



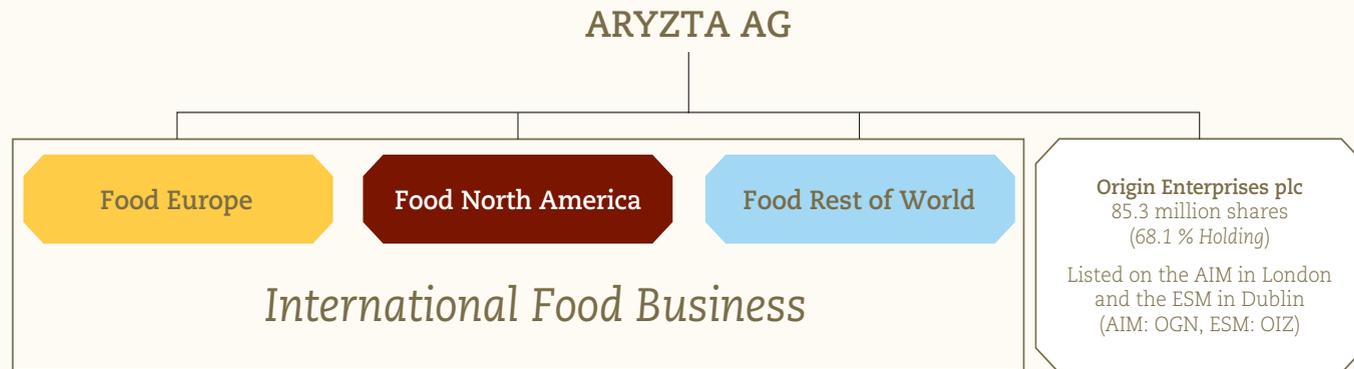
# Forward Looking Statement



This document 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.

- International leader in speciality bakery and individually packaged ready-to-eat snacks
- Primary listing in Zurich and secondary listing in Dublin



- ARYZTA AG created in August 2008 by acquisition of IAWS GROUP plc (listed since 1989) and merger with Hiestand AG (listed since 1997)
- Reporting on fiscal year ending July 2014

# Origin Enterprises plc – 68.1 % Holding

Year ended 31 July 2014



In EUR million	July 2014	Change
Revenue	1,415.2	↓ (0.2) %
Underlying fully diluted EPS <sup>1</sup>	57.51c	↑ 10.4 %
Dividend per Share	20.00c	↑ 15.9 %
Market Cap <sup>2</sup>	1,045	
Market Value of ARYZTA holding <sup>2</sup>	712	

- Origin performance ahead of market expectation
- Returned EUR 100 m of capital to shareholders through a tender offer during the year
- Origin proposed dividend per share of 20.00 cent, 35 % payout
- Unleveraged balance sheet at year end, Net Debt: EBITDA of 0.14x
- Balance sheet strength to invest in further growth in the sector

1 Origin July 2014 underlying fully diluted earnings per share is calculated using a weighted average number of diluted shares of 130,316,835 (July 2013: 138,499,155).

2 Based on 125,165,906 ordinary shares and a closing price of €8.35 per share on 31 July 2014.



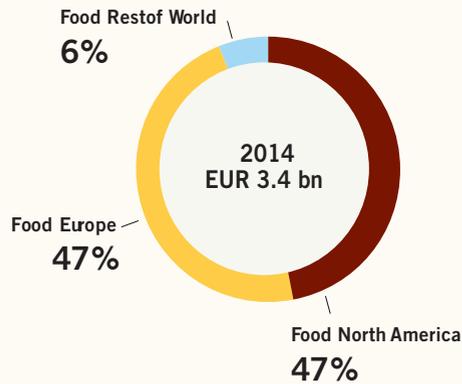
# ARYZTA Food Group Repositioning Since September 2011



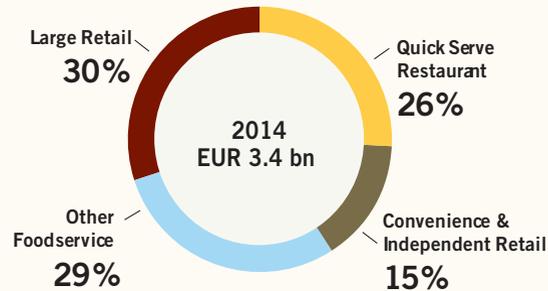
- Created an integrated customer centric business
- Developed single instance ERP
- Invested in ARYZTA Transformation Initiative “ATI” with the financial goal of a 15 % ROIC on FY 2011 underlying food assets
- Established ARYZTA Business Services “ABS” shared centres of excellence to support customer centric strategy
- Outlined a clear strategy for European Food Solutions business
- Invested € 1.8 bn to expand food capability and enhance relevance

# Repositioned Food Group Revenue Profile

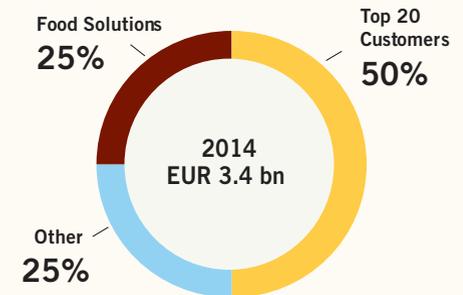
## Geography



## Channel



## Customer



- 78,000 Customers operating 650,000 points of sale to consumers
- Unique market access with differentiated food proposition
- Unrivalled bakery capability across channels and geography

# Key Customer Partnership Model

- 50 % of Food Group revenue with top 20 customers
- No customer accounts for more than 10 % of Food Group revenue
- Top 20 customers estimated combined Food revenue € 310 bn
- Top 20 customers estimated relevant channel market share of 30 % – 50 %
- Serviced through 150,000 points of sale
- Focused on partnership in supply chain excellence
  - > Food safety and quality assurance
  - > Food traceability and sustainability
  - > Consumer insights and innovation
  - > Customer operating system efficiency
  - > Bakery efficiency and utilisation

# New strategy for European Food Solutions Business



- 70,000 customers (Germany, France, Switzerland, UK, Ireland)
- New market led strategy
- Highly responsive to consumer trends and innovation
- Leveraging Paris-based Centre of Excellence in food innovation
- Differentiated food proposition for independent customers
- Asset light model – 350 audited suppliers/partners
- Deep distribution model servicing independent customers

# ATI Will Facilitate Internal Integration With Enhanced Capability



- Integrated bakery network
  - > 60 Bakeries and Kitchens
  - > 350 external partner producers improving efficiency and asset utilisation
- Food safety and quality
- Central procurement to ensure efficient supply, traceability and sustainability
- Talent management with Human Resource Information System “HRIS”
- ABS centres of business support excellence
- Acquisition assessment and integration
- Planning and business development
- Control with secure auditable processes

- Revenue growth
- Operating margin
- Return on capital
- Organisational health & talent management
- Sustainability
- Supply chain excellence
- Increased relevance
- ATI focused on:
  - > Building enduring, responsive processes and structures
  - > Promoting best talent into most responsible positions
  - > Customer centric - aligned with consumer

