2011

Interim Report and Accounts

ARYZTA

Passion for good food

Table of Contents
Interim Report 2011

Interim Report 2011
Interim Financial and Business Review

1 Key performance highlights

Group
– Group revenue increased by 36% to €1.89bn.
– Group EBITA increased by 52% to €173.1m.
– Group EBITA margin increased by 90bps to 9.1%.
– Underlying fully diluted EPS increased by 34% to 140.3 cent.

Food Group
– Revenue increase of 60% to €1.28bn.
  - Food Europe increased by 10%.
  - Food North America increased by 140%.
  - Food Rest of World increased by 591%.
– Net debt reduced by 4.6% to €1.06bn.
– Net debt: EBITDA ratio of 2.46x.
– Food Group gross term debt weighted average maturity of circa 6.7 years.
– Weighted average interest cost of Food Group financing facilities of circa 4.14%.

Origin
– Origin Enterprises underlying fully diluted EPS growth of 32% to 11.45 cent.
– Origin Enterprises now strategically positioned as a focused agri-business.

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

"While the major feature of these results is the enormous contribution from our recently acquired businesses, we are most encouraged by the improvement in underlying revenue growth as consumers adjust to improving economic circumstances in most markets.

We have initiated business combination projects in Europe and North America which, as we roll out the ARYZTA Technology Initiative (ATI), will create the opportunity to unlock the potential within our enlarged customer base.

The speed and severity of food raw material price increases was unexpected and is again a major focus in the business. In such an inflationary environment, bakery plays an important role in a food menu or basket and provides an innovative value proposition for consumers".

Interim Financial and Business Review (continued)

2 ARYZTA AG – Income Statement

6 month period ended 31 January 2011

in Euro '000	January 2011	January 2010	% Change
Group revenue	1,894,272	1,394,053	35.9%
EBITA	173,118	114,013	51.8%
EBITA margin	9.1%	8.2%	–
Associates and JVs, net	10,729	13,635	–
EBITA incl. associates and JVs	183,847	127,648	44.0%
Finance cost, net	(36,713)	(23,723)	–
Hybrid instrument accrued dividend	(3,911)	–	–
Pre-tax profits	143,223	103,925	–
Income tax	(20,684)	(16,965)	–
Non-controlling interests	(6,263)	(4,430)	–
Underlying fully diluted net profit	116,276	82,530	40.9%
Underlying fully diluted EPS (cent)	**140.3c[1]**	**104.5c[1]**	**34.3%**

1 January 2011 underlying fully diluted EPS is calculated using the weighted average number of shares in issue of 82,856,277 (H1 2010: 78,946,101), following placement of 3,864,335 registered shares in June 2010 in relation to the acquisition of Fresh Start Bakeries.

2 See glossary in section 20 for definitions of financial terms and references used in the Interim Financial and Business Review.

3 ARYZTA AG – Underlying revenue growth

6 month period ended 31 January 2011

in Euro million	Food Europe	Food North America	Food Rest of World	Total Food Group	Origin[1]	Total Group
Group revenue	585.3	610.5	87.4	1,283.2	611.1	1,894.3
Underlying growth	(0.9)%	2.1%	18.4%	0.4%	7.4%	3.3%
Acquisitions and disposals	7.3%	128.2%	549.5%	54.3%	(7.4)%	28.1%
Currency	3.3%	9.4%	23.1%	5.5%	3.0%	4.5%
Revenue Growth	**9.7%**	**139.7%**	**591.0%**	**60.2%**	**3.0%**	**35.9%**

1 Origin revenue is presented after deducting intra group sales between Origin and Food Group.

4 ARYZTA AG – Segmental EBITA

6 month period ended 31 January 2011

in Euro '000	January 2011	January 2010	% Change
Food Group			
Food Europe	66,004	60,736	8.7%
Food North America	76,953	35,271	118.2%
Food Rest of World	12,520	2,073	504.0%
Total Food Group	155,477	98,080	58.5%
Origin	17,641	15,933	10.7%
Total Group EBITA	**173,118**	**114,013**	**51.8%**
Associates & JVs, net			
Food JVs	4,328	8,468	(48.9)%
Origin associates & JV	6,401	5,167	23.9%
Total associates & JVs, net	10,729	13,635	(21.3)%
Total EBITA incl. associates and JVs	**183,847**	**127,648**	**44.0%**

Interim Financial and Business Review (continued)

5 Food Group – Income Statement

6 month period ended 31 January 2011

in Euro '000	January 2011	January 2010	% Change
Group revenue	1,283,194	800,921	60.2%
EBITA	155,477	98,080	58.5%
EBITA margin	12.1%	12.2%	–
JVs, net	4,328	8,468	–
EBITA incl. JVs	159,805	106,548	50.0%
Finance costs, net	(30,590)	(15,961)	–
Hybrid instrument accrued dividend	(3,911)	–	–
Pre-tax profits	125,304	90,587	–
Income tax	(18,580)	(15,576)	–
Non-controlling interests	(1,716)	(1,257)	–
Underlying net profit	105,008	73,754	42.3%

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 base is a balanced mix of convenience and independent retail, large retail, quick service restaurants and other foodservice categories.

Total revenue growth in the Food Group business is underpinned by the recent strategic acquisitions. Underlying revenue growth during the period is returning, supported by evidence of a consumer recovery across most markets. However, the overall operating environment remains challenging with primary food inflation accelerating during the period. Dynamic pricing is being implemented to recover the cost from rising input prices.

Business combination initiatives are currently underway in the Food Europe and Food North America businesses, which combined with the ARYZTA Technology initiative (ATI), will create the opportunity to unlock the potential within the Group's enlarged customer base.

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 quick service restaurants.

Food Europe revenue grew by 9.7% to €585.3m, with acquisition contribution of 7.3% and underlying revenue decline of 0.9%. Food Europe's EBITA grew 8.7% to €66.0m.

Although revenue continued to decline in Ireland and UK over the period, there is evidence of market stabilisation. Challenges still remain in these markets with ongoing support to customers in repositioning their value proposition. In continental Europe, there is a return to growth, particularly in the independent segment (bakeries, boulangeries and independent restaurants).

