financed without recourse to ARYZTA.

In October 2009, a CHF 200m fixed rate Swiss bond was launched for ARYZTA AG (Listing SIX. ISIN CH00106840579). The bond matures 18 March 2015. A US private placement deal of USD 200m was finalised in December 2009 and is due to mature between December 2021 and December 2029. The combined proceeds were used for general corporate purposes.

6 Dividends

The proposed dividend covering the 12 month period to 31 July 2009, after deduction of Swiss withholding tax of 35%, of CHF 0.3461 per registered share was approved at the annual shareholders' meeting held on 3 December 2009. The total resulting dividend of CHF 42,031,000 was paid in December 2009, to those shareholders holding shares in ARYZTA AG on 4 December 2009.

7 Contingent liabilities

The Group is not aware of any new major changes with regard to contingent liabilities in comparison with the situation as of 31 July 2009.

8 Current litigation

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

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2010

9 Subsequent events
There were no other events since the balance sheet date on 31 January 2010 that would require adjustments of assets or liabilities or a disclosure.

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

11 Related party transactions
There have been no related party transactions or changes in related party transactions other than those described in the ARYZTA AG 2009 Annual Report and Accounts that could have a material impact on the financial position or performance of the Group in the six months to 31 January 2010.

12 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.

Statement of Directors' Responsibilities
for the six months ended 31 January 2010

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

– The condensed set of financial statements comprising the consolidated interim income statement, the consolidated statement of comprehensive income, the consolidated interim balance sheet, the consolidated interim statement of changes in equity, the consolidated interim 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

15 March 2010