2014

Interim Report and Accounts

ARYZTA
Passion for good food

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Interim Report 2014

Interim Report 2014

Interim Financial and Business Review

1 Key performance highlights

Food Group

– Revenue increased 5.7% to €1.59bn.
  - Food Europe increased 19.1%.
  - Food North America decreased (3.5)%.
  - Food Rest of World decreased (9.9)%.
– EBITA increased 5.6% to €194.2m.
– EBITA increased 10.8% to €203.7m using constant currency.
  - Food Europe increased 18.7%.
  - Food North America decreased (0.9)%.
  - Food Rest of World decreased (21.4)%.
– Food Group EBITA margin maintained at 12.3% (12.5% in constant currency).
– Underlying fully diluted net profit increased 6.5% to €129.4m.
– Underlying net profit conversion to cash 102.4% (January 2013: 101.9%).
– Net debt: EBITDA ratio of 1.58x (July 2013: 1.57x).

Origin

– Revenue decreased (8.8)% to €517.6m.
– EBITA increased 68.1% to €4.0m.
– Contribution from associates and joint ventures decreased (38.4)% to €6.7m.
– Underlying fully diluted EPS decreased by (21.9)% to 5.93 cent.
– Returned €100m to shareholders via tender offer.

Group

– Group revenue increased 1.7% to €2.10bn.
– Group EBITA increased 6.4% to €198.3m.
– Underlying fully diluted net profit increased 4.7% to €135.6m.
– Underlying fully diluted EPS increased 4.1% to 152.4 cent.

Investment update

In March 2014, ARYZTA agreed to acquire 100% of both Pineridge Bakery in Canada and Cloverhill Bakery in the US. The combined consideration of these acquisitions was €730m, with further post-acquisition investments of €70m anticipated to support a strong growth pipeline and integration. Once complete, these acquisitions will significantly enlarge ARYZTA's bakery capabilities, customer access and product portfolio in North America and should provide double digit EPS accretion in fiscal 2015.

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

"ARYZTA continues to make excellent progress with our Customer Centric strategy in this the final year of the ARYZTA Transformation Initiative. We have begun to undertake consolidation opportunities to extend market share and customer relevance in what is a fragmented sector. Continued financial discipline and strong cash generation will support these growth strategies, as well as improve our overall risk profile. We are guiding double digit growth in underlying EPS for FY 2014".

Interim Financial and Business Review (continued)

2 ARYZTA Group – Income Statement
Six month period ended 31 January 2014

in EUR '000	January 2014	January 2013	% Change
Group revenue	2,102,800	2,067,994	1.7%
EBITA	198,254	186,311	6.4%
EBITA margin	9.4%	9.0%	–
Associates and JVs, net	6,693	11,069	–
EBITA incl. associates and JVs	204,947	197,380	3.8%
Finance cost, net	(26,005)	(33,367)	–
Hybrid instrument accrued dividend	(14,258)	(8,234)	–
Pre-tax profits	164,684	155,779	–
Income tax expense	(25,193)	(21,696)	–
Non-controlling interests	(3,913)	(4,652)	–
Underlying fully diluted net profit	135,578	129,431	4.7%
Underlying fully diluted EPS (cent)	**152.4c[1]**	**146.4c[1]**	**4.1%**

1 ARYZTA January 2014 underlying fully diluted earnings per share is calculated using a weighted average number of diluted shares of 88,951,383 (January 2013: 88,395,981).

2 See glossary in section 19 for definitions of financial terms and references used in the financial and business review.

3 ARYZTA Group – Underlying revenue growth
Six month period ended 31 January 2014

in EUR million	Food Europe	Food North America	Food Rest of World	Total Food Group	Origin	ARYZTA Group
Group revenue	764.0	714.7	106.5	1,585.2	517.6	2,102.8
Underlying growth	1.7%	(0.2)%[1]	5.9%	1.1%	(5.4)%	(0.7)%
Acquisitions	18.6%	1.9%	–	8.9%	–	6.5%
Currency	(1.2)%	(5.2)%	(15.8)%	(4.3)%	(3.4)%	(4.1)%
Revenue Growth	**19.1%**	**(3.5)%**	**(9.9)%**	**5.7%**	**(8.8)%**	**1.7%**

1 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 the period.

4 ARYZTA Group – Segmental EBITA
Six month period ended 31 January 2014

in EUR '000	January 2014	January 2013	% Change
Food Group			
Food Europe	92,097	77,611	18.7%
Food North America	89,899	90,738	(0.9)%
Food Rest of World	12,246	15,576	(21.4)%
Total Food Group	194,242	183,925	5.6%
Origin	4,012	2,386	68.1%
Total Group EBITA	**198,254**	**186,311**	**6.4%**
Associates & JVs, net			
Food JVs	–	203	(100.0)%
Origin associates & JVs	6,693	10,866	(38.4)%
Total associates & JVs, net	6,693	11,069	(39.5)%
Total EBITA incl. associates and JVs	**204,947**	**197,380**	**3.8%**

Interim Financial and Business Review (continued)

5 Food Group – Income Statement

Six month period ended 31 January 2014

in EUR '000	January 2014	January 2013	% Change
Group revenue	1,585,194	1,500,314	5.7%
EBITA	194,242	183,925	5.6%
EBITA margin	12.3%	12.3%	–
JVs, net	–	203	–
EBITA incl. JVs	194,242	184,128	5.5%
Finance cost, net	(23,631)	(30,333)	–
Hybrid instrument accrued dividend	(14,258)	(8,234)	–
Pre-tax profits	156,353	145,561	–
Income tax expense	(24,824)	(21,986)	–
Non-controlling interests	(2,125)	(2,073)	–
Underlying net profit	129,404	121,502	6.5%

6 Food Group business

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

Total Food Group revenue grew by 5.7% to €1.59bn. This growth consists of underlying growth of 1.1%, in what continues to be a very challenging trading environment. There was a strong contribution of 8.9% from acquisitions, while currency had a negative (4.3)% impact.

Food EBITA increased by 5.6% to €194.2m, while EBITA margins were maintained at 12.3%, reflecting the impact of the continued fragile consumer spending environment and the absence of notable price increases in the period.

7 Food Europe

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

Food Europe revenue increased by 19.1% to €764.0m. Underlying revenue grew by 1.7%. There was a very strong contribution of 18.6% from acquisitions, while currency had a negative (1.2)% impact.

The continuing strong acquisition contribution is largely attributable to the acquisition of Klemme, which has enabled ARYZTA to target the high growth In Store Bake-off ('ISB') market for large retail customers.

The improved underlying growth in Europe reflects the commissioning of new capacity in Poland and the improved channel mix between Independent & Convenience and large retail customers.

Interim Financial and Business Review (continued)

Food Europe EBITA increased by 18.7% to €92.1m, while EBITA margins were maintained at 12.1%.

Bolt on acquisitions were completed in Europe, the most significant of these was Rina in the Czech Republic, which complements existing capabilities and channels.

8 Food North America

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

Food North America revenue decreased (3.5)% to €714.7m. Underlying growth was largely flat, due to the impact of the transition of the Direct Store Distribution ('DSD') business to third parties during the prior year, which offset an increase of approximately 2.0% in the remaining underlying revenues. Acquisitions contributed 1.9% and there was an unfavourable currency impact of (5.2)%.