Interim Financial and Business Review (continued)

8 Food North America

Food North America is a leading player in the US bakery market. It has a diversified customer base including multiple retail, restaurants, catering and hotels, leisure, hospitals, military, fundraising and quick service restaurants.

Food North America revenues grew by 140% to €610.5m, with acquisition contribution of 128% and underlying revenue growth of 2.1%. EBITA grew by 118% to €76.9m.

Growth during the period has been most evident in the retail and quick service restaurant segments, with continued focus on product and value added innovation. Customer centric business combination initiatives have commenced, which are supported by ATI.

9 Food Rest of World

ARYZTA has businesses in Brazil, Australia, New Zealand, Malaysia and Japan as well as joint venture production facilities in Chile and Guatemala.

Food Rest of World revenues grew by 591% to €87.4m, with acquisition contribution of 550% and underlying revenue growth of 18.4%. EBITA grew by 504% to €12.5m.

There has been continued focus on the Asian and Latin American quick service restaurant segment, with the construction of a new bakery in Brazil remaining on track. Income development in these markets indicates substantial attractive future opportunities to support ongoing customer developments.

10 Food Group strategic repositioning

ARYZTA has initiated business combination initiatives across its Food Europe and Food North America businesses. Costs relating to these initiatives, together with the fair value gain on the acquisition of Maidstone Bakeries (Maidstone) in October 2010, have resulted in a net benefit of €79.8m over the six month period to the end of January 2011. These break down as follows:

Non-recurring costs for 6 month period ending 31 January 2011

in Euro '000	Non-Cash	Cash	Total
Maidstone fair value gain on existing 50% at acquisition	121,391	–	121,391
Business combination costs	(18,809)	(13,491)	(32,300)
Transaction costs (including share purchase tax)	–	(9,265)	(9,265)
Net income statement impact	**102,582**	**(22,756)**	**79,826**

The full financial assessment of these initiatives is still ongoing. Once-off cash costs are targeted to convert 70% to 100% recurring cash EBITA, while non-cash costs should support the optimisation of future capital allocation needs.

In addition substantial progress continues to be made through ATI. SAP has now gone live in both the Otis Spunkmeyer and La Brea Bakery businesses with scoping ongoing across the rest of the North American business platform. The European business platform is also currently in the process of scoping the implementation of SAP.

Interim Financial and Business Review (continued)

Through these initiatives ARYZTA will be positioned to achieve its medium term financial targets of:
– 15%+ return on investment from existing asset base by 2015.
– 15%+ return on investment from new investments within 5 years.
– Net debt: EBITDA in the range of 2x - 3x.
– Effective tax rate target at sub 20%.
– Annual maintenance and investment capital expenditure to track annual depreciation.

11 Fair value gain on Maidstone acquisition

A non-cash gain on the previously 50% owned shares in Maidstone is being recorded in the period (under revised IFRS 3 implemented as required for the year ended 31 July 2010). The €121.4m[1] fair value non-cash gain is based on multiple of 10.2x EBITDA.

in Canadian Dollar million	
Pro forma TTM EBITDA	69.5
EBITDA acquisition multiple	10.2x
Assigned acquisition enterprise value	**709.0**

in Canadian Dollar million	
Carrying value of 50% investment before acquisition	91.8
Net purchase price	445.0
Fair value gain on existing 50% at acquisition	172.2
Assigned acquisition carrying value	**709.0**

1 CAD 172.2m gain translated at EURCAD rate of 1.42.

12 Primary food inflation

The period has seen a return of food raw material inflation and a consequent return to dynamic pricing, last seen in 2008. Current trends suggest double digit price inflation may be necessary to recover costs.

Volatility in these input costs is likely to become an ongoing feature of the industry, emphasising the importance of maintaining secure reliable material sourcing.

Bakery still offers the most compelling food value proposition to consumers in an ongoing inflationary environment. It has an essential role in menu delivery, especially within foodservice. Bakery is the least expensive component of a menu, as one of the lowest unit cost converters from grain to food. It plays an important role in maintaining the development of innovative value propositions to consumers.

13 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 €98.7m at 31 January 2011. The consolidated net debt of the Group excluding Origin's non-recourse debt amounted to €1.06bn and relates to the Food segments of the Group. The Food Group net debt: EBITDA ratio is 2.46x (excluding hybrid instrument as debt) and interest cover of 8.15x (excluding hybrid interest). The Food Group gross term debt weighted average maturity is circa 6.7 years. The weighted average interest cost of the

Interim Financial and Business Review (continued)

Food Group financing facilities is circa 4.14%. 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
May 2010 – Syndicated Bank Loan	CHF 600m	Dec 2014
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	March 2015
Jun 2007 – US Private Placement	USD 450m	Jun 2014 – Jun 2019

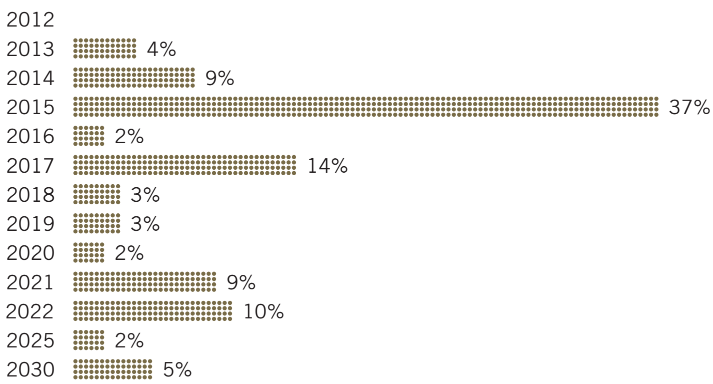
1 Weighted average interest cost of Food Group debt financing facilities (including overdrafts) as at 31 January 2011 of c. 4.14%.

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 calculations as at 31 January 2011	Ratio	
Net Debt: EBITDA (hybrid as equity)	2.46x	
Net Debt: EBITDA (hybrid as debt)	3.17x	
Banking covenant calculation (treats hybrid as 100% equity)	2.13x	(Net debt: EBITDA[2] covenant 3.5x)
US PP covenant calculation (treats hybrid as 25% equity)	2.99x	(Net debt: EBITDA covenant 4.0x)

2 EBITDA for banking covenant purposes includes impact of non-recurring items.

Gross Term Debt Maturity Profile[1]



1 Profile of term debt maturity is set out as at 31 January 2011. Food Group gross term debt at 31 January 2011 is € 1.29bn (excluding overdrafts of € 107.6m). Total Food Group net debt at 31 January 2011 is € 1.064bn.