# ARYZTA Group **Financial and Business Review**

# FY 2014 Key Financial Highlights

	Food Group	Origin	Total Group
Revenue	↑ 10.0%	↓ (0.2)%	↑ 6.8%
EBITA	↑ 19.6%	↑ 15.4%	↑ 19.0%
Underlying fully diluted net profit	↑ 21.0%	↑ 3.8%	↑ 18.3%

- ARYZTA Group underlying fully diluted net profit increased 18.3%
- Currency translation headwind of c. 4%
- Underlying fully diluted EPS increased 17.2% to 422.2 c
- Food Group EBITA margin expanded 110 bps to 14.3%
- Proposed EUR dividend increase of 17.2% versus previous financial year
- Food Group Net Debt: EBITDA (excluding hybrid instrument) 2.45x



# ARYZTA Group – Income Statement

Year ended 31 July 2014



in EUR '000	July 2014	July 2013	%
Group revenue	4,809,022	4,503,690	6.8 %
EBITA	565,807	475,584	19.0 %
EBITA margin	11.8 %	10.6 %	
Associates and JVs, net	13,392	22,057	
EBITA incl. associates and JVs	579,199	497,641	16.4 %
Finance cost, net	(68,138)	(63,904)	
Hybrid instrument accrued dividend	(29,548)	(19,898)	
Pre-tax profits	481,513	413,839	
Income tax	(78,180)	(69,689)	
Non-controlling interests <sup>1</sup>	(25,855)	(25,041)	
Underlying fully diluted net profit	377,478	319,109	18.3 %
Underlying fully diluted EPS (cent) <sup>2</sup>	422.2c	360.3c	17.2 %

1 The ARYZTA Group Income Statement includes Origin 100% consolidated, as required by IFRS. Origin's non-controlling shareholder's 31.9% allocation is then eliminated through non-controlling interests within the ARYZTA Group Income statement, along with an additional non-controlling interest in a Food Group subsidiary, when calculating underlying fully diluted net profit.

2 The July 2014 weighted average number of ordinary shares used to calculate diluted earnings per share is 89,407,313 (2013: 88,559,475).

# ARYZTA Group – Underlying Revenue Growth

Year ended 31 July 2014



<i>In EUR million</i>	Food Europe	Food N. America	Food Rest of World	Total Food Group	Origin	Total
Group revenue	1,586.3	1,586.6	220.9	3,393.8	1,415.2	4,809.0
Underlying growth	2.1 %	1.3 %	7.9 %	2.1 %	(3.3) %	0.5 %
Acquisitions	12.0 %	13.0 %	–	11.6 %	3.1 %	8.9 %
Currency	(0.1) %	(5.6) %	(13.6) %	(3.7) %	–	(2.6) %
<b>Revenue growth</b>	<b>14.0 %</b>	<b>8.7 %</b>	<b>(5.7) %</b>	<b>10.0 %</b>	<b>(0.2) %</b>	<b>6.8 %</b>

# ARYZTA Group – Segmental EBITA

Year ended 31 July 2014



in EUR '000	July 2014	July 2013	%
<b>Food Group</b>			
Food Europe	230,334	185,990	23.8%
Food North America	230,313	190,286	21.0%
Food Rest of World	25,647	30,419	(15.7)%
Total Food Group	486,294	406,695	19.6%
Origin	79,513	68,889	15.4%
<b>Total Group EBITA</b>	<b>565,807</b>	<b>475,584</b>	<b>19.0%</b>
<b>Associates &amp; JVs, net</b>			
Food JV	–	201	(100.0)%
Origin associates & JVs	13,392	21,856	(38.7)%
<b>Total associates &amp; JVs, net</b>	<b>13,392</b>	<b>22,057</b>	<b>(39.3)%</b>
<b>Total EBITA incl. associates and JVs</b>	<b>579,199</b>	<b>497,641</b>	<b>16.4%</b>

# Food Group – Income Statement

Year ended 31 July 2014



in EUR '000	July 2014	July 2013	%
Revenue	3,393,783	3,085,517	10.0%
EBITA	486,294	406,695	19.6%
EBITA margin	14.3%	13.2%	
JV, net	–	201	
EBITA incl. JV	486,294	406,896	19.5%
Finance cost, net	(62,604)	(57,761)	
Hybrid instrument accrued dividend	(29,548)	(19,898)	
Pre-tax profits	394,142	329,237	
Income tax	(65,754)	(57,261)	
Non-controlling interests	(3,800)	(3,619)	
Underlying net profit	324,588	268,357	21.0%

# Food Group – Cash Generation

Year ended 31 July 2014



in EUR '000	July 2014	July 2013
EBIT	362,532	300,053
Amortisation	123,762	106,642
EBITA	486,294	406,695
Depreciation	102,879	93,690
EBITDA	589,173	500,385
Working capital movement	12,372	(3,287)
Working capital movement from debtor securitisation	34,224	(7,911)
Maintenance capital expenditure	(59,970)	(43,675)
Dividends received from Origin	16,388	14,250
Hybrid dividend paid <sup>1</sup>	(29,388)	(16,561)
Interest and income tax paid	(103,375)	(90,954)
Other non-cash income/(charges)	(2,941)	573
<b>Cash flows generated from activities</b>	<b>456,483</b>	<b>352,820</b>
Investment capital expenditure <sup>2</sup>	(276,843)	(172,506)
<b>Cash flows generated from activities after investment capital expenditure</b>	<b>179,640</b>	<b>180,314</b>
<b>Underlying net profit</b>	<b>324,588</b>	<b>268,357</b>

1 Hybrid dividends paid have been reclassified and included within Cash generated from activities. This reclassification was made to apply consistent treatment between these cash payments and the associated Hybrid instrument accrued dividend, which is included as an expense within the Group and Food Group underlying income statements.

2 Includes expenditure on intangible assets.

# Food Group Net Debt and Investment Activity

Year ended 31 July 2014



in EUR '000	FY 2014	FY 2013
<b>Food Group opening net debt as at 1 August</b>	<b>(849,228)</b>	<b>(976,283)</b>
Cash flows generated from activities	456,483	352,820
Hybrid instrument proceeds	–	319,442
Origin tender offer proceeds	71,789	–
Net debt cost of acquisitions	(862,792)	(311,609)
Acquisition and restructuring-related cash flows	(105,561)	(86,497)
Investment capital expenditure <sup>1</sup>	(276,843)	(172,506)
Dividends paid	(51,146)	(45,999)
Foreign exchange movement <sup>2</sup>	(22,682)	62,024
Other <sup>3</sup>	(2,099)	9,380
<b>Food Group closing net debt as at 31 July</b>	<b>(1,642,079)</b>	<b>(849,228)</b>

1 Includes expenditure on intangible assets.

2 Foreign exchange movement for the year ended 31 July 2014 primarily attributable to the fluctuation in the GBP and CAD to Euro rates between July 2013 or the drawdown date and July 2014.

3 Other comprises primarily proceeds from disposal of property, plant and equipment, net of payments for contingent consideration and amortisation of financing costs.