Food North America EBITA decreased (0.9)% to €89.9m, with underlying growth being entirely offset by unfavourable currency movements. Food North America EBITA margins increased by 30bps to 12.6%, which provides further evidence of the benefits achieved through continued focus on ARYZTA's Customer Centric Strategy.

The acquisition contribution reflects the complementary capabilities and capacity acquired with Pita Pan.

9 Food Rest of World

Food Rest of World revenue declined (9.9)% to €106.5m as underlying growth of 5.9% was offset by an unfavourable currency impact of (15.8)% throughout Asia Pacific and Brazil.

EBITA declined by (21.4)% to €12.2m and margins declined by (170)bps to 11.5%.

While the underlying growth in Food Rest of World was in line with guidance, the regional performance was adversely impacted by unfavourable currency movements, especially on the margins of finished food products imported from outside the region to service the growing high-end food service channel. The development of local manufacturing capacity is underway and once operational will support a reversal of these currency impacts on margins.

Interim Financial and Business Review (continued)

10 ARYZTA Transformation Initiative (ATI)

In September 2011, the Group announced the ATI programme, a three year plan focused on supply chain optimisation and ERP implementation. ATI was launched with the goal of becoming a leading international bakery company, by leveraging ARYZTA's people, capabilities, partnerships and brands. Critical to this initiative is the development of a customer centric strategy, with highly effective cross-functional teams, to replace the previous business model of autonomous business units.

The deployment of the customer centric business model in North America was supported with a further investment of €23.2m during the period, while an additional €45.4m was invested to replicate the customer centric model throughout Europe. These current and prior period ATI investments in optimising the supply chain, implementing a standardised ERP system and other cash non-recurring costs have now enabled the rationalisation of €49.9m of obsolete plant and machinery infrastructure during the period, as the Group continues to optimise its bakery footprint.

The North American business has begun to see positive margin expansion as a result of the ATI-driven integration of autonomous business units, as well as from the transition of DSD and further centralisation of certain administrative tasks. Additionally, the phased implementation of ERP has continued across many of the Food Group's European locations. These implementations have been successful due to leveraging experiences obtained from previous implementations. The remaining planned ERP implementations in Europe and the overall ATI program remain on track to be substantially completed during 2014.

During the period since the ATI programme announcement, the Food Group has incurred the following amounts:

in EUR '000	ARYZTA Transformation Initiative				
Acquisition, disposal and restructuring-related costs	**Cash**		**Total ATI**	**Non-cash**	**Total**
Period ended 31 January 2014	18,176	–	**18,176**	49,918	**68,094**
Year ended 31 July 2013	82,459	–	**82,459**	37,355	**119,814**
Year ended 31 July 2012	77,144	–	**77,144**	6,333	**83,477**
Investment capital expenditure		**Optimisation-related & ERP**	**Total ATI**	**Expansion-related**	**Total**
Period ended 31 January 2014	–	50,434	**50,434**	72,458	**122,892**
Year ended 31 July 2013	–	61,462	**61,462**	111,044	**172,506**
Year ended 31 July 2012	–	46,643	**46,643**	42,758	**89,401**
ATI investment to date	**177,779**	**158,539**	**336,318**		
Estimated overall ATI investment			**460,000**		
Remaining available for ATI investment			**123,682**		

Interim Financial and Business Review (continued)

11 Financial position

ARYZTA's 68.1% subsidiary and separately listed company, Origin, has separate funding structures, which are financed without recourse to ARYZTA. Origin's net debt amounted to €163.6m. Origin's Net Debt: EBITDA ratio was 1.97x as at 31 January 2014 (31 July 2013: 0.38x).

As of 31 January 2014, the consolidated Net Debt of the Food Group, excluding Origin's non-recourse debt, amounted to €840.3m (including overdrafts and finance leases and net of cash and related capitalised upfront borrowing costs). The Food Group interest cover was 10.43x (excluding hybrid interest). The weighted average maturity of the Food Group gross term debt was 4.51 years. The weighted average interest cost of Food Group debt financing facilities (including overdrafts) was 4.43%.

ARYZTA intends to maintain an investment grade position in the range of 2x – 3x net debt to EBITDA. The Food Group's key financial ratios were as follows:

Net Debt: EBITDA[1]	**January 2014**	**July 2013**	**January 2013**
Net Debt: EBITDA[1] (hybrid as equity)	1.58x	1.57x	1.79x
Net Debt: EBITDA[1] (hybrid as debt)	2.80x	2.77x	2.44x

1 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

During February 2014, the Food Group funded additional private placements of USD 490m and €25m, which had a weighted average interest cost of 3.93% and an average maturity of 8.40 years. The Food Group also agreed an amendment to its existing revolving credit facility, which increased the facility from CHF 970m to CHF 1,977m and extended the maturity to February 2019, with substantially unchanged financial covenants and interest rate margins.

Including these subsequent events, ARYZTA's Food Group financing facilities, the related capitalised upfront borrowing costs and Origin's loan facilities (which are separate ring-fenced financing without recourse to ARYZTA) and the associated amounts outstanding as of 31 January 2014 were as follows:

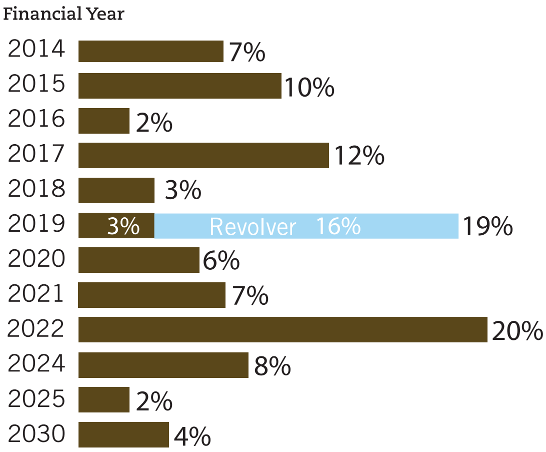
Debt Funding	**Principal**	**Maturity**	**Outstanding** in EUR '000
Feb 2014 – Syndicated Bank Loan	CHF 1,977m	Feb 2019	256,696
Feb 2014 – US Private Placement	USD 490m/EUR 25m	May 2020 – May 2024	–
May 2010 – US Private Placement	USD 350m/EUR 25m	May 2016 – May 2022	280,811
Dec 2009 – US Private Placement	USD 200m	Dec 2021 – Dec 2029	146,177
Nov 2009 – Swiss Bond	CHF 200m	Mar 2015	162,610
Jun 2007 – US Private Placement	USD 450m	Jun 2014 – Jun 2019	328,899
Food Group gross term debt			1,175,193
Food Group upfront borrowing costs			(6,973)
Food Group term debt, net of upfront borrowing costs			**1,168,220**
Origin loans, net of upfront borrowing costs			227,344
ARYZTA Group loans, net of upfront borrowing costs			**1,395,564**

Interim Financial and Business Review (continued)

Hybrid Funding
CHF 400m Hybrid funded October 2010 - 5% coupon until October 2014, thereafter 905bps plus 3-month CHF LIBOR
CHF 400m Hybrid funded April 2013 - 4% coupon until April 2018, thereafter 605bps 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

Food Group gross term debt at 31 January 2014 was €1,175m, incorporating the drawn amount on the Revolving Credit Facility of €257m and excluding the hybrid instruments. The additional private placement funding in February 2014 increased the Food Group gross term debt by €383m to €1,558m. This increased financing capacity also reduced the weighted average interest cost of Food Group debt financing facilities to 4.30% and extended the weighted average maturity of the Food Group gross term debt to 5.80 years, as reflected in the following profile:

Gross Term Debt Maturity Profile (excluding hybrid)



Interim Financial and Business Review (continued)

Food Group cash generation

in EUR '000	January 2014	January 2013
EBIT	134,701	135,188
Amortisation	59,541	48,737
EBITA	194,242	183,925
Depreciation & ERP amortisation	46,422	46,252
EBITDA	240,664	230,177
Working capital movement	(12,262)	(14,987)
Maintenance capital expenditure	(22,867)	(20,104)
Dividends received from Origin	16,388	14,250
Interest and income tax	(41,436)	(38,078)
Other non-cash income	(386)	(302)
Cash flow generated from activities	**180,101**	**170,956**
Investment capital expenditure[1]	(122,892)	(66,527)
Cash flows generated from activities after investment capital expenditure	**57,209**	**104,429**
Underlying net profit	**129,404**	**121,502**

Food Group net debt and investment activity

in EUR '000	January 2014	January 2013
Food Group opening net debt as at 1 August	**(849,228)**	**(976,283)**
Cash flows generated from activities	180,101	170,956
Origin tender offer proceeds	71,789	–
Net debt cost of acquisitions	(83,712)	(28,031)
Acquisition and restructuring-related cash flows	(33,388)	(46,948)
Investment capital expenditure[1]	(122,892)	(66,527)
Proceeds from disposal of joint venture	–	1,941
Contingent consideration	(777)	(268)
Dividends paid	(3,248)	(2,482)
Hybrid dividend	(16,221)	(16,561)
Foreign exchange movement[2]	15,766	79,981
Other[3]	1,472	141
Food Group closing net debt as at 31 January	**(840,338)**	**(884,081)**

1 Includes expenditure on intangible assets.

2 Foreign exchange movement for the period ended 31 January 2014 primarily attributable to the fluctuation in the US Dollar to euro rate from July 2013 (1.3280) to January 2014 (1.3682) and from July 2012 (1.2370) to January 2013 (1.3450) for the period ended 31 January 2013.

3 Other comprises primarily proceeds on disposal of fixed assets and amortisation of financing costs.

Interim Financial and Business Review (continued)

12 Return on invested capital

in EUR million	Food Europe	Food North America	Food Rest of World	Total Food Group	Origin[3]	ARYZTA Group[3]
31 January 2014						
Group share net assets[1]	1,811	1,600	244	3,655	416	4,071
EBITA incl. associates and JVs[2]	203	189	27	419	84	503
ROIC	11.2%	11.8%	11.1%	11.5%	20.1%	12.4%
31 July 2013						
Group share net assets[1]	1,738	1,684	266	3,688	475	4,163
EBITA incl. associates and JVs[2]	205	191	30	426	91	517
ROIC	11.8%	11.3%	11.4%	11.6%	19.1%	12.4%

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

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

3 Origin net assets adjusted for the put option liability and fluctuation in average working capital by €62,003,000 (July 2013: €144,453,000).

4 The Food Group WACC on a pre-tax basis is currently 7.2% (July 2013: 7.7%).

13 Net assets, goodwill & intangibles

ARYZTA Group Balance Sheet in EUR '000	ARYZTA Group January 2014	ARYZTA Group July 2013
Property, plant and equipment	1,173,427	1,141,847
Investment properties	23,007	22,984
Goodwill and intangible assets	2,892,480	2,905,242
Associates and joint ventures	50,721	45,235
Other receivables	40,452	39,433
Working capital	(53,601)	(27,656)
Other segmental liabilities	(117,750)	(108,560)
Segmental net assets	4,008,736	4,018,525
Net debt	(1,003,888)	(878,787)
Deferred income tax, net	(310,522)	(330,870)
Income tax payable	(47,158)	(46,570)
Derivative financial instruments, net	(5,890)	(1,669)
Net assets	**2,641,278**	**2,760,629**

Food Group Balance Sheet in EUR '000	Food Group January 2014	Food Group July 2013
Property, plant and equipment	1,087,415	1,061,200
Investment properties	15,432	15,409
Goodwill and intangible assets	2,743,009	2,775,430
Investment in Origin	45,824	51,045
Working capital	(101,682)	(70,710)
Other segmental liabilities	(88,311)	(92,626)
Segmental net assets	3,701,687	3,739,748
Net debt	(840,338)	(849,228)
Deferred income tax, net	(297,703)	(320,136)
Income tax payable	(35,684)	(33,342)
Derivative financial instruments, net	(3,395)	46
Net assets	**2,524,567**	**2,537,088**

Interim Financial and Business Review (continued)

14 Origin

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

During September 2013, Origin announced its intention to return up to €100m of capital to shareholders by way of a tender offer. Following approval from shareholders at Origin's extraordinary general meeting on 18 November 2013, Origin completed the Tender Offer in December 2013.

ARYZTA participated in this offer by successfully tendering 9.7 million shares in exchange for €71.8m, net of related costs, thereby reducing ARYZTA's shareholding in Origin to 85.3 million shares. As not all Origin shareholders elected to participate in full, this reduced ARYZTA's shareholding in Origin from 68.6% to 68.1%.

Origin's separately published results, which were released on 6 March 2014, are available at www.originenterprises.com.

15 Investment Update

During March 2014, ARYZTA agreed to acquire 100% of Pineridge Bakery, based in Canada and also separately agreed to acquire 100% of Cloverhill Bakery, based in the US, for a combined consideration of €730m. Further post-acquisition investments of €70m on capital expenditures and cash non-recurring costs are also anticipated to support a strong growth pipeline and to integrate these businesses into the Group's operations.

Pineridge is a top tier speciality bakery in Canada. Cloverhill Bakery is a leading manufacturer of individually wrapped Ready To Eat (RTE) baked snacks. The combined businesses had revenues of €400m in calendar year 2013 with double digit revenue growth and have margins comparable to the ARYZTA Food Group margins.

These acquisitions will significantly enlarge ARYZTA's manufacturing footprint in North America. They extend ARYZTA's customer access in Canada and product portfolio in the US by providing an attractive entry point into the high growth North American snacking market through leveraging these businesses successful customer partnership models.

Both acquisitions remain subject to regulatory approvals and will be financed by existing resources upon completion. The estimated contribution to fully diluted underlying EPS in the current year is expected to be modest, while double digit underlying EPS accretion is expected in fiscal year 2015.

16 Outlook

Guidance for FY 2014 is for double digit growth in fully diluted underlying EPS.

17 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 53 of the ARYZTA AG 2013 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.

Interim Financial and Business Review (continued)

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.

19 Glossary of financial terms and references

'ERP' – Enterprise Resource Planning intangible assets include the Food Group SAP and Origin Microsoft Dynamics AX software systems.

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

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

'Associates and JVs, net' – presented as profit from associates and joint ventures, net of income tax and interest.

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

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

'Underlying earnings' – presented as reported net profit adjusted to include the Hybrid instrument accrued dividend as finance cost; before non-ERP related intangible amortisation; net acquisition, disposal and restructuring-related costs and fair value adjustments and before any non-controlling interest allocation of those adjustments, net of related income tax impacts.