Interim Financial and Business Review (continued)

Food Group cash generation

in Euro '000	January 2011	January 2010
EBIT	113,000	76,331
Amortisation	42,477	21,749
EBITA	155,477	98,080
Depreciation	41,545	28,044
Reported EBITDA	197,022	126,124
Working capital movement	(16,498)	(9,968)
Dividends received[1]	12,967	7,740
Maintenance capital expenditure	(22,092)	(6,683)
Interest and tax	(50,894)	(25,363)
Other non-cash income charges	5,165	(475)
Cash flow generated from activities	**125,670**	**91,375**
Investment capital expenditure	(26,199)	(22,591)
Cash flows generated from activities after capital expenditure	**99,471**	**68,784**
Underlying net profit	**105,008**	**73,754**

1 Includes dividends from Origin of €8,550,000 (H1 2010: nil).

Food Group net debt and investment activity

in Euro '000	Food Group
Food Group opening net debt as at 31 July 2010	**(1,115,623)**
Cash flows generated from activities	125,670
Hybrid instrument proceeds	285,061
Maidstone Bakeries acquisition	(316,563)
Business combination and transaction costs	(22,756)
Investment capital expenditure	(26,199)
Deferred consideration	(12,089)
Dividends paid	(2,066)
Foreign exchange movement[1]	19,606
Amortisation of financing costs and other	985
Food Group closing net debt as at 31 January 2011	**(1,063,974)**

1 Foreign exchange movement is primarily attributable to the fluctuation in the US Dollar to Euro rate between July 2010 (1.3079) and January 2011 (1.3699).

Interim Financial and Business Review (continued)

14 Return on investment

in Euro million	Food Europe	Food North America	Food Rest of World	Total Food Group	Origin	Total
2011						
Group share net assets	1,374	1,732	229	3,335	297	3,632
EBITA incl. associates and JVs	140	161	23	325	80	405
ROI	10.1%	9.3%	10.2%	9.7%	27.1%	11.1%
2010						
Group share net assets	1,288	676	7	1,971	354	2,325
EBITA incl. associates and JVs	127	85	4	216	73	289
ROI	9.9%	12.6%	59.9%	11.0%	20.6%	12.4%

15 Assets, goodwill & intangibles

Group Balance Sheet

in Euro '000	As at January 2011	As at January 2010
Property, plant and equipment	970,640	655,288
Investment properties	20,648	63,083
Goodwill and intangible assets	2,597,937	1,508,187
Associates and joint ventures	159,615	147,270
Working capital, net	(53,270)	40,135
Other segmental liabilities	(63,690)	(89,563)
Segmental net assets	3,631,880	2,324,400
Net debt	(1,162,699)	(678,348)
Deferred tax, net	(297,245)	(174,644)
Income tax	(52,288)	(43,907)
Derivative financial instruments, net	(961)	(6,710)
Net assets	**2,118,687**	**1,420,791**

Food Group Balance Sheet

in Euro '000	As at January 2011	As at January 2010
Property, plant and equipment	889,695	570,745
Investment properties	4,646	3,869
Goodwill and intangible assets	2,529,256	1,395,017
Joint ventures	5,527	60,118
Investment in Origin	51,045	51,045
Working capital, net	(49,450)	(18,884)
Other segmental liabilities	(43,400)	(40,217)
Segmental net assets	3,387,319	2,021,693
Net debt	(1,063,974)	(487,857)
Deferred tax, net	(288,527)	(160,838)
Income tax	(47,261)	(42,466)
Derivative financial instruments, net	(296)	(4,176)
Net assets	**1,987,261**	**1,326,356**

Interim Financial and Business Review (continued)

16 Origin

Origin is a leading agri-business group focused on integrated agronomy and agri-inputs, with operations in the UK, Ireland and Poland.

ARYZTA AG is the majority shareholder (71.4 %) in Origin Enterprises plc, which has a listing on the AIM in London and the ESM in Dublin (AIM:OGN, ESM:OIZ). As of 11 March 2011, Origin had a market capitalisation of €532m (133m shares at €4.00), valuing ARYZTA's holding at circa €380m (95m shares at €4.00).

Since listing, Origin has strategically repositioned its Marine Proteins and Oils, Consumer Food and Feed Ingredients businesses to associates and joint venture. It is now focused on a sustainable agricultural model with a capacity for expansion in a developing fragmented industry.

On 10 March 2011, Origin announced the acquisition of United Agri Products and Rigby Taylor. The acquisitions build upon Origin's core position in the provision of integrated production systems to primary food producers as well as broadening the Group's offering into new customer channels. On the same date Origin also announced its interim results. These results reflect positive on-farm momentum and a favourable planning environment for primary food producers.

17 Outlook

ARYZTA's revenue growth in the first six months of the financial year 2011 has been underpinned by its strategic acquisitions, while also seeing the re-emergence of underlying revenue growth across its markets.

The period has seen a return of food raw material inflation. This is an immediate focus for ARYZTA with current trends suggesting double digit price inflation may be necessary to recover costs. However, bakery still offers the most compelling food value proposition, remaining resilient in an inflationary environment.

ARYZTA continues to focus on unlocking the potential across its enlarged customer base. It is working to achieve this through its combination projects and ongoing investment in ATI underway in both Europe and North America, as well as its development investments in Food Rest of World.

The enlarged business platform is capable of propelling ARYZTA AG to achieve its midterm underlying fully diluted earnings target of 400+ cent per share by 2013 and its longer term target (2015) of 15%+ return on investment from its existing asset base. Current trending indicates full year 2011 earnings guidance of underlying fully diluted 300 cent per share appears reasonable.

18 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.

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 42 of the ARYZTA AG 2010 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 Glossary of financial terms and references

'EBITA' – presented before non-recurring items and related deferred tax credits. SAP 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 TTM EBITDA to 31 January 2011 including pro forma contribution from Fresh Start Bakeries, Great Kitchens, Maidstone Bakeries, dividends from Origin and excludes non-recurring items and related deferred tax credits. (Note, only in the case of EBITDA used for banking covenant calculation purposes, as presented in section 13, does it include non-recurring items and related deferred tax credits).