# Food Group Financing

Excluding Origin – non-recourse financing facilities



- Debt Financing
  - > Net debt of EUR 1,642.1 m
  - > Weighted average maturity of 5.43 years
  - > Weighted average interest cost of 3.63 %<sup>1</sup>
  - > Interest cover of 10.72 x (hybrid as equity)
  - > Intend to maintain investment grade credit position
  - > Optimum leverage position in the range of 2 x–3 x net debt: EBITDA
- Hybrid Financing
  - > Total hybrid outstanding of CHF 800 m
  - > CHF 400 m hybrid to be called in October 2014
  - > Pricing of replacement instruments expected to begin on 30 September 2014
  - > Interest cover of 7.29 x (hybrid as debt)

Net Debt: EBITDA <sup>2</sup>	July 2014	July 2013
Net Debt: EBITDA <sup>2</sup> (hybrid as equity)	2.45x	1.57x
Net Debt: EBITDA <sup>2</sup> (hybrid as debt)	3.43x	2.77x

1 Incorporating the drawn amount on Revolving Credit Facility of €748.9m and excluding the hybrid instrument.

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

# ARYZTA Transformation Initiative



in EUR '000

## ARYZTA Transformation Initiative

<b>Acquisition, disposal and restructuring-related costs</b>	<b>Cash</b>		<b>Total ATI</b>	<b>Non-cash</b>	<b>Total</b>
Year ended 31 July 2014	83,354	—	<b>83,354</b>	87,357	<b>170,711</b>
Year ended 31 July 2013	82,459	—	<b>82,459</b>	37,355	<b>119,814</b>
Year ended 31 July 2012	77,144	—	<b>77,144</b>	6,333	<b>83,477</b>
<b>Investment capital expenditure</b>	<b>Optimisation-related &amp; ERP</b>		<b>Total ATI</b>	<b>Expansion-related</b>	<b>Total</b>
Year ended 31 July 2014	—	116,452	<b>116,452</b>	160,391	<b>276,843</b>
Year ended 31 July 2013	—	61,462	<b>61,462</b>	111,044	<b>172,506</b>
Year ended 31 July 2012	—	46,643	<b>46,643</b>	42,758	<b>89,401</b>
Investment to date	<b>242,957</b>	<b>224,557</b>	<b>467,514</b>		
Estimated overall ATI investment			<b>460,000</b>		
Estimated Pineridge & Cloverhill integration/investment			<b>70,000</b>		

# Food Group Underlying ROIC

FY 2011 – FY 2014



in EUR '000	2011	2012	2013	2014
<b>Underlying ROIC</b>				
Underlying net assets	3,004	2,901	2,797	<b>2,915</b>
Underlying EBITA & associates/JVs cont.	332	353	364	<b>416</b>
Underlying ROIC	11.1 %	12.2 %	13.0 %	<b>14.2 %</b>
<b>Reported ROIC</b>				
Reported net assets	3,004	3,315	3,447	<b>4,357</b>
EBITA & associates/JVs cont.	332	376	426	<b>524</b>
Reported ROIC	11.1 %	11.3 %	12.4 %	<b>12.0 %</b>

- Net assets refined to be presented net of non-cash deferred tax liabilities on intangible assets from acquisitions (FY14:€247m, FY11:€252m)
  - > Offsets the notional gross-up of goodwill/intangible assets
  - > No impact on Underlying ROIC incremental movements from FY 2011
  - > No impact on management compensation
- 310 bps improvement in Underlying ROIC during ATI
- FY 2015 Underlying ROIC target of 15 %

# Food Europe – Largest Bakery Business Focused on Specialty Food



Revenue  
€1,586.3 m,  
+ 14.0%

Underlying  
revenue  
+ 2.1%

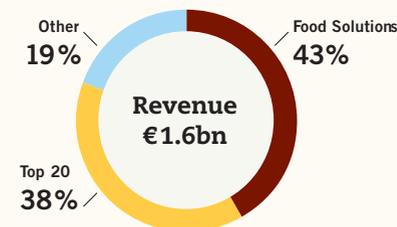
Acquisitions  
+ 12.0%

Currency  
(0.1)%

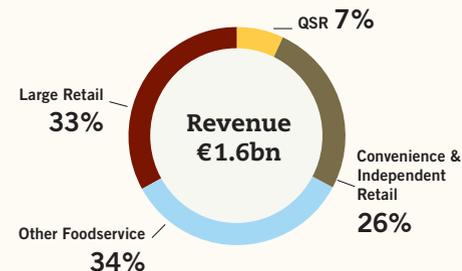
EBITA  
€230.3 m, + 23.8%

Positive EBITA  
margin  
expansion of  
110 bps to 14.5%

## Customer Mix



## Channel Mix



- Full year performance reflects ATI benefits of reorganisation into ARYZTA Food Solutions and ARYZTA Bakeries
- Business consolidation and operating leverage drove margins in the financial year
- Customers are stabilising into manufacturing and specialist categories
- Cash non-recurring costs of €40.7 m
- ERP and optimisation investment of €88.4 m
- Expansion-related capital investment of €100.0 m
- Non-cash write-downs, as current and prior year investments have replaced obsolete infrastructure, of €51.7 m

# Food North America – Largest Bakery Business outside the Bakery Aisle



Revenue  
€1,586.6 m,  
+ 8.7 %

Underlying  
revenue  
+ 1.3 %

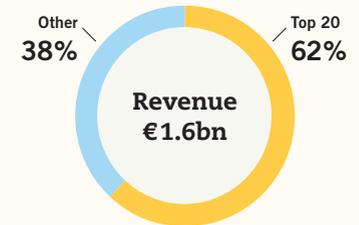
Acquisitions  
+ 13.0 %

Currency  
(5.6) %

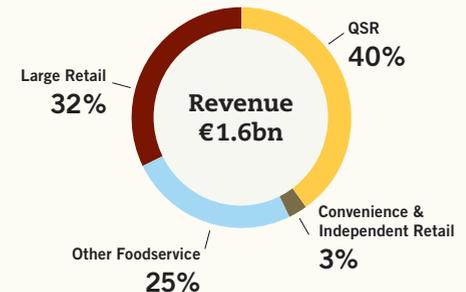
EBITA  
€230.3 m, + 21.0 %

Positive EBITA  
margin  
expansion of  
150 bps to 14.5 %

## Customer Mix



## Channel Mix



- Business consolidation and operating leverage drove margins in the financial year
- Reflects traction of customer centric strategy and SKU rationalisation
- Acquisitions performing to expectations and enhancing market and channel diversification
- Cash non-recurring costs of €42.7 m
- Expansion-related capital investment of €46.6 m
- ERP and optimisation investment of €28.0 m
- Non-cash write-downs, as current and prior year investments have replaced obsolete infrastructure, of €32.7 m