Bridge to Group Consolidated Income Statement
for the six months ended 31 January 2014

in EUR '000	Food Group January 2014	Origin January 2014	Total Group January 2014	Total Group January 2013
Group revenue	**1,585,194**	**517,606**	**2,102,800**	2,067,994
EBITA	**194,242**	**4,012**	**198,254**	186,311
Associates and JVs, net	–	**6,693**	**6,693**	11,069
EBITA incl. associates and JVs	**194,242**	**10,705**	**204,947**	197,380
Finance cost, net	**(23,631)**	**(2,374)**	**(26,005)**	(33,367)
Hybrid instrument accrued dividend	**(14,258)**	–	**(14,258)**	(8,234)
Pre-tax profits	**156,353**	**8,331**	**164,684**	155,779
Income tax expense	**(24,824)**	**(369)**	**(25,193)**	(21,696)
Non-controlling interests	**(2,125)**	–	**(3,913)**	(4,652)
Underlying fully diluted net profit	**129,404**	**7,962**	**135,578**	129,431
Underlying fully diluted EPS (cent)	–	**5.93c[1]**	**152.4c[2]**	146.4c[2]

Underlying net profit reconciliation

in EUR '000	Food Group January 2014	Origin January 2014	Total Group January 2014	Total Group January 2013
Reported net profit[3]	**38,297**	**3,353**	**40,582**	62,051
Intangible amortisation	**59,541**	**2,859**	**62,400**	51,638
Tax on amortisation	**(14,028)**	**(509)**	**(14,537)**	(13,158)
Hybrid instrument accrued dividend	**(14,258)**	–	**(14,258)**	(8,234)
Net acquisition, disposal and restructuring-related costs and fair value adjustments	**68,094**	**2,409**	**70,503**	44,501
Tax on asset write-down and costs arising on integration	**(8,242)**	**(150)**	**(8,392)**	(6,877)
Non-controlling interest portion of acquisition, disposal and restructuring-related costs and fair value adjustments	–	–	**(720)**	(465)
Underlying net profit	**129,404**	**7,962**	**135,578**	129,456
Dilutive impact of Origin management incentives	–	–	–	(25)
Underlying fully diluted net profit	**129,404**	**7,962**	**135,578**	129,431
Underlying fully diluted EPS (cent)	–	**5.93c[1]**	**152.4c[2]**	146.4c[2]

1 Origin January 2014 underlying fully diluted earnings per share is calculated using the weighted average number of diluted shares of 134,296,257 (January 2013: 138,499,155).

2 ARYZTA January 2014 underlying fully diluted earnings per share is calculated using a weighted average number of diluted shares of 88,951,383 (January 2013: 88,395,981).

3 Food Group reported net profit excludes dividend income of €16,388,000 (January 2013: €14,250,000) from Origin.

Group Consolidated Income Statement
for the six months ended 31 January 2014

in EUR '000	Notes	Six months ended 31 January **2014** **Unaudited**	 2013 Unaudited
Revenue	3	**2,102,800**	2,067,994
Cost of sales		**(1,532,191)**	(1,507,827)
Gross profit		**570,609**	560,167
Distribution expenses		**(277,581)**	(288,679)
Administration expenses		**(157,174)**	(136,815)
Operating profit before net acquisition, disposal and restructuring-related costs and fair value adjustments		**135,854**	134,673
Net acquisition, disposal and restructuring-related costs and fair value adjustments	4	**(70,503)**	(44,501)
Operating profit		**65,351**	90,172
Share of profit after income tax of associates and joint ventures		**6,693**	11,069
Profit before financing income, financing costs and income tax expense		**72,044**	101,241
Financing income		**3,515**	5,588
Financing costs		**(29,520)**	(38,955)
Profit before income tax expense		**46,039**	67,874
Income tax expense		**(2,264)**	(1,661)
Profit for the period		**43,775**	66,213
Attributable as follows:			
Equity shareholders		**40,582**	62,051
Non-controlling interests	10	**3,193**	4,162
Profit for the period		**43,775**	66,213

Earnings per share for the period	Notes	Six months ended 31 January **2014** **Euro cent**	 2013 Euro cent
Basic earnings per share	5	**29.9**	61.1
Diluted earnings per share	5	**29.6**	60.9

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Group Consolidated Statement of Comprehensive Income
for the six months ended 31 January 2014

in EUR '000	Notes	Six months ended 31 January 2014 Unaudited	2013 Unaudited
Profit for the period		**43,775**	66,213
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation effects			
– Foreign currency net investments		**(82,416)**	(207,063)
– Foreign currency borrowings	6	**14,614**	102,994
Cash flow hedges			
– Effective portion of changes in fair value of cash flow hedges		**(1,732)**	3,679
– Fair value of cash flow hedges transferred to income statement		**(2,584)**	1,359
– Deferred tax effect of cash flow hedges		**585**	(1,207)
– Share of joint ventures and associates (loss)/gain on cash flow hedges, net of deferred tax		**(122)**	214
Total of items that may be reclassified subsequently to profit or loss		**(71,655)**	(100,024)
Items that will not be reclassified to profit or loss:			
Defined benefit plans			
– Actuarial gain/(loss) on Group defined benefit pension plans		**4,888**	(2,633)
– Deferred tax effect of actuarial gain/loss		**(748)**	666
– Share of associates' actuarial gain/(loss) on defined benefit plans, net of deferred tax		**2,153**	(3,255)
Deferred tax effect of change in tax rates		**–**	(495)
Total of items that will not be reclassified to profit or loss		**6,293**	(5,717)
Total other comprehensive loss		**(65,362)**	(105,741)
Total comprehensive loss for the period		**(21,587)**	(39,528)
Attributable as follows:			
Equity shareholders of the Company		**(27,607)**	(40,527)
Non-controlling interests	10	**6,020**	999
Total comprehensive loss for the period		**(21,587)**	(39,528)

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Group Consolidated Balance Sheet
as at 31 January 2014

in EUR '000	Notes	31 January 2014 Unaudited	31 July 2013 Audited
Assets			
Non-current assets			
Property, plant and equipment		**1,173,427**	1,141,847
Investment properties		**23,007**	22,984
Goodwill and intangible assets		**2,892,480**	2,905,242
Investments in associates and joint ventures		**50,721**	45,235
Other receivables		**40,452**	39,433
Deferred income tax assets		**72,451**	71,146
Total non-current assets		**4,252,538**	4,225,887
Current assets			
Inventory		**367,179**	297,641
Trade and other receivables		**449,633**	678,845
Derivative financial instruments		**744**	1,821
Cash and cash equivalents	6	**589,188**	626,922
Total current assets		**1,406,744**	1,605,229
Total assets		**5,659,282**	5,831,116

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Group Consolidated Balance Sheet
as at 31 January 2014 (continued)

in EUR '000	Notes	**31 January 2014 Unaudited**	31 July 2013 Audited
Equity			
Called up share capital		**1,172**	1,172
Share premium		**773,735**	773,735
Retained earnings and other reserves		**1,800,018**	1,888,112
Total equity attributable to equity shareholders		**2,574,925**	2,663,019
Non-controlling interests	10	**66,353**	97,610
Total equity		**2,641,278**	2,760,629
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	6	**1,286,504**	1,157,435
Employee benefits		**17,574**	22,339
Deferred income from government grants		**23,547**	25,251
Other payables		**60,708**	48,190
Deferred income tax liabilities		**382,973**	402,016
Derivative financial instruments		**2,010**	2,136
Contingent consideration		**7,100**	8,570
Total non-current liabilities		**1,780,416**	1,665,937
Current liabilities			
Interest-bearing loans and borrowings	6	**306,572**	348,274
Trade and other payables		**870,413**	1,004,142
Income tax payable		**47,158**	46,570
Derivative financial instruments		**4,624**	1,354
Contingent consideration		**8,821**	4,210
Total current liabilities		**1,237,588**	1,404,550
Total liabilities		**3,018,004**	3,070,487
Total equity and liabilities		**5,659,282**	5,831,116