'Reported EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation reported for the period and before non-recurring items and related deferred tax credits.

'Return on Investment (ROI)' – is calculated as pro forma trailing twelve months EBITA (reflecting the full twelve months impact of Great Kitchens, Fresh Start Bakeries and Maidstone Bakeries acquisitions) over Group share of net assets.

For the purposes of the ROI calculation the pro forma EBITA is presented before impact of non-recurring items. SAP intangible asset amortisation is treated as depreciation.

Group share of net assets is defined as reported net assets excluding bank debt, cash and cash equivalents and tax related balances.

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

'Hybrid instrument' – presented as Perpetual Callable Subordinated Instrument in interim accounts.

'Interest coverage ratio' – EBITDA divided by TTM net interest charges.

Food Group WACC on a pre-tax basis is currently 7.7 %. Food Group WACC presented on a post-tax basis is currently 6.5%.

Bridge to Group Income Statement
for the six months ended 31 January 2011

in Euro '000	Food Group 2011	Origin 2011	Total Group 2011	Total Group 2010	% Change
Group revenue	**1,283,194**	**611,078[3]**	**1,894,272**	1,394,053	35.9%
EBITA	**155,477**	**17,641**	**173,118**	114,013	51.8%
Associates and JVs, net	**4,328**	**6,401**	**10,729**	13,635	–
EBITA incl. associates and JVs	**159,805**	**24,042**	**183,847**	127,648	44.0%
Finance cost, net	**(30,590)**	**(6,123)**	**(36,713)**	(23,723)	–
Hybrid instrument accrued dividend	**(3,911)**	–	**(3,911)**	–	–
Pre-tax profits	**125,304**	**17,919**	**143,223**	103,925	–
Income tax	**(18,580)**	**(2,104)**	**(20,684)**	(16,965)	–
Non-controlling interests	**(1,716)**	–	**(6,263)**	(4,430)	–
Underlying fully diluted net profit	**105,008**	**15,815**	**116,276**	82,530	40.9%
Underlying fully diluted EPS (cent)	–	**11.45c[1]**	**140.3c[2]**	104.5c[2]	34.3%

Underlying net profit reconciliation

in Euro '000	Food Group 2011	Origin 2011	Total Group 2011	Total Group 2010	% Change
Reported net profit	**158,146[4]**	**8,916**	**164,513**	64,371	155.6%
Intangible amortisation	**42,477**	**1,660**	**44,137**	23,751	–
Tax on amortisation	**(11,878)**	**(294)**	**(12,172)**	(5,341)	–
Maidstone Bakeries fair value gain on existing 50% at acquisition	**(121,391)**	–	**(121,391)**	–	–
Hybrid instrument accrued dividend	**(3,911)**	–	**(3,911)**	–	–
Business combination and transaction costs	**41,565**	**327**	**41,892**	–	–
Net loss on transfer of Origin Food and Feed Businesses to associates	–	**5,206**	**5,206**	–	–
Non-controlling interests on Origin Food and Feed transactions	–	–	**(1,582)**	–	–
Underlying net profit	**105,008**	**15,815**	**116,692**	82,781	41.0%
Dilutive impact of Origin management incentives	–	–	**(416)**	(251)	–
Underlying fully diluted net profit	**105,008**	**15,815**	**116,276**	82,530	40.9%
Underlying fully diluted EPS (cent)	–	**11.45c[1]**	**140.3c[2]**	104.5c[2]	34.3%

1 Actual Origin H1 2011 underlying fully diluted EPS is calculated using the weighted average number of shares in issue of 138,098,000 (H1 2010: 137,626,000).

2 January 2011 underlying fully diluted EPS is calculated using the weighted average number of shares in issue of 82,856,277 (H1 2010: 78,946,101), following placement of 3,864,335 registered shares in June 2010 in relation to the acquisition of Fresh Start Bakeries.

3 Origin revenue is presented after deducting intra group sales between Origin and Food Group.

4 Food Group reported net profit excludes dividend income of €8,550,000 from Origin.

Group Income Statement
for the six months ended 31 January 2011

in Euro '000	Notes	Six months ended 31 January 2011 Unaudited	Six months ended 31 January 2010 Unaudited
Revenue		**1,894,272**	1,394,053
Cost of sales		**(1,371,222)**	(1,005,422)
Gross profit		**523,050**	388,631
Distribution expenses		**(252,796)**	(200,236)
Administration expenses		**(141,273)**	(98,133)
Operating profit before gain/loss on transactions, integration, rationalisation and acquisition related costs		**128,981**	90,262
Net gain on acquisitions and disposals	4	**116,185**	–
Integration, rationalisation and acquisition related costs	4	**(41,892)**	–
Operating profit		**203,274**	90,262
Share of profit after tax of associates and joint ventures		**10,729**	13,635
Profit before financing income and costs		**214,003**	103,897
Financing income		**3,395**	3,057
Financing costs		**(40,108)**	(26,780)
Profit before tax		**177,290**	80,174
Income tax		**(8,512)**	(11,624)
Profit for the period		**168,778**	68,550
Attributable as follows:			
Equity shareholders of the Company		**164,513**	64,371
Non-controlling interests		**4,265**	4,179
Profit for the period		**168,778**	68,550

Earnings per share for the period	Notes	Six months ended 31 January 2011 Euro cent	Six months ended 31 January 2010 Euro cent
Basic earnings per share	5	**193.94**	81.54
Diluted earnings per share	5	**193.55**	81.22

Group Statement of Comprehensive Income
for the six months ended 31 January 2011

in Euro '000	Six months ended 31 January 2011 Unaudited	2010 Unaudited
Profit for the period	**168,778**	68,550
Other comprehensive income		
Foreign exchange translation effects		
– Foreign currency net investments	**(4,618)**	28,968
– Foreign currency borrowings	**24,373**	(17,736)
Cash flow hedges		
– Effective portion of changes in fair value of cash flow hedges	**4,510**	5,464
– Fair value of cash flow hedges transferred to income statement	**1,841**	511
– Deferred tax effect of cash flow hedges	**(1,108)**	(826)
Defined benefit plans		
– Actuarial gain/(loss) on Group defined benefit plans arising during the period	**795**	18
– Deferred tax effect of actuarial gain/(loss)	**(268)**	255
Total other comprehensive income for the period	**25,525**	16,654
Total comprehensive income for the period	**194,303**	85,204
Attributable as follows:		
Equity shareholders of the Company	**188,527**	80,613
Non-controlling interests	**5,776**	4,591
Total comprehensive income for the period	**194,303**	85,204