# Food Rest of World – Bakery Partner Providing Niche Bakery Solutions



Revenue  
€220.9m, (5.7) %

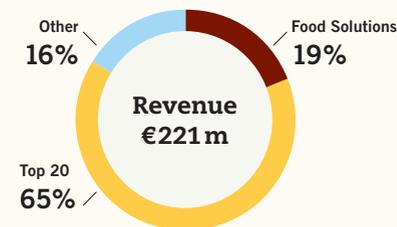
Underlying  
revenue  
+7.9%

Currency  
(13.6) %

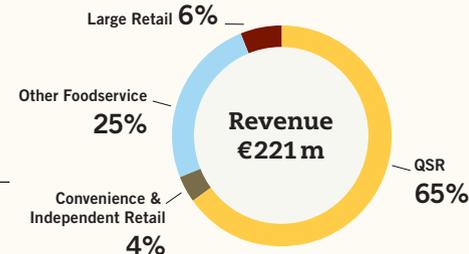
EBITA  
€25.6m, (15.7) %

EBITA margin  
11.6%,  
a decline  
of (140) bps

## Customer Mix



## Channel Mix



- Achieved solid underlying revenue growth in line with guidance
- Currency impact – both transactional and translational – primarily responsible for margin decline of (140) bps
- Continuing to add capacity while supporting revenue development with imports from Europe and North America
- Total expansion-related capital investment of €13.8m

# Food Group Underlying Revenue Growth

## Quarterly Underlying Revenue Growth



	Q1 2014	Q2 2014	Q3 2014	Q4 2014	FY 2014
Food Europe	0.7%	2.6%	4.1%	1.2%	<b>2.1%</b>
Food North America	1.7% <sup>1</sup>	(2.1)% <sup>1</sup>	2.7%	2.7%	<b>1.3%</b>
Food Rest of World	8.9%	2.9%	7.4%	12.6%	<b>7.9%</b>
<b>Total Food Group</b>	<b>1.8%</b>	<b>0.3%</b>	<b>3.7%</b>	<b>2.6%</b>	<b>2.1%</b>

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	FY 2013
Food Europe	(0.2)%	1.2%	(1.9)%	1.4%	<b>0.2%</b>
Food North America	1.3%	3.0%	(0.1)% <sup>1</sup>	2.3% <sup>1</sup>	<b>1.6%</b>
Food Rest of World	4.8%	6.4%	5.7%	9.5%	<b>6.6%</b>
<b>Total Food Group</b>	<b>0.9%</b>	<b>2.5%</b>	<b>(0.4)%</b>	<b>2.5%</b>	<b>1.3%</b>

<sup>1</sup> Excluding the transition of the DSD business to third parties, underlying revenue growth in Food North America would have been approximately 2.0% higher during these quarters.

- Proposed dividend
  - > 15 % of underlying fully diluted EPS
  - > 422.2 cent times 15 % = 63.33 cent (CHF 76.46 Rp.<sup>1</sup>)
  - > Euro increase of 17.2 % year-on-year
  - > Not subject to withholding tax
- Timetable for dividend
  - > Shareholder approval 2 December 2014 (Annual General Meeting)
  - > Expected ex-date 29 January 2015
  - > Expected payment date 2 February 2015

<sup>1</sup> Based on EUR 63.33 cent per share converted at the foreign exchange rate of one Euro to CHF 1.2073 on 25 September 2014, the date of preliminary approval of the ARYZTA financial statements.

# Food Group FY 2015 Financial Metrics



## Current Estimates

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Depreciation p.a.	€125 – 140 m
Amortisation p.a.	€135 – 150 m
Finance costs (including Hybrid financing) p.a.	€100 – 115 m
Effective tax rate	17% – 20%
Maintenance capex p.a.	€65 – 85 m
Dividend payout of underlying EPS p.a.	15%
Investment grade status	maintain
ROIC target on invested capital	15% within 3–5 years

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# Food Group – Five Year KPIs



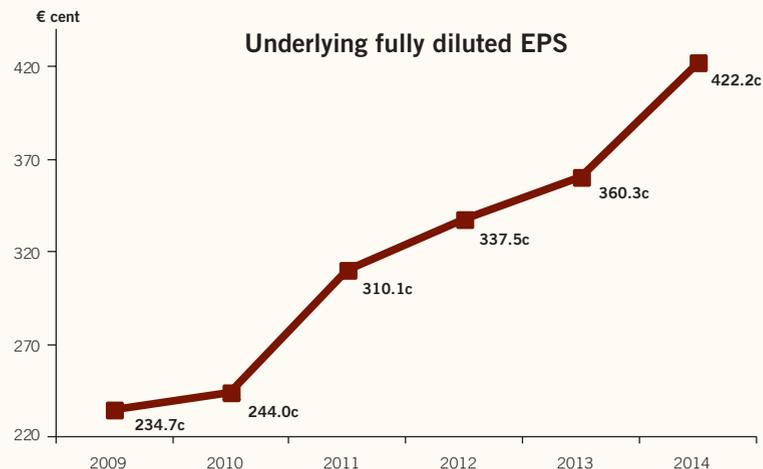
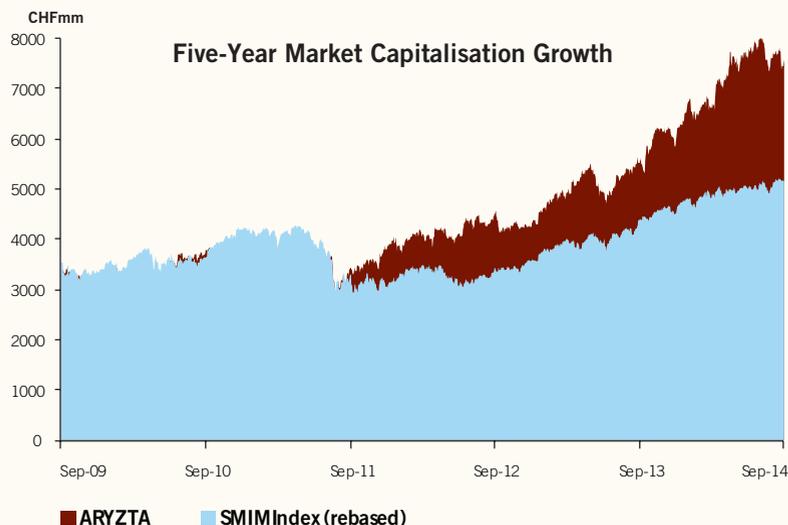
In EUR million	July 2010	July 2011	July 2012	July 2013	July 2014	Total/CAGR <sup>1</sup>
Revenue	1,679.4	2,577.4	2,867.6	3,085.5	<b>3,393.8</b>	<b>14.7%</b>
EBITDA	268.1	408.8	465.2	500.4	<b>589.2</b>	<b>17.8%</b>
Underlying Net Profit	157.7	218.1	246.6	268.4	<b>324.6</b>	<b>16.8%</b>
ARYZTA AG underlying fully diluted EPS (cent) <sup>1</sup>	244.0	310.1	337.5	360.3	<b>422.2</b>	<b>12.5%</b>
Cash generated from activities	251.0	271.9	298.6	352.8	<b>456.5</b>	<b>1,630.8</b>
Investment capital expenditure	(46.5)	(51.5)	(89.4)	(172.5)	<b>(276.8)</b>	<b>(636.7)</b>
Cash generated from activities after investment capital expenditure	204.5	220.4	209.2	180.3	<b>179.7</b>	<b>994.1</b>
Investment cost of acquisitions	(860.3)	(317.7)	(101.0)	(311.6)	<b>(862.8)</b>	<b>(2,453.4)</b>
Net debt as at 31 July	(1,115.6)	(955.5)	(976.3)	(849.2)	<b>(1,642.1)</b>	
Hybrid funding as at 31 July <sup>2</sup>	–	(348.9)	(333.0)	(648.4)	<b>(657.4)</b>	
Total Net Debt and Hybrid as at 31 July	(1,115.6)	(1,304.4)	(1,309.3)	(1,497.6)	<b>(2,299.5)</b>	
<b>Net Debt: EBITDA<sup>3</sup> calculations as at July 31</b>						
Net Debt: EBITDA <sup>3</sup> (hybrid as equity)	2.86x	2.24x	2.05x	1.57x	<b>2.45x</b>	
Net Debt: EBITDA <sup>3</sup> (hybrid as debt)	–	3.06x	2.75x	2.77x	<b>3.43x</b>	
Market value of ARYZTA's holding in Origin	245.0	351.4	346.6	570.1	<b>712.2</b>	