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Group Consolidated Statement of Changes in Equity
for the six months ended 31 January 2014

for the six months ended 31 January 2014 in EUR '000	Share capital	Share premium	Treasury shares	Other equity reserve	Cash flow hedge reserve	Revaluation reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total shareholders equity	Non controlling interests	Total
At 1 August 2013	**1,172**	**773,735**	**(56)**	**604,446**	**(106)**	**13,380**	**8,862**	**(7,726)**	**1,269,312**	**2,663,019**	**97,610**	**2,760,629**
Profit for the period	–	–	–	–	–	–	–	–	40,582	40,582	3,193	43,775
Other comprehensive income	–	–	–	–	(3,644)	–	–	(69,509)	4,964	(68,189)	2,827	(65,362)
Total comprehensive income	**–**	**–**	**–**	**–**	**(3,644)**	**–**	**–**	**(69,509)**	**45,546**	**(27,607)**	**6,020**	**(21,587)**
Release of treasury shares due to exercise of LTIP	–	–	1	–	–	–	–	–	–	1	–	1
Share-based payments	–	–	–	–	–	–	3,390	–	–	3,390	–	3,390
Equity dividends	–	–	–	–	–	–	–	–	(47,898)	(47,898)	–	(47,898)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(10,751)	(10,751)
Dividend on perpetual callable subordinated instrument	–	–	–	–	–	–	–	–	(14,258)	(14,258)	–	(14,258)
Total contributions by and distributions to owners	**–**	**–**	**1**	**–**	**–**	**–**	**3,390**	**–**	**(62,156)**	**(58,765)**	**(10,751)**	**(69,516)**
Origin tender offer share buyback and dilution	–	–	–	–	13	(58)	(5)	100	(1,772)	(1,722)	(26,526)	(28,248)
Total transactions with owners recognised directly in equity	**–**	**–**	**1**	**–**	**13**	**(58)**	**3,385**	**100**	**(63,928)**	**(60,487)**	**(37,277)**	**(97,764)**
At 31 January 2014	**1,172**	**773,735**	**(55)**	**604,446**	**(3,737)**	**13,322**	**12,247**	**(77,135)**	**1,250,930**	**2,574,925**	**66,353**	**2,641,278**

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Group Consolidated Statement of Changes in Equity (continued)
for the six months ended 31 January 2014

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

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Group Consolidated Cash Flow Statement
for the six months ended 31 January 2014

in EUR '000	Notes	Six months ended 31 January 2014 Unaudited	2013 Unaudited
Cash flows from operating activities			
Profit for the period		**43,775**	66,213
Income tax expense		**2,264**	1,661
Financing income		**(3,515)**	(5,588)
Financing costs		**29,520**	38,955
Share of profit after income tax of associates and joint ventures		**(6,693)**	(11,069)
Net loss on acquisitions, disposals and dilution	4	–	705
Asset write-downs and fair value adjustments	4	**49,918**	9,869
Acquisition and other restructuring-related payments in excess of current-period costs		**(14,679)**	(13,817)
Depreciation of property, plant and equipment		**46,216**	46,496
Amortisation of intangible assets		**66,382**	54,645
Recognition of deferred income from government grants		**(1,794)**	(704)
Share-based payments	9	**3,390**	1,476
Other		**(1,980)**	(128)
Cash flows from operating activities before changes in working capital		**212,804**	188,714
(Increase)/decrease in inventory		**(57,377)**	(72,365)
(Increase)/decrease in trade and other receivables		**144,947**	126,769
Increase/(decrease) in trade and other payables		**(189,233)**	(162,254)
Cash generated from operating activities		**111,141**	80,864
Interest paid, net		**(28,433)**	(30,104)
Income tax paid		**(17,751)**	(15,583)
Net cash flows from operating activities		**64,957**	35,177

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Group Consolidated Cash Flow Statement
(continued)
for the six months ended 31 January 2014

in EUR '000	Notes	Six months ended 31 January 2014 Unaudited	2013 Unaudited
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**2,638**	1,319
Purchase of property, plant and equipment			
– maintenance capital expenditure		**(28,998)**	(24,068)
– investment capital expenditure		**(80,233)**	(50,814)
Grants received		**63**	–
Acquisitions of subsidiaries and businesses, net of cash acquired	11	**(90,971)**	(28,031)
Disposal of joint venture	4	**94,002**	1,941
Purchase of intangible assets		**(43,450)**	(18,619)
Dividends received		**1,703**	2,220
Net receipts from associates and joint ventures		**–**	20
Deferred consideration paid		**(777)**	(2,141)
Net cash flows from investing activities		**(146,023)**	(118,173)
Cash flows from financing activities			
Gross drawdown of loan capital	6	**138,768**	115,168
Capital element of finance lease liabilities	6	**(600)**	(1,206)
Dividend paid on perpetual callable subordinated instrument		**(16,221)**	(16,561)
Origin tender offer paid to non-controlling interests and related costs		**(28,432)**	–
Dividends paid to non-controlling interests	10	**(10,751)**	(8,935)
Net cash flows from financing activities		**82,764**	88,466
Net increase in cash and cash equivalents	6	**1,698**	5,470
Translation adjustment	6	**(1,776)**	(11,981)
Net cash and cash equivalents at start of period	6	**392,476**	345,089
Net cash and cash equivalents at end of period	6	**392,398**	338,578

The notes on pages 22 to 36 are an integral part of these Group consolidated financial statements.

Notes to the Group Condensed Interim Financial Statements
for the six months ended 31 January 2014

1 Basis of preparation

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

These Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's most recent Annual Financial Statements in respect of the year ended 31 July 2013, which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

These Interim Financial Statements for the six months ended 31 January 2014 and the comparative figures for the six months ended 31 January 2013 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 2013 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 2013 and 31 July 2013 comparative financial statement figures and related notes have been reclassified to conform to the 31 January 2014 presentation. The reclassifications were made for presentation purposes and have no effect on total revenues, expenses, profit for the period, total assets, total liabilities, total equity or cash flow classifications as previously reported.

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

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

Currency	Average H1 2014	Average H1 2013	Closing H1 2014	Closing FY 2013
CHF	1.2314	1.2095	1.2299	1.2339
USD	1.3510	1.2886	1.3682	1.3280
CAD	1.4191	1.2747	1.5196	1.3644
GBP	0.8430	0.8054	0.8226	0.8630

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

2 Accounting policies

Except as described below, the Interim Financial Statements have been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates, as set out on pages 68 to 80 of the ARYZTA AG 2013 Annual Report and Accounts.

The IFRS applied by the Group in preparation of these financial statements are those that were effective for accounting periods beginning on or before 1 August 2013. The following standards and interpretations, issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee, are effective for the first time in the current financial year and have been adopted by the Group:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised) – Separate Financial Statements
- IAS 28 (Revised) – Investments in Associates and Joint Ventures
- Amendment to IFRS 7 – Disclosures – offsetting financial assets and financial liabilities
- Amendment to IAS 19 – Employee benefits
- Improvements to IFRSs (2011)

While the above standards and interpretations adopted by the Group modify certain presentation and disclosure requirements, these requirements are not significantly different than information presented as part of the 31 July 2013 year-end financial statements and have no material impact on the consolidated results or financial position of the Group.