Group Balance Sheet
as at 31 January 2011

in Euro '000	31 January 2011 Unaudited	31 July 2010 Audited
Assets		
Non-current assets		
Property, plant and equipment	**970,640**	945,100
Investment properties	**20,648**	20,648
Goodwill and intangible assets	**2,597,937**	2,264,421
Investments in associates and joint ventures	**159,615**	162,881
Deferred tax assets	**72,458**	62,290
Total non-current assets	**3,821,298**	3,455,340
Current assets		
Inventory	**259,712**	212,085
Trade and other receivables	**342,817**	426,917
Derivative financial instruments	**1,761**	889
Cash and cash equivalents	**381,427**	394,587
Total current assets	**985,717**	1,034,478
Total assets	**4,807,015**	4,489,818

Group Balance Sheet (continued)
as at 31 January 2011

in Euro '000	31 January 2011 Unaudited	31 July 2010 Audited
Equity		
Called up share capital	**1,061**	1,061
Share premium	**632,951**	632,951
Retained earnings and other reserves	**1,424,875**	980,190
Total equity attributable to equity shareholders of the company	**2,058,887**	1,614,202
Non-controlling interests	**59,800**	59,648
Total equity	**2,118,687**	1,673,850
Liabilities		
Non-current liabilities		
Interest-bearing loans and borrowings	**1,494,977**	1,575,265
Employee benefits	**15,026**	15,454
Deferred income from government grants	**16,450**	18,477
Other payables	**6,497**	7,107
Deferred tax liabilities	**369,703**	356,386
Derivative financial instruments	**329**	804
Deferred consideration	**12,497**	25,829
Total non-current liabilities	**1,915,479**	1,999,322
Current liabilities		
Interest-bearing loans and borrowings	**49,149**	46,834
Trade and other payables	**655,799**	697,674
Corporation tax payable	**52,288**	53,209
Derivative financial instruments	**2,393**	6,460
Deferred consideration	**13,220**	12,469
Total current liabilities	**772,849**	816,646
Total liabilities	**2,688,328**	2,815,968
Total equity and liabilities	**4,807,015**	4,489,818

Group Statement of Changes in Equity
for the six months ended 31 January 2011

for the six months ended 31 January 2011 in Euro '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 shareholders equity	Non-controlling interests	Total
At 1 August 2010	**1,061**	**632,951**	**(30)**	**–**	**(2,603)**	**35,108**	**6,188**	**9,697**	**931,830**	**1,614,202**	**59,648**	**1,673,850**
Profit for the year	–	–	–	–	–	–	–	–	164,513	164,513	4,265	168,778
Foreign exchange translation effects	–	–	–	–	–	–	–	19,380	–	19,380	375	19,755
Cash flow hedges	–	–	–	–	4,278	–	–	–	–	4,278	965	5,243
Defined benefit plans	–	–	–	–	–	–	–	–	356	356	171	527
Total comprehensive income	**–**	**–**	**–**	**–**	**4,278**	**–**	**–**	**19,380**	**164,869**	**188,527**	**5,776**	**194,303**
Share-based payments	–	–	–	–	–	–	5,776	–	–	5,776	131	5,907
Equity dividends	–	–	–	–	–	–	–	–	(30,768)	(30,768)	–	(30,768)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(5,508)	(5,508)
Transfer of revaluation reserve to retained earnings	–	–	–	–	–	(22,262)	–	–	22,262	–	–	–
Issue of perpetual callable subordinated instrument (note 7)	–	–	–	285,061	–	–	–	–	–	285,061	–	285,061
Dividend on perpetual callable subordinated instrument (note 7)	–	–	–	–	–	–	–	–	(3,911)	(3,911)	–	(3,911)
Purchase of non-controlling interests	–	–	–	–	–	–	–	–	–	–	(247)	(247)
At 31 January 2011	**1,061**	**632,951**	**(30)**	**285,061**	**1,675**	**12,846**	**11,964**	**29,077**	**1,084,282**	**2,058,887**	**59,800**	**2,118,687**

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	Non-controlling interests	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 non-controlling interests	–	–	–	–	–	–	–	–	–	(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**

Group Cash Flow Statement
for the six months ended 31 January 2011

in Euro '000	Notes	Six months ended 31 January 2011 Unaudited	2010 Unaudited
Cash flows from operating activities			
Profit for period		**168,778**	68,550
Income tax		**8,512**	11,624
Financing income		**(3,395)**	(3,057)
Financing costs		**40,108**	26,780
Share of profit after tax of associates and joint ventures		**(10,729)**	(13,635)
Net gain on acquisitions and disposals	4	**(116,185)**	–
Integration, rationalisation and acquisition related costs		**19,136**	–
Depreciation of property, plant and equipment		**43,135**	31,254
Amortisation of intangible assets		**45,426**	23,751
Recognition of deferred income from government grants		**(339)**	(949)
Share-based payments		**5,907**	870
Cash flows from operating activities before changes in working capital		**200,354**	145,188
Decrease/(increase) in inventory		**(87,302)**	(10,881)
Decrease/(increase) in trade and other receivables		**48,863**	79,758
(Decrease)/increase in trade and other payables		**(32,889)**	(122,729)
Cash generated from operating activities		**129,026**	91,336
Interest paid, net		**(35,331)**	(20,811)
Income tax paid		**(25,319)**	(13,924)
Net cash flows from operating activities		**68,376**	56,601