1 CAGR is calculated for the five-year period from FY2009.

2 Hybrid funding is shown based on 31 July spot rates and before associated issuance costs.

3 Food Group debt covenant EBITDA is adjusted for the pro forma full-year contribution of Food Group acquisitions and Origin and JV dividends received.

# ARYZTA Group – 5-Year Track Record as Swiss Listed Company



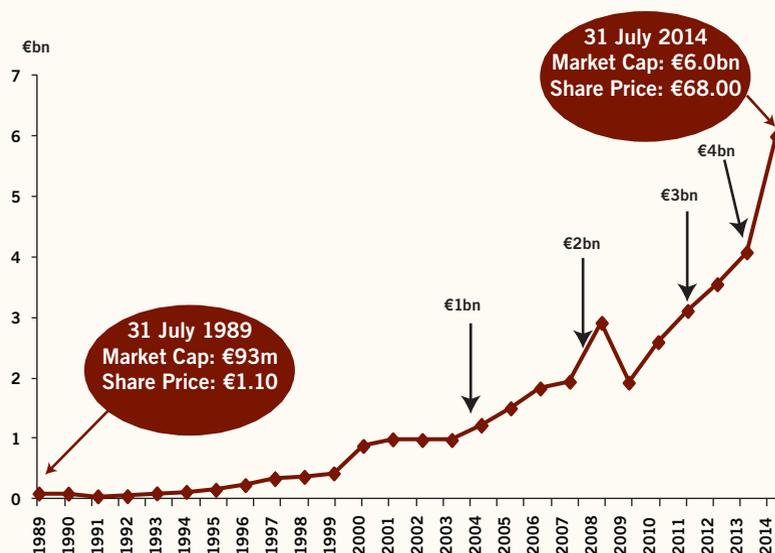
- Market valuation increased by € 4.1 bn
- Five-year underlying fully diluted EPS CAGR of 12.5 %
- Added to the Swiss Leader Index (SLI) comprised of the top 30 Swiss listed companies

# 25-Year Track Record as a Publically Listed Company

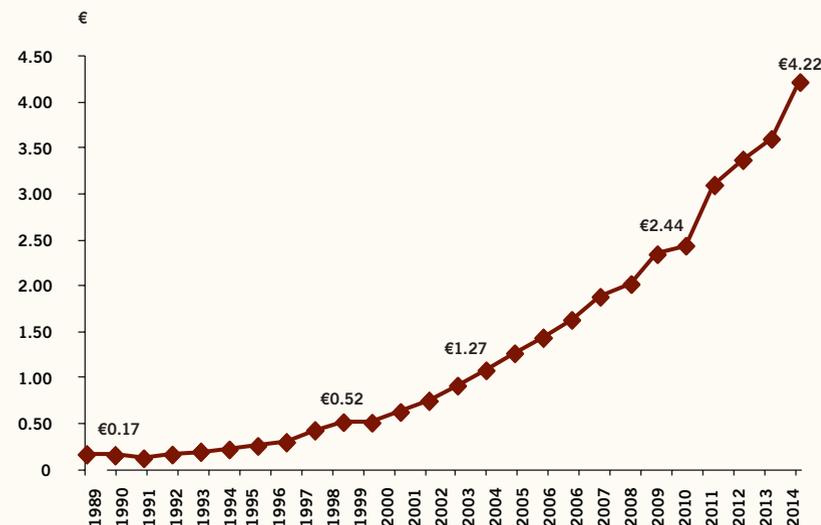
FY 1989 – FY 2014



Market Cap Growth



Implied Underlying Fully diluted EPS



- Market valuation increased by EUR +5.9 bn
- 25-year implied underlying fully diluted EPS CAGR of 13.8 % (14.8 % including dividend)

1. IAWS Group plc listed in FY 1989 acquired by ARYZTA AG FY 2009.

# Medium Term Outlook

- Restructured go-to-market strategy with scalable platform
- Aligned to requirements of major food corporations
- Highly cash generative business
- Expected to facilitate underlying revenue growth of 2%–4% p.a.
- Expected to convert to underlying EPS growth of 4%–6% p.a.
- Invested capital expected to enhance EPS by 3%–6% p.a.
- ROIC target on invested capital of 15% within 3–5 years

**Thank you!**

## **Appendix 1 – Origin Financials**

# Origin – Income Statement

Year ended 31 July 2014



in EUR '000	July 2014	July 2013	% Change
Group revenue	1,415,239	1,418,173	(0.2)%
EBITA	79,513	68,889	15.4 %
EBITA margin	5.6 %	4.9%	
Associates and JVs, net	13,392	21,856	
EBITA incl. associates and JVs	92,905	90,745	
Finance costs, net	(5,534)	(6,143)	
Pre-tax profits	87,371	84,602	
Income tax expense	(12,426)	(12,428)	
Underlying net profit	74,945	72,174	3.8 %
Underlying fully diluted EPS (cent) <sup>1</sup>	57.51c	52.11c	10.4 %

1 Origin July 2014 underlying fully diluted EPS is calculated using the weighted average number of shares in issue of 130,316,835 (2013: 138,499,155).

# Origin – Underlying Net Profit Rec.

Year ended 31 July 2014

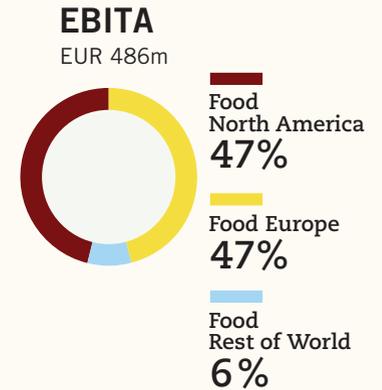


in EUR '000	July 2014	July 2013
Reported net profit	63,487	73,012
Intangible amortisation	6,277	5,689
Tax on amortisation	(1,438)	(1,873)
Share of associate intangible amortisation, net of tax	1,548	–
Net acquisition, disposal and restructuring-related costs and fair value adjustments	5,649	(2,458)
Tax on asset write-down and costs arising on integration	(578)	(2,196)
<b>Underlying net profit</b>	<b>74,945</b>	<b>72,174</b>
<b>Underlying fully diluted EPS (cent)<sup>1</sup></b>	<b>57.51c</b>	<b>52.11c</b>

1 Origin July 2014 underlying fully diluted EPS is calculated using the weighted average number of shares in issue of 130,316,835 (2013: 138,499,155).