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

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

3 Analysis by business segment

I) Segment revenue and result	Food Europe		Food North America		Food Rest of World		Total Food Group		Origin		Total Group	
	Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January	
in EUR '000	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
Segment revenue[1]	**764,001**	641,558	**714,683**	740,559	**106,510**	118,197	**1,585,194**	1,500,314	**517,606**	567,680	**2,102,800**	2,067,994
Operating profit/(loss) before net acquisition, disposal and restructuring-related costs and fair value adjustments[2]	**59,792**	56,015	**67,417**	67,244	**7,492**	11,929	**134,701**	135,188	**1,153**	(515)	**135,854**	134,673
Net acquisition, disposal and restructuring-related costs and fair value adjustments[2] (note 4)	**(31,184)**	(19,948)	**(35,028)**	(22,762)	**(1,882)**	–	**(68,094)**	(42,710)	**(2,409)**	(1,791)	**(70,503)**	(44,501)
Operating profit/(loss)	**28,608**	36,067	**32,389**	44,482	**5,610**	11,929	**66,607**	92,478	**(1,256)**	(2,306)	**65,351**	90,172
Share of profit after tax of associates and joint ventures	**–**	–	**–**	203	**–**	–	**–**	203	**6,693**	10,866	**6,693**	11,069
Profit before financing income, financing cost and income tax expense	**28,608**	36,067	**32,389**	44,685	**5,610**	11,929	**66,607**	92,681	**5,437**	8,560	**72,044**	101,241
Financing income[3]							**2,166**	2,100	**1,349**	3,488	**3,515**	5,588
Financing costs[3]							**(25,797)**	(32,433)	**(3,723)**	(6,522)	**(29,520)**	(38,955)
Profit before income tax expense as reported in Group Consolidated Income Statement							**42,976**	62,348	**3,063**	5,526	**46,039**	67,874

1 There were no significant intercompany revenues between business segments.

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

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

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

II) Segment assets in EUR '000	Food Europe as at 31 Jan 2014	Food Europe as at 31 Jul 2013	Food North America as at 31 Jan 2014	Food North America as at 31 Jul 2013	Food Rest of World as at 31 Jan 2014	Food Rest of World as at 31 Jul 2013	Total Food Group as at 31 Jan 2014	Total Food Group as at 31 Jul 2013	Origin as at 31 Jan 2014	Origin as at 31 Jul 2013	Total Group as at 31 Jan 2014	Total Group as at 31 Jul 2013
Segment assets excluding investments in associates and joint ventures	**2,243,152**	2,162,369	**1,856,613**	1,894,380	**289,297**	307,428	**4,389,062**	4,364,177	**516,664**	682,382	**4,905,726**	5,046,559
Investments in associates and joint ventures and other financial assets	**–**	–	**–**	–	**–**	–	**–**	–	**91,173**	84,668	**91,173**	84,668
Segment assets	**2,243,152**	2,162,369	**1,856,613**	1,894,380	**289,297**	307,428	**4,389,062**	4,364,177	**607,837**	767,050	**4,996,899**	5,131,227
Reconciliation to total assets as reported in the Group Consolidated Balance Sheet												
Derivative financial instruments							**727**	1,329	**17**	492	**744**	1,821
Cash and cash equivalents							**522,922**	501,438	**66,266**	125,484	**589,188**	626,922
Deferred income tax assets							**67,549**	66,642	**4,902**	4,504	**72,451**	71,146
Total assets as reported in Group Consolidated Balance Sheet							**4,980,260**	4,933,586	**679,022**	897,530	**5,659,282**	5,831,116

III) Segment liabilities in EUR '000	Food Europe as at 31 Jan 2014	Food Europe as at 31 Jul 2013	Food North America as at 31 Jan 2014	Food North America as at 31 Jul 2013	Food Rest of World as at 31 Jan 2014	Food Rest of World as at 31 Jul 2013	Total Food Group as at 31 Jan 2014	Total Food Group as at 31 Jul 2013	Origin as at 31 Jan 2014	Origin as at 31 Jul 2013	Total Group as at 31 Jan 2014	Total Group as at 31 Jul 2013
Segment liabilities	**431,672**	424,683	**256,908**	210,143	**45,302**	41,527	**733,882**	676,353	**254,281**	436,349	**988,163**	1,112,702
Reconciliation to total liabilities as reported in Group Consolidated Balance Sheet												
Interest-bearing loans and borrowings							**1,363,260**	1,350,666	**229,816**	155,043	**1,593,076**	1,505,709
Derivative financial instruments							**4,122**	1,283	**2,512**	2,207	**6,634**	3,490
Current and deferred income tax liabilities							**400,936**	420,120	**29,195**	28,466	**430,131**	448,586
Total liabilities as reported in Group Consolidated Balance Sheet							**2,502,200**	2,448,422	**515,804**	622,065	**3,018,004**	3,070,487

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

4 Net acquisition, disposal and restructuring-related costs and fair value adjustments

in EUR '000	Notes	Food Europe Six months ended 31 January 2014	2013	Food North America Six months ended 31 January 2014	2013	Food Rest of World Six months ended 31 January 2014	2013	Total Food Group Six months ended 31 January 2014	2013	Origin Six months ended 31 January 2014	2013	Total Group Six months ended 31 January 2014	2013
Loss on acquisition, disposal and dilution	4.1	**–**	–	**–**	(705)	**–**	–	**–**	(705)	**–**	–	**–**	(705)
Acquisition-related costs	4.2	**(682)**	(2,108)	**(1,498)**	(1,689)	**–**	–	**(2,180)**	(3,797)	**(912)**	–	**(3,092)**	(3,797)
Restructuring-related costs and fair value adjustments													
Asset write-downs and disposals		**(19,207)**	(2,449)	**(28,829)**	(7,420)	**(1,882)**	–	**(49,918)**	(9,869)	**–**	–	**(49,918)**	(9,869)
Severance and other staff-related costs		**(5,101)**	(10,010)	**(2,083)**	(8,509)	**–**	–	**(7,184)**	(18,519)	**(834)**	(1,305)	**(8,018)**	(19,824)
Contractual obligations		**–**	(83)	**–**	(1,837)	**–**	–	**–**	(1,920)	**–**	–	**–**	(1,920)
Advisory and other costs		**(6,194)**	(5,298)	**(2,618)**	(2,602)	**–**	–	**(8,812)**	(7,900)	**(663)**	(486)	**(9,475)**	(8,386)
Total restructuring-related costs and fair value adjustments	4.3	**(30,502)**	(17,840)	**(33,530)**	(20,368)	**(1,882)**	–	**(65,914)**	(38,208)	**(1,497)**	(1,791)	**(67,411)**	(39,999)
Total acquisition, disposal and restructuring-related costs and fair value adjustments		**(31,184)**	(19,948)	**(35,028)**	(22,762)	**(1,882)**	–	**(68,094)**	(42,710)	**(2,409)**	(1,791)	**(70,503)**	(44,501)

4.1 Loss on disposal (period ended 31 January 2013)
During January 2013, the Food Group completed the disposal of its interest in a joint venture, previously held as part of the Food North America segment. Consideration received on disposal was €1,941,000, which was less than the investment carrying value of €2,646,000 at the time, resulting in a loss of €705,000.