Group Cash Flow Statement (continued)
for the six months ended 31 January 2011

in Euro '000	Notes	Six months ended 31 January 2011 Unaudited	Six months ended 31 January 2010 Unaudited
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**3,402**	1,249
Purchase of property, plant and equipment			
– maintenance capital expenditure		**(25,616)**	(9,180)
– investment capital expenditure		**(22,439)**	(22,591)
Acquisition of subsidiaries and businesses, net of cash acquired	9	**(316,563)**	–
Sale of subsidiaries and businesses, net of cash surrendered		**69,284**	–
Purchase of intangible assets		**(4,598)**	–
Dividends received from joint ventures		**4,417**	–
Dividends received from associates		**2,048**	9,714
Investments in associates and joint ventures		**(516)**	(2,455)
Repayment of loan to joint venture		**527**	–
Deferred consideration paid		**(12,089)**	(2,128)
Other		**(253)**	10
Net cash flows from investing activities		**(302,396)**	(25,381)
Cash flows from financing activities			
Net proceeds from issue of equity instruments	7	**285,061**	–
(Repayment)/drawdown of loan capital		**(55,545)**	(3,016)
Capital element of finance lease liabilities		**(856)**	(801)
Dividends paid to non-controlling interests		**(5,508)**	(2,742)
Dividends paid to equity shareholders		–	(27,861)
Net cash flows from financing activities		**223,152**	(34,420)
Net increase in cash and cash equivalents		**(10,868)**	(3,200)
Translation adjustment		**(3,731)**	(1,089)
Net cash and cash equivalents at start of period	6	**348,349**	269,144
Net cash and cash equivalents at end of period	6	**333,750**	264,855

Notes to the Group Condensed Interim Financial Statements
for the six months ended 31 January 2011

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 most recent Annual Financial Statements in respect of the year ended 31 July 2010, which have been prepared in accordance with IFRS.

These condensed interim financial statements for the six months ended 31 January 2011 and the comparative figures for the six months ended 31 January 2010 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 2010 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 2010 and 31 July 2010 comparative financial statement figures and related notes have been reclassified to conform to the 31 January 2011 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

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 56 to 67 of the ARYZTA AG 2010 Annual Report and Accounts.

To enable a full understanding of the Group's financial performance the Group has expanded its accounting policies that were in place as of 31 July 2010 to present certain items, by virtue of their size or nature, separately within operating profit. Transactions which may give rise to such treatment are principally net gain/loss on acquisitions and disposals, integration, rationalisation and acquisition related costs.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

3 Analysis by business segment

I) Segment revenue and result	Food Europe		Food North America		Food Rest of World		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	
in Euro '000	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Segment revenue[1]	**585,310**	533,624	**610,537**	254,657	**87,347**	12,640	**611,078**	593,132	**1,894,272**	1,394,053
Operating profit before non-recurring items	**45,834**	43,439	**57,639**	30,819	**9,527**	2,073	**15,981**	13,931	**128,981**	90,262
Gain/loss on transactions, integration, rationalisation and acquisition related costs	**(21,690)**	–	**102,539**	–	**(1,023)**	–	**(5,533)**	–	**74,293**	–
Operating profit	**24,144**	43,439	**160,178**	30,819	**8,504**	2,073	**10,448**	13,931	**203,274**	90,262
Share of profit after tax of associates and joint ventures	–	–	**3,754**	8,468	**574**	–	**6,401**	5,167	**10,729**	13,635
Profit before financing costs	**24,144**	43,439	**163,932**	39,287	**9,078**	2,073	**16,849**	19,098	**214,003**	103,897
Financing costs									**(36,713)**	(23,723)
Profit before tax as reported in Group Income Statement									**177,290**	80,174

1 There are no significant intercompany revenues between the Group's food business segments.
There were €2,235,000 (2010: €3,661,000) in intra group revenue between the Origin and food business segments of the Group.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

II) Segment assets in Euro '000	Food Europe as at 31 Jan 2011	Food Europe as at 31 Jul 2010	Food North America as at 31 Jan 2011	Food North America as at 31 Jul 2010	Food Rest of World as at 31 Jan 2011	Food Rest of World as at 31 Jul 2010	Origin as at 31 Jan 2011	Origin as at 31 Jul 2010	Total Group as at 31 Jan 2011	Total Group as at 31 Jul 2010
Segment assets excluding investments in associates and joint ventures	**1,673,208**	1,716,751	**1,901,035**	1,387,060	**244,633**	243,862	**372,878**	521,498	**4,191,754**	3,869,171
Investments in associates and joint ventures	**280**	293	**1,573**	69,584	**3,674**	3,263	**154,088**	89,741	**159,615**	162,881
Segment assets	**1,673,488**	1,717,044	**1,902,608**	1,456,644	**248,307**	247,125	**526,966**	611,239	**4,351,369**	4,032,052
Reconciliation to total assets as reported in Group balance sheet										
Derivative financial instruments									**1,761**	889
Cash and cash equivalents									**381,427**	394,587
Deferred tax assets									**72,458**	62,290
Total assets as reported in Group balance sheet									**4,807,015**	4,489,818

III) Segment liabilities in Euro '000	Food Europe as at 31 Jan 2011	Food Europe as at 31 Jul 2010	Food North America as at 31 Jan 2011	Food North America as at 31 Jul 2010	Food Rest of World as at 31 Jan 2011	Food Rest of World as at 31 Jul 2010	Origin as at 31 Jan 2011	Origin as at 31 Jul 2010	Total Group as at 31 Jan 2011	Total Group as at 31 Jul 2010
Segment liabilities	**299,454**	290,001	**170,011**	175,808	**19,692**	17,544	**230,332**	293,657	**719,489**	777,010
Reconciliation to total liabilities as reported in Group balance sheet										
Interest-bearing loans and borrowings									**1,544,126**	1,622,099
Derivative financial instruments									**2,722**	7,264
Current and deferred tax liabilities									**421,991**	409,595
Total liabilities as reported in Group balance sheet									**2,688,328**	2,815,968

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

4 Cost items within operating profit

	Notes	Six months ended 31 January 2011 in Euro '000	2010 in Euro '000
Fair value gain on acquisition			
Fair value gain on acquisition of 50% share in Maidstone Bakeries	4.1	121,391	–
Net loss on disposal of businesses			
Loss on disposal of Origin Food business	4.4	(8,125)	–
Gain on disposal of Origin Feed business	4.5	2,919	–
Net gain on acquisitions and disposals		116,185	–
Integration, rationalisation and acquisition related costs			
Integration and rationalisation related costs	4.2		
– Asset write-downs		(13,412)	–
– Severance and other staff related costs		(7,877)	–
– Grant related costs		(2,449)	–
– Contractual obligations		(3,654)	–
– Other		(5,235)	–
Acquisition related costs	4.3	(9,265)	–
		(41,892)	–
Total		**74,293**	**–**

4.1 Fair value gain on acquisition

On 29 October 2010, ARYZTA closed the acquisition of all outstanding shares of the previously 50% owned Maidstone Bakeries joint venture for total deemed consideration of €502,808,000. The consideration was based on a discounted cash flow enterprise value and was in line with market valuation multiples on comparable industry transactions. Maidstone Bakeries is no longer treated as a joint venture for accounting purposes and is now fully consolidated in the Food North America segment. A non-cash gain of €121,391,000 on the previously owned 50% of Maidstone Bakeries has been recorded within operating profit in these financial statements. This is a requirement under IFRS 3 (revised), Business Combinations, implemented by the Group as required for the financial year ended 31 July 2010. See note 9 for further details.