## **Appendix 2 – Other Financial Information and Presentation Glossary**

# Food Group – International Footprint



# ARYZTA AG Underlying Net Profit Rec.

Year ended 31 July 2014



in EUR '000	July 2014	July 2013
Reported net profit	135,513	129,415
Intangible amortisation	130,039	112,331
Tax on amortisation	(30,148)	(31,833)
Share of associate intangible amortisation, net of tax	1,548	–
Hybrid instrument accrued dividend	(29,548)	(19,898)
Net acquisition, disposal and restructuring-related costs and fair value adjustments	176,360	117,356
Tax on asset write-down and costs arising on integration	(4,457)	10,402
Non-controlling interest portion of acquisition, disposal and restructuring-related costs and fair value adjustments	(1,616)	1,450
<b>Underlying net profit</b>	<b>377,691</b>	<b>319,223</b>
Dilutive impact of Origin management incentives	(213)	(114)
<b>Underlying fully diluted net profit</b>	<b>377,478</b>	<b>319,109</b>
<b>Underlying fully diluted EPS (cent)<sup>1</sup></b>	<b>422.2C</b>	<b>360.3c</b>

1 The July 2014 weighted average number of ordinary shares used to calculate diluted earnings per share is 89,407,313 (2013: 88,559,475).

# Food Group Underlying Net Profit Rec.

Year ended 31 July 2014



in EUR '000	July 2014	July 2013
Reported net profit <sup>1</sup>	92,252	79,161
Intangible amortisation	123,762	106,642
Tax on amortisation	(28,710)	(29,960)
Hybrid instrument accrued dividend	(29,548)	(19,898)
Net acquisition, disposal and restructuring-related costs and fair value adjustments	170,711	119,814
Tax on asset write-down and costs arising on integration	(3,879)	12,598
<b>Underlying net profit</b>	<b>324,588</b>	<b>268,357</b>

1 Food Group reported net profit attributable to equity shareholders excludes dividend income of €16,388,000 (2013: €14,250,000) from Origin and the gain on Origin tender offer share buyback of €66,568,000.

# ARYZTA AG Balance Sheet

as at 31 July 2014



in EUR '000	As at July 2014	As at July 2013
Property, plant and equipment	1,374,010	1,141,847
Investment properties	30,716	22,984
Goodwill and intangible assets	3,690,597	2,905,242
Deferred tax on acquired intangibles	(255,639)	(248,577)
Associates and joint ventures	54,911	45,235
Other financial assets	42,586	39,433
Working capital	(197,394)	(27,656)
Other segmental liabilities	(122,708)	(108,560)
Segmental net assets	4,617,079	3,769,948
Net debt	(1,653,991)	(878,787)
Deferred tax, net	(105,799)	(82,293)
Income tax payable	(60,152)	(46,570)
Derivative financial instruments	(5,680)	(1,669)
<b>Net assets</b>	<b>2,791,457</b>	<b>2,760,629</b>

# Food Group Balance Sheet

as at 31 July 2014



<i>in EUR '000</i>	As at July 2014	As at July 2013
Property, plant and equipment	1,283,584	1,061,200
Investment properties	23,141	15,409
Goodwill and intangible assets	3,539,225	2,775,430
Deferred tax on acquired intangibles	(246,717)	(240,554)
Working capital	(149,277)	(71,589)
Other segmental liabilities	(93,481)	(92,626)
Segmental net assets	4,356,475	3,447,270
Investment in and receivable from Origin	46,515	51,924
Net debt	(1,642,079)	(849,228)
Deferred tax, net	(102,102)	(79,582)
Income tax	(41,019)	(33,342)
Derivative financial instruments	(4,465)	46
<b>Net assets</b>	<b>2,613,325</b>	<b>2,537,088</b>

# Food Group – Financing

## Excluding Origin – non-recourse financing facilities



Debt Funding	Principal	Maturity
Feb 2014 – Syndicated Bank Loan	CHF 1,977m	Feb 2019
Feb 2014 – US Private Placement	USD 490m/EUR 25m	Feb 2020–Feb 2024
May 2010 – US Private Placement	USD 350m /EUR 25m	May 2016–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 300m	Jun 2017–Jun 2019

### Hybrid Funding

Oct 2010 – Perpetual callable subordinated instrument	CHF 400m	No maturity - to be called Oct 2014
April 2014 – Perpetual callable subordinated instrument	CHF 400m	No maturity - First call date April 2018

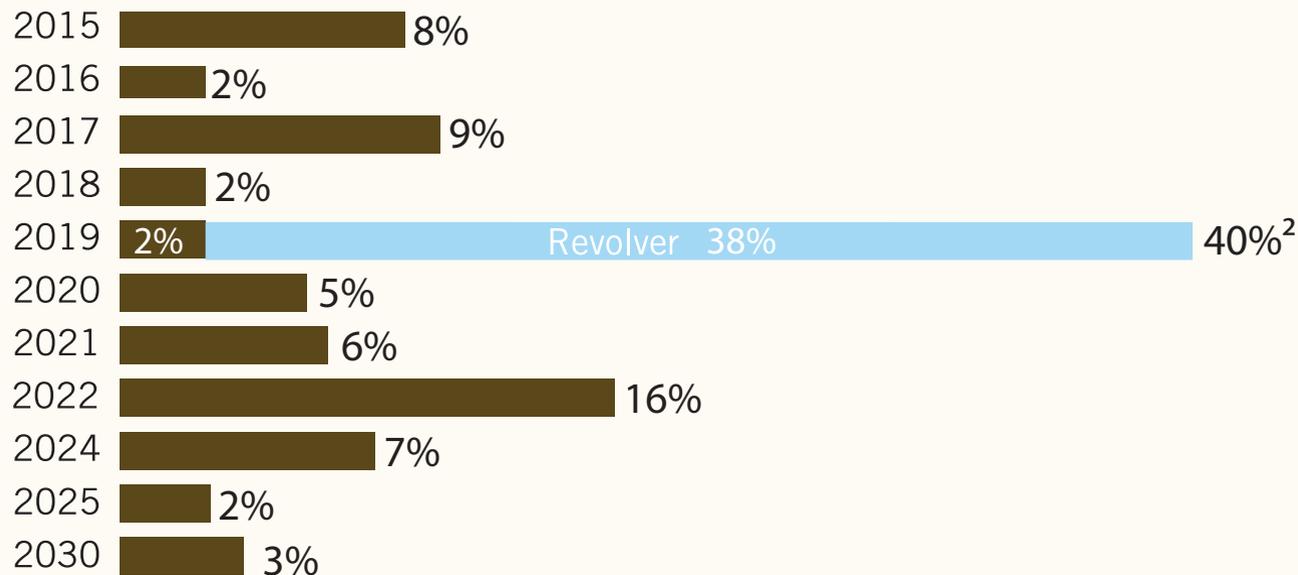
Net Debt: EBITDA <sup>1</sup>	July 2014	July 2013
Net Debt: EBITDA <sup>1</sup> (hybrid as equity)	2.45x	1.57x
Net Debt: EBITDA <sup>1</sup> (hybrid as debt)	3.43x	2.77x

1 Calculated based on the Food Group EBITDA, including dividend received from Origin, adjusted for the pro forma full-year contribution of Food Group acquisitions.