As disclosed in the Group's annual financial statements for the year ended 31 July 2013, Origin agreed to dispose of its 50% interest in Welcon to its joint venture partner, Austevoll Seafoods ASA, for cash consideration of NOK 740 million. As all conditions were fulfilled by 31 July 2013, the transaction and the related gain on disposal of €20,631,000 were reflected in the financial statements for the year ended 31 July 2013, along with the consideration receivable in the amount of €94,002,000, which remained outstanding at that time. The transaction completed during August 2013 and these proceeds were received in full, as shown in the Group consolidated cash flow statement for the period ended 31 January 2014.

4.2 Acquisition-related costs
During the period ended 31 January 2014 the Group incurred acquisition-related costs of €3,092,000 (2013: €3,797,000).

These costs include share purchase tax, due diligence and other professional service fees associated with the Group's acquisition related activities.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

4.3 Restructuring-related costs and fair value adjustments

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

Asset write-downs and fair value adjustments

The Group incurred €49,918,000 (2013: €9,869,000) of asset write-downs during the period. These amounts relate to the write-down of certain distribution, manufacturing and administration assets, due to those obsolete assets having been replaced as part of the Food Group ATI integration and rationalisation programme.

Severance and other staff-related costs

The Group has incurred and provided for €8,018,000 (2013: €19,824,000) in severance and other staff-related costs during the period, in relation to employees whose service was discontinued following certain rationalisation decisions throughout the Group.

Contractual obligations

The operational decisions made through the Group's integration and rationalisation projects triggered early termination penalties and/or resulted in certain operational contracts becoming onerous. The Group incurred total costs of €Nil (2013: €1,920,000) during the period to either exit or provide for such contractual obligations.

Advisory and other costs

During the period, the Group incurred €9,475,000 (2013: €8,386,000) in other costs related directly to the implementation of its integration and rationalisation programs. These costs are comprised principally of restructuring-related advisory costs, directly attributable incremental internal staff costs and operational site decommissioning costs.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

5 Earnings per share

	Six months ended 31 January 2014	2013
Basic earnings per share	in EUR '000	in EUR '000
Profit attributable to equity shareholders	**40,582**	62,051
Perpetual callable subordinated instrument accrued dividend	**(14,258)**	(8,234)
Profit used to determine basic earnings per share	**26,324**	53,817
Weighted average number of ordinary shares	'000	'000
Ordinary shares outstanding at 1 August[1]	**88,120**	88,038
Effect of vesting and exercise of equity instruments during the period[2]	**14**	52
Weighted average number of ordinary shares used to determine basic earnings per share	**88,134**	88,090
Basic earnings per share	**29.9 cent**	61.1 cent

	2014	2013
Diluted earnings per share	in EUR '000	in EUR '000
Profit used to determine basic earnings per share	**26,324**	53,817
Effect on non-controlling interests share of reported profits, due to dilutive impact of Origin management equity entitlements[3]	**–**	(16)
Profit used to determine diluted earnings per share	**26,324**	53,801
Weighted average number of ordinary shares (diluted)	'000	'000
Weighted average number of ordinary shares used to determine basic earnings per share	**88,134**	88,090
Effect of equity-based incentives with a dilutive impact[2]	**817**	306
Weighted average number of ordinary shares used to determine diluted earnings per share[4]	**88,951**	88,396
Diluted earnings per share	**29.6 cent**	60.9 cent

1 Issued share capital excluding treasury shares.

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

3 Reflects the dilutive impact of equity entitlements granted to Origin senior management under the Origin Plan. These equity entitlements dilute the Group's share of Origin profits available as part of its diluted earnings per share calculation.

4 ARYZTA January 2014 underlying fully diluted earnings per share is calculated using a weighted average number of diluted shares of 88,951,383 (January 2013: 88,395,981).

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

In addition to the basic and diluted earnings per share measures required by IAS 33, Earnings per Share, as calculated above, the Group also presents an underlying fully diluted earnings per share measure, in accordance with IAS 33 paragraph 73. This additional measure enables comparability of the Group's underlying results from period to period, without the impact of transactions that do not relate to the underlying business. It is also the Group's policy to declare dividends based on underlying fully diluted earnings per share, as this provides a more consistent basis for returning dividends to shareholders.

As shown below, for purposes of calculating this measure, the Group adjusts reported net profit by the following items and their related tax impacts:

- includes the perpetual callable subordinated instrument accrued dividend as a finance cost, as already included in the calculation of basic and diluted earnings per share;
- excludes non-ERP-related intangible amortisation;
- excludes net acquisition, disposal and restructuring-related costs and fair value adjustments; and
- adjusts for the impact of dilutive instruments on non-controlling interests share of adjusted profits.

	Six months ended 31 January	
	2014	2013
Underlying fully diluted earnings per share	in EUR '000	in EUR '000
Profit used to determine basic earnings per share	**26,324**	53,817
Amortisation of non-ERP intangible assets	**62,400**	51,638
Tax on amortisation of non-ERP intangible assets	**(14,537)**	(13,158)
Net acquisition, disposal and restructuring-related costs and fair value adjustments (note 4)	**70,503**	44,501
Tax on net acquisition, disposal and restructuring-related costs and fair value adjustments	**(8,392)**	(6,877)
Non-controlling interest portion of acquisition, disposal and restructuring-related costs and fair value adjustments	**(720)**	(465)
Effect on non-controlling interests share of adjusted profits due to dilutive impact of Origin management equity entitlements	**–**	(25)
Underlying fully diluted net profit	**135,578**	129,431
Weighted average number of ordinary shares used to determine basic earnings per share	**88,134**	88,090
Underlying basic earnings per share	**153.8 cent**	146.9 cent
Weighted average number of ordinary shares used to determine diluted earnings per share	**88,951**	88,396
Underlying fully diluted earnings per share	**152.4 cent**	146.4 cent

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

6 Analysis of net debt

Analysis of net debt in EUR '000	1 August 2013	Cash flows	Non-cash movements	Translation adjustment	31 January 2014
Cash	626,922	(36,469)	–	(1,265)	589,188
Overdrafts	(234,446)	38,167	–	(511)	(196,790)
Cash and cash equivalents	**392,476**	**1,698**	**–**	**(1,776)**	**392,398**
Loans	(1,269,976)	(138,768)	(1,434)	14,614	(1,395,564)
Finance leases	(1,287)	600	–	(35)	(722)
Net debt	**(878,787)**	**(136,470)**	**(1,434)**	**12,803**	**(1,003,888)**

Split of net debt in EUR '000	1 August 2013	Cash flows	Non-cash movements	Translation adjustment	31 January 2014
Food Group net debt	(849,228)	(5,757)	(1,119)	15,766	(840,338)
Origin net debt	(29,559)	(130,713)	(315)	(2,963)	(163,550)
Net debt	**(878,787)**	**(136,470)**	**(1,434)**	**12,803**	**(1,003,888)**

Finance leases include amounts due within one year of €311,000 (July 2013: €876,000).

ARYZTA's 68.1% subsidiary and separately listed company, Origin, has separate ring-fenced funding structures, which are financed without recourse to ARYZTA.