4.2 Integration and rationalisation related costs

During the period the Group commenced two separate integration and rationalisation programs in each of its Food Europe and Food North America segments. These programs will allow the development of two principal operating platforms in Food Europe and Food North America to optimise the Group's manufacturing and business support platforms.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

As a result of decisions made through these projects the Group has incurred and provided for costs to be incurred during the financial period through its income statement as follows:

Asset write-downs
As part of the implementation of the Group's integration and rationalisation programs the Group has commenced the closure and/or reduction in activity of a number of its operational sites. As part of this process the Group has written down to nil certain manufacturing, distribution and administration assets related to these sites during the period for a total charge of €13,412,000.

Severance and other staff related costs
The Group has incurred and provided for €7,877,000 in severance costs during the period in relation to employees whose service was discontinued following the actual or announced closure and rationalisation of certain Group operational sites.

Grant related costs
The termination of certain activities caused by the Group's integration and rationalisation programs have resulted in the triggering of certain grant repayment conditions. This has resulted in the reversal of circa €2,449,000 in grants previously amortised through the Group's income statement.

Contractual obligations
The operational decisions made through the Group's integration and rationalisation projects triggered an early termination and/or resulted in certain operational contracts becoming onerous. The Group has incurred total costs during the period to either exit or provide for such contracts of €3,654,000.

Other costs
The Group has identified €5,235,000 in other costs related directly to the implementation of its integration and rationalisation programs during the period. These costs compose principally of integration advisory costs, directly attributable incremental internal staff costs and operational site decommissioning costs.

4.3 Acquisition related costs
Acquisition related transaction costs incurred during the period of €9,265,000, relate primarily to the acquisition of the outstanding 50% of Maidstone Bakeries. 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 through the income statement.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

4.4 Loss on disposal of Origin Food business

On 10 September 2010, the Group's 71.4% subsidiary and separately listed company, Origin Enterprises plc ('Origin'), announced that it had reached an agreement with CapVest Limited ('CapVest') to establish Valeo Foods Group Limited ('Valeo'), to facilitate consolidation of Irish consumer food brands. On 28 November 2010, Origin further announced that Valeo had completed the simultaneous acquisitions of the branded food businesses of Origin and the Irish food company Batchelors. With effect from 26 November 2010, Origin's 44.1% investment in Valeo has been treated as an associate undertaking and accounted for using the equity method in accordance with IAS 28, Investments in Associates.

A loss of €8,125,000 was realised on the disposal of Origin Foods to Valeo. The impact of this loss on ARYZTA's profit attributable to equity shareholders for the period is €5,803,000 which is after deduction of Origin non-controlling interests. The loss was calculated as follows:

in Euro '000	
Net assets transferred on 26 November 2010:	
Property, plant and equipment	(30,810)
Goodwill and intangible assets	(43,174)
Working capital	(12,976)
Provisions for liabilities and charges	3,429
Net assets transferred	**(83,531)**
Consideration:	
Fair value of 44.1% equity interest in Valeo Foods	17,108
Investment in associate through vendor loan note	33,540
Net cash consideration	27,518
Total consideration received	**78,166**
Costs directly related to the transaction	(2,760)
Loss on disposal of Origin Food business	**(8,125)**

4.5 Gain on disposal of Origin Feed business

On 10 November 2010, Origin announced that it had reached agreement with W&R Barnett Limited ('Barnett') to establish an all-Ireland grain and feed handling logistics and trading business. The all-Ireland business was formed through the integration of Origin's R&H Hall ('Hall') business in the Republic of Ireland with the business of Origin and Barnett in Northern Ireland. The transaction was completed on 28 January 2011. Under the terms of the transaction, Barnett acquired a 50% interest in Hall, mirroring the economic interests of Origin and Barnett in the Northern Ireland business.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

Origin now holds a 50% interest in Hall and from 28 January 2011 this 50% holding is treated as an associate undertaking in accordance with IAS 28, Investments in Associates. A gain arose on the transaction as follows:

in Euro '000	
Net assets transferred on 28 January 2011:	
Property, plant and equipment	(15,412)
Working capital	(36,277)
Provisions for liabilities and charges	2,667
Net assets transferred	**(49,022)**
Consideration:	
Net cash consideration	40,886
Fair value of existing 50% equity interest in Hall	11,055
Total consideration received	**51,941**
Gain on disposal of Origin Feed business	**2,919**

5 Earnings per share

	Six months ended 31 January	
	2011	2010
Basic earnings per share	in Euro '000	in Euro '000
Profit for period attributable to equity shareholders	**164,513**	64,371
Perpetual callable subordinated instrument accrued dividend	**(3,911)**	–
Profit attributable to ordinary equity shareholders	**160,602**	64,371
Weighted average number of ordinary shares	'000	'000
Issued ordinary shares at 1 August	**82,810**	78,946
Effect of shares issued during the period	**–**	–
Weighted average number of ordinary shares for the period	**82,810**	78,946
Basic earnings per share	**193.94 cent**	81.54 cent