# Food Group – Gross Term Debt Maturity Profile

## Food Group Gross Term Debt Maturity Profile (excluding hybrid)<sup>1</sup>

Financial Year



- 1 The Food Group term debt maturity profile is set out as at 31 July 2014. Food Group gross term debt at 31 July 2014 is €1.961bn. Food Group net debt at 31 July 2014 is €1,642.1m, 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 €748.9m as at 31 July 2014, which represents 38% of the Food Group gross term debt.

# ARYZTA Group – Return on Invested Capital



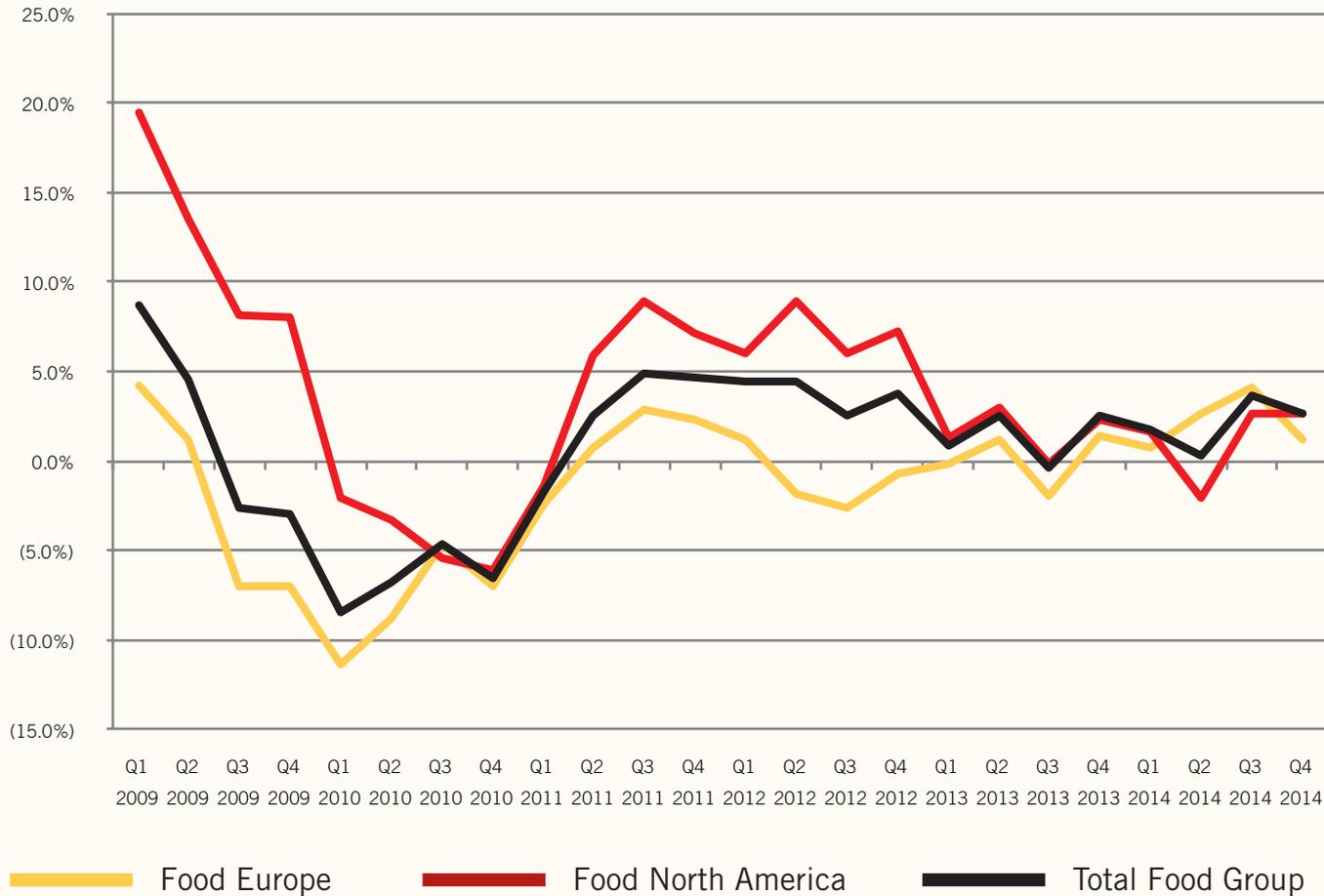
In EUR million	Food Europe	Food North America	Food Rest of World	Total Food Group	Origin <sup>2</sup>	ARYZTA Group <sup>2</sup>
<b>31 July 2014</b>						
Group share net assets <sup>1</sup>	1,811	2,303	243	4,357	432	4,789
EBITA incl. associates and JVs <sup>1</sup>	237	261	26	524	93	617
ROIC	13.1%	11.3%	10.6%	12.0%	21.5%	12.9%
<b>31 July 2013</b>						
Group share net assets <sup>1</sup>	1,652	1,556	239	3,447	467	3,914
EBITA incl. associates and JVs <sup>1</sup>	205	191	30	426	91	517
ROIC	12.4%	12.2%	12.7%	12.4%	19.4%	13.2%

1 See glossary on page 50 for definitions of financial terms and references used.

2 Origin net assets adjusted for the put option liability and fluctuation in average working capital by €171.8m (2013: €144.5m).

3 The Food Group WACC on a pre-tax basis is currently 7.0% (2013: 7.7%).

# Food Group – Underlying Revenue Growth



# Food Group – Five Year Cash Generation



In EUR million	July 2010	July 2011	July 2012	July 2013	July 2014	Five Year Total
EBIT	160.3	235.8	275.0	300.1	362.5	<b>1,333.7</b>
Amortisation	47.4	86.5	99.8	106.6	123.8	<b>464.1</b>
EBITA	207.7	322.3	374.8	406.7	486.3	<b>1,797.8</b>
Depreciation	60.4	86.5	90.4	93.7	102.9	<b>433.9</b>
EBITDA	268.1	408.8	465.2	500.4	589.2	<b>2,231.7</b>
Working capital movement	24.8	(13.0)	(19.3)	(11.2)	46.6	<b>27.9</b>
Maintenance capital expenditure	(10.3)	(39.3)	(46.2)	(43.7)	(60.0)	<b>(199.5)</b>
Dividends received	24.2	13.1	11.2	14.3	16.4	<b>79.2</b>
Hybrid dividend paid	–	–	(16.3)	(16.6)	(29.4)	<b>(62.3)</b>
Interest and income tax paid	(54.2)	(101.9)	(97.7)	(91.0)	(103.4)	<b>(448.2)</b>
Other non-cash (income)/charges	(1.6)	4.2	1.7	0.6	(2.9)	<b>2.0</b>
<b>Cash flows generated from activities</b>	<b>251.0</b>	<b>271.9</b>	<b>298.6</b>	<b>352.8</b>	<b>456.5</b>	<b>1,630.8</b>
Investment capital expenditure	(46.5)	(51.5)	(89.4)	(172.5)	(276.8)	<b>(636.7)</b>
<b>Cash flows generated from activities after investment capital expenditure</b>	<b>204.5</b>	<b>220.4</b>	<b>209.2</b>	<b>180.3</b>	<b>179.7</b>	<b>994.1</b>
Underlying net profit	157.7	218.1	246.6	268.4	324.6	1,215.4
Depreciation	60.4	86.5	90.4	93.7	102.9	433.9
	<b>218.1</b>	<b>304.6</b>	<b>337.0</b>	<b>362.1</b>	<b>427.5</b>	<b>1,649.3</b>
<b>Underlying net profit conversion to cash</b>	<b>115.1%</b>	<b>89.3%</b>	<b>88.6%</b>	<b>97.4%</b>	<b>106.8%</b>	<b>98.9%</b>