7 Share Capital

At the Annual General Meeting on 10 December 2013 the shareholders approved the resolution to modify Article 5 of the Articles of Association (governing Authorised Share Capital for General Purposes). Pursuant to these modifications, the Board of Directors is authorised to increase the share capital at any time until 10 December 2015 by an amount not exceeding CHF 183,621.06 through the issue of up to 9,181,053 fully paid up registered shares with a nominal value of CHF 0.02 each. The Board of Directors is authorised to withdraw the subscription rights of the shareholders and to allocate them to third parties if the shares are used for the following purposes:

(a) acquisition of enterprises or parts thereof or participations therein, new investments or the financing of any of those transactions (but only for a maximum of 9,181,053 fully paid up registered shares),
(b) broadening the shareholder constituency (but only for a maximum of 4,590,526 fully paid up registered shares), or
(c) for the purpose of the participation of employees (but only for a maximum of 3,060,351 fully paid up registered shares).

For further details, refer to Article 5 of the Articles of Association, which is available on the Company website at www.aryzta.com/about-aryzta/corporate-governance.aspx.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

8 Dividends

The proposed dividend covering the 12 month period ended 31 July 2013 of CHF 0.6652 (31 July 2012: CHF 0.6125) per registered share was approved at the annual general meeting held on 10 December 2013. The total resulting dividend of €47,898,000 (July 2013: €43,517,000) was paid in February 2014, to those shareholders holding shares in ARYZTA AG on 29 January 2014.

9 Share Based Payments

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

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

The total cost reported in the Group consolidated financial statements in the current period in relation to equity settled share-based payments is €3,390,000 (2013: €1,567,000).

No significant activity occurred within these plans during the current period.

10 Non-controlling interests

in EUR '000	**Period ended 31 January 2014**
Balance at 1 August 2013	97,610
Share of profit for the period	3,193
Share of loss recognised in other comprehensive income	2,827
Dividends paid to non-controlling interests	(10,751)
Origin tender offer share buyback and dilution	(26,526)
Balance at 31 January 2014	**66,353**

Transactions with non-controlling interests

Following approval from shareholders at Origin's extraordinary general meeting on 18 November 2013, Origin completed a Tender Offer in December 2013. Pursuant to this offer, Origin repurchased 13.3 million shares at €7.50 per share. ARYZTA participated in this offer by successfully tendering 9.7 million shares, thereby reducing ARYZTA's shareholding in Origin to 85.3 million shares.

As Origin continues to be fully consolidated by ARYZTA, the difference between the total proceeds paid by Origin and the amount received by ARYZTA represents a transaction with the non-controlling shareholders of Origin, which is reflected as a decrease in non-controlling interests within ARYZTA's consolidated financial statements, net of transaction-related costs.

As not all Origin shareholders elected to participate in full, this reduced ARYZTA's shareholding in Origin from 68.6% to 68.1%. As a result of this dilution, the Group has recorded a reduction in the individual equity balances within the ARYZTA's total shareholders' equity and allocated these balances as an increase in non-controlling interests.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

11 Business Combinations

11.1 Acquisitions during the interim period ended 31 January 2014

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

in EUR '000	Provisional fair values
Provisional fair value of net assets acquired:	
Property, plant and equipment	37,605
Intangible assets	34,252
Inventory	12,456
Trade and other receivables	3,928
Trade and other payables	(11,226)
Deferred income tax	(2,643)
Income tax payable	(978)
Net assets acquired	**73,394**
Goodwill arising on acquisitions	43,111
Consideration	**116,505**

Satisfied by:	
Cash consideration	91,055
Cash acquired	(84)
Net cash consideration	**90,971**
Consideration payable within one year	5,950
Put option liability	15,784
Contingent consideration	3,800
Total consideration	**116,505**

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

in EUR '000	Total
Cash flows from investing activities	
Cash consideration	91,055
Cash acquired	(84)
Cost of acquisitions	**90,971**

As part of Origin's acquisition of 60% of the ordinary shares of Agroscope, Origin has also entered into an arrangement under which the non-controlling shareholder has the right at various dates to sell the remaining 40% shareholding to Origin. In the event that this option is not exercised, Origin has a similar right to acquire the 40% shareholding. Accordingly, Origin has recognised a put option liability of €15,784,000 as part of the consideration for this acquisition, which is included within other long-term liabilities in the ARYZTA Group

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

consolidated balance sheet as of 31 January 2014. This amount represents the fair value of the future estimated amount payable to exercise the option and was determined based on an agreed formula, which includes an expectation of future trading performance and timing of when the options are expected to be exercised, discounted to present value. The estimated amount payable will be adjusted in future periods through the income statement.

Acquisition-related costs of €3,092,000 have been charged to net acquisition, disposal and restructuring-related costs and fair value adjustments in the Group Consolidated Income Statement related to these transactions during the period ended 31 January 2014.

No material difference exists between the consolidated revenue reported and the consolidated revenue that would have been reported if these acquisitions had occurred on 1 August 2013. In making this determination, management has assumed that the fair value adjustments that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 August 2013.

The identified intangibles associated with these acquisitions primarily includes the fair value of customer relationships. The income approach method was the basis for the fair value of these intangibles.

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

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

11.2 Acquisitions during the interim period ended 31 January 2013

During the period ended 31 January 2013, the Group also completed two small acquisitions. The details of the net assets acquired and goodwill arising from these business combinations are set out below. The goodwill arising on these business combinations is attributable to the skills and talent of the in-place work-force and the synergies expected to be achieved from integrating the acquired operations into the Group's existing businesses.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

The final fair values of net assets acquired during the period ended 31 January 2013 are set out below, as adjusted from the preliminary fair values originally disclosed.

in EUR '000	Final fair values
Final fair value of net assets acquired:	
Property, plant and equipment	19,910
Intangible assets	14,838
Inventory	2,427
Trade and other receivables	3,984
Trade and other payables	(12,334)
Other payables	(22,225)
Deferred income tax	569
Income tax payable	(2,166)
Net assets acquired	**5,003**
Goodwill arising on acquisitions	23,028
Consideration	**28,031**
Satisfied by:	
Cash consideration	28,510
Cash acquired	(479)
Total consideration	**28,031**

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

in EUR '000	Total
Cash flows from investing activities	
Cash consideration	28,510
Cash acquired	(479)
Cost of acquisitions	**28,031**

Acquisition-related costs of €3,797,000 were charged to net acquisition, disposal and restructuring-related costs and fair value adjustments in the Group Consolidated Income Statement during the period ended 31 January 2013.

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

12 Contingent liabilities

The Group is not aware of any significant changes with regard to contingent liabilities, in comparison with the situation as of 31 July 2013.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

13 Subsequent events

During February 2014, the Food Group funded additional private placements of USD 490m and €25m, which had a weighted average interest cost of 3.93% and an average maturity of 8.40 years. The Food Group also agreed an amendment to its existing revolving credit facility, which increased the facility from CHF 970m to CHF 1,977m and extended the maturity to February 2019, with substantially unchanged financial covenants and interest rate margins.

During March 2014, ARYZTA agreed to acquire 100% of Pineridge Bakery, based in Canada and also separately agreed to acquire 100% of Cloverhill Bakery, based in the US, for combined consideration of €730m. The combined businesses had revenues of EUR 400m in 2013. These acquisitions remain subject to regulatory approvals and will be financed by existing resources upon completion.

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

14 Seasonality

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

15 Related party transactions

There have been no significant changes in related party transactions other than those described in the ARYZTA AG 2013 Annual Report and Accounts, which could have a material impact on the financial position or performance of the Group in the six months to 31 January 2014.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2014

16 Distribution of interim report

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

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

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

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

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

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

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

On behalf of the Board

Denis Lucey
Chairman, Board of Directors

Owen Killian
CEO, Member of the Board of Directors

10 March 2014