	2011	2010
Diluted earnings per share	in Euro '000	in Euro '000
Profit for period attributable to equity shareholders	**164,513**	64,371
Perpetual callable subordinated instrument accrued dividend	**(3,911)**	–
Effect on non-controlling interests share of profits due to dilutive effect of Origin management equity entitlements	**(234)**	(251)
Diluted profit for financial period attributable to ordinary equity shareholders	**160,368**	64,120
Weighted average number of ordinary shares (diluted)	'000	'000
Weighted average number of ordinary shares used in basic calculation	**82,810**	78,946
Effect of equity instruments with a dilutive effect	**46**	–
Weighted average number of ordinary shares (diluted) for the period	**82,856**	78,946
Diluted earnings per share	**193.55 cent**	81.22 cent

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

6 Analysis of net debt

in Euro '000	1 August 2010	Cash flows	Arising on business combination	Non-cash movements	Translation adjustment	31 January 2011
Cash	394,587	(9,844)	–	–	(3,316)	381,427
Overdrafts	(46,238)	(1,024)	–	–	(415)	(47,677)
Cash and cash equivalents	**348,349**	**(10,868)**	–	–	**(3,731)**	**333,750**
Loans	(1,572,275)	55,545	(242)	(1,160)	24,373	(1,493,759)
Finance leases	(3,586)	856	(21)	–	61	(2,690)
Net debt	**(1,227,512)**	**45,533**	**(263)**	**(1,160)**	**20,703**	**(1,162,699)**

Split of net debt in Euro '000	1 August 2010	Cash flows	Arising on business combination	Non-cash movements	Translation adjustment	31 January 2011
Food Group net debt	(1,115,623)	32,854	(21)	(790)	19,606	(1,063,974)
Origin net debt	(111,889)	12,679	(242)	(370)	1,097	(98,725)
Net debt	**(1,227,512)**	**45,533**	**(263)**	**(1,160)**	**20,703**	**(1,162,699)**

Finance leases include amounts due within 1 year of €1,472,000 (2010: €596,000).

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

7 Other equity reserve

In October 2010, the Group raised CHF 400m through the issuance of a Perpetual Callable Subordinated Instrument ('Hybrid Instrument'), which has been recognised within equity. The proceeds from the issuance were used as principal financing for ARYZTA's acquisition of the remaining 50% share of the Maidstone Bakeries joint venture held by Tim Hortons Inc. See note 9 for further details.

in Euro '000	2011
At 1 August 2010	–
Issuance of hybrid instrument, net of transaction costs	285,061
At 31 January 2011	**285,061**

The Hybrid Instrument offers a coupon of 5%, accruing €3,911,000 to January 2011 (2010: €nil), and is undated with an initial call date by ARYZTA after four years. The balance recognised on issuance is shown net of transaction costs of €7,380,000.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

8 Dividends

The proposed dividend covering the 12 month period to 31 July 2010 of CHF 0.4802 (2009: CHF 0.5324) per registered share was approved at the annual shareholders' meeting held on 2 December 2010. The total resulting dividend of CHF 39,765,571 (2009: CHF 42,031,000) was paid in February 2011, to those shareholders holding shares in ARYZTA AG on 26 January 2011.

9 Acquisitions

The Group completed the acquisition of the outstanding 50% of the Maidstone Bakeries (Maidstone) joint venture on 29 October 2010. As a result and from that date, Maidstone has been accounted for as a subsidiary undertaking and not as a joint venture.

Maidstone operates in Brantford, Ontario from a purpose-built circa 400,000 square-foot bakery. Currently, Maidstone exclusively services the Tim Hortons network under a contractual arrangement which extends to 2016 (or 2017 at Tim Hortons' option) and may be extended beyond this point by mutual agreement.

The goodwill arising on this business combination is attributable to the skills and talent of the Maidstone work force, the synergies expected to be achieved from integrating Maidstone into the Group's existing businesses and increasing capacity utilisation of the facility.

Details of net assets acquired and goodwill arising from this business combination are set out below:

in Euro '000	Provisional fair value
Provisional fair value of net assets acquired:	
Property, plant and equipment	95,202
Intangible assets	173,943
Inventory	7,925
Trade and other receivables	6,592
Trade and other payables	(12,683)
Finance leases	(21)
Deferred tax	(24,290)
Income tax	(2,385)
Net assets acquired	**244,283**
Goodwill arising on acquisition	258,525
Consideration	**502,808**
Satisfied by:	
Cash consideration	334,719
Cash acquired	(18,156)
Net cash consideration	**316,563**
Investment in joint venture on acquisition date	64,854
Fair value gain on 50% equity interest held prior to acquisition date	121,391
Consideration	**502,808**

Notes to the Group Condensed Interim Financial Statements (continued) for the six months ended 31 January 2011

Transaction expenses of €6,023,000 related to the Maidstone Bakeries transaction have been charged to integration, rationalisation and acquisition related costs in the Group Income Statement.

ARYZTA's existing 50% equity interest of the joint venture has been re-measured at its fair value, with the resulting gain, over the previous carrying value, of €121,391,000 recognised within the net gain on acquisitions and disposals in the Group Income Statement.

The impact of this business combination during the period on the Income Statement of the Group is set out in the following table:

in Euro '000	
Revenue	43,201
Profit for the period	8,495

If the acquisition had occurred on 1 August 2010, management estimates that consolidated revenue would have been €1,915,474,000 and consolidated profit for the period would have been €169,667,000. In determining these amounts 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 2010.

For the identification and estimation of the fair value of the acquired intangibles of Maidstone, ARYZTA was assisted by an independent appraisal firm. The identified intangibles include the fair value of customer relationships. The excess earnings method (income approach method) was the basis for the fair value of customer relationships.

The fair values presented in this note are based on provisional valuations due to the close proximity of the transaction to the end of the period.

10 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 2010.

11 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.

12 Subsequent events

On 8 March 2011, Origin acquired 100% of United Agri Products Limited (UAP) based on an enterprise value of GBP 33m and the delivery of average working capital. Further consideration of GBP 4m will be paid in March 2013.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2011

On 9 March 2011, Origin also acquired 100% of the share capital of Rigby Taylor Limited (Rigby Taylor) for an initial cash consideration of GBP 9.2m. Deferred consideration of up to GBP 1m will be paid upon the achievement of specific profit targets.

The results for both UAP and Rigby Taylor will be consolidated into the Origin results from the date of acquisition to 31 July 2011

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

14 Related party transactions
There have been no related party transactions or changes in related party transactions other than those described in the ARYZTA AG 2010 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 2011.

15 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 2011

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 interim 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

14 March 2011