# Food Group – Five Year Net Debt



In EUR million	July 2010	July 2011	July 2012	July 2013	July 2014
Food Group opening net debt as at 1 August	(505.5)	(1,115.6)	(955.5)	(976.3)	(849.2)
Cash flows generated from activities	251.0	271.9	298.6	352.8	456.5
Hybrid instrument proceeds	–	285.0	–	319.4	–
Origin Tender offer proceeds	–	–	–	–	71.8
Cost of acquisitions	(860.3)	(317.7)	(101.0)	(311.6)	(862.8)
Share placement	115.0	–	140.9	–	–
Acquisition and restructuring-related cash flows	–	(31.8)	(88.6)	(86.5)	(105.6)
Investment capital expenditure	(46.5)	(51.5)	(89.4)	(172.5)	(276.8)
Contingent consideration	(2.1)	(12.9)	(7.2)	(0.2)	(4.2)
Dividends paid	(30.6)	(32.9)	(43.7)	(46.0)	(51.2)
Foreign exchange movement	(33.1)	51.1	(139.2)	62.0	(22.7)
Other	(3.5)	(1.1)	8.8	9.7	2.1
<b>Food Group closing net debt as at 31 July</b>	<b>(1,115.6)</b>	<b>(955.5)</b>	<b>(976.3)</b>	<b>(849.2)</b>	<b>(1,642.1)</b>
<b>Net Debt: EBITDA<sup>1</sup> calculations as at 31 July</b>					
TTM EBITDA	366.3	418.0	465.2	527.0	654.9
Dividends from Origin and JVs	24.2	8.6	10.4	14.3	16.4
<b>EBITDA for covenant purposes</b>	<b>390.5</b>	<b>426.6</b>	<b>475.6</b>	<b>541.3</b>	<b>671.3</b>

1 Calculated based on the Food Group EBITDA, including dividend received from Origin and JVs, adjusted for the pro forma full-year contribution of Food Group acquisitions.

# EUR Closing and Average FX Rates



<b>Closing Rates</b>	July 2014	July 2013	% Change
Swiss Franc	1.2169	1.2339	1.4 %
US Dollar	1.3430	1.3280	(1.1)%
Canadian Dollar	1.4611	1.3644	(7.1)%
Sterling	0.7933	0.8630	8.1 %

<b>Average Rates</b>	July 2014	July 2013	% Change
Swiss Franc	1.2250	1.2204	(0.4)%
US Dollar	1.3601	1.2996	(4.7)%
Canadian Dollar	1.4590	1.3080	(11.5)%
Sterling	0.8291	0.8303	0.1 %

# ARYZTA – Consensus Estimates<sup>1</sup>



## FY 2014

In EUR million	Low	High	Mean
<b>Based on 14 analysts</b>			
EBITA including associates & JVs <sup>2</sup>	539.0	645.0	559.0
Underlying fully diluted net profit <sup>3</sup>	338.0	368.7	359.2
Underlying EPS (cent) <sup>3</sup>	381.0	416.3	402.6

## FY 2015

In EUR million	Low	High	Mean
<b>Based on 13 analysts</b>			
EBITA including associates & JVs <sup>2</sup>	610.0	730.0	650.1
Underlying fully diluted net profit <sup>3</sup>	370.0	438.7	414.8
Underlying EPS (cent) <sup>3</sup>	425.0	491.3	464.5

1 Contributions for the consensus forecasts were received from Bank am Bellevue, Berenberg, Credit Suisse, Davy, Goldman, Goodbody, Investec, Helvea, Kepler, Mainfirst, Rabobank, Societe Generale, Vontobel, UBS and ZKB in September 2014. ARYZTA AG does not warrant the accuracy or completeness of these forecasts.

2 EBITA presented before impact of non-recurring items. Associates and JVs presented after interest and tax.

3 Underlying fully diluted net profit & EPS presented before impact of non-ERP amortisation, non-recurring items and related tax credits.

- ‘Associates and JVs, net’ – presented as profit from associates and JVs, net of taxes and interest, before non-ERP amortisation and the impact of associated non-recurring items.
- ‘EBITA’ – presented as earnings before interest, taxation, non-ERP related intangible amortisation; before net acquisition, disposal and restructuring-related costs and fair value adjustments and related tax credits.
- ‘EBITDA’ – presented as earnings before interest, taxation, depreciation and amortisation; before net acquisitions, disposal and restructuring-related costs and fair value adjustments and related tax credits.
- ‘ERP’ – Enterprise Resource Planning intangible assets include the Food Group SAP and Origin Microsoft Dynamics AX software systems.
- ‘Hybrid instrument’ – presented as Perpetual Callable Subordinated Instrument in the Financial Statements.
- ‘Net Assets’ – Based on segmental net assets, which excludes all bank debt, cash and cash equivalents and tax balances, with the exception of deferred tax liabilities associated with intangible assets, as those deferred tax liabilities represent a notional non-cash tax impact directly linked to segmental intangible assets recorded as part of a business combination, rather than an actual cash tax obligation.
- ‘Non-controlling interests’ – always presented after the dilutive impact of related subsidiaries’ management incentives.
- ‘Reported ROIC’ – Return On Invested Capital is calculated using pro-forma trailing twelve months segmental EBITA and Profit from associates and JVs (‘TTM EBITA’) reflecting the full twelve months contribution from acquisitions, divided by the respective Net Assets.
- ‘Underlying earnings’ – presented as reported net profit, adjusted to include the Hybrid instrument accrued dividend as finance cost; before non-ERP related intangible amortisation; before net acquisition, disposal and restructuring-related costs and fair value adjustments and before any non-controlling interest allocation of those adjustments, net of related tax impacts.
- ‘Underlying ROIC’ – Underlying Return On Invested Capital is calculated based on the Net Assets of the Food Group business that existed as of 31 July 2011, using currency rates consistent with 2011, excluding net assets and historical EBITA levels of acquisitions completed after 1 August 2011 and adding back asset impairments (unless recovered once the assets are disposed).