Full Year Result
for the year ended 31 July 2016

Zurich / Switzerland, 26 September 2016 – ARYZTA AG announces results for the financial year ended 31 July 2016

Key Performance Highlights

- Strong cash generation in FY16 ahead of target at €267m
- FY17 cash generation in a range of €225m-€275m
- Long-term contract renewals signed; positioned for revenue stability
- Commissioned €150m of new capacity and retired older less efficient assets
- Continued progress in Group underlying revenue recovery of +0.8% in Q4 and +0.5% for FY16
- FY16 Group underlying revenue growth, excluding contract renewals, was +3.4%
- North America underlying revenue growth, excluding contract renewals, was +2.9% and +2.2% for Q4 and FY16, respectively
- FY16 margin decline of 100bps, with 50bps due to increased brand investment, with the remainder due to negative operating leverage
- Joint ventures performed well contributing €15.7m, net of interest and tax
- Completed early redemption of €1.2bn private placement, post balance sheet
- Refinancing mitigating negative operating leverage from contract renewals in FY17
- FY17 underlying fully diluted EPS guidance in-line with consensus of 358 cent

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

"The strategy to invert capital allocation and focus on free cash generation has been successful, with €267m generated in the year, demonstrating the highly cash-generative potential of speciality food. Underlying revenue growth has been subdued by the impact of contract renewals in North America during FY16. The cumulative effect of these contract renewals, combined with the long anticipated volume loss in Switzerland, will also negatively impact FY17. This is being mitigated by strong underlying growth in all regions, driven by investment in brands and food innovation. Consumer demand for high-quality speciality food is increasing, whether out of home or through modern retail, focused on freshly baked and prepared food, offering convenience and choice. ARYZTA is strategically well-positioned to serve this increasing demand. The attractive cash flow has provided an opportunity to retire relatively expensive long-term debt, which will reduce the cost of borrowing, as we enter a period of reducing debt. Lower interest costs will help maintain underlying fully diluted EPS at consensus levels in FY17."

ARYZTA
Passion for good food

Full Year Result
for the year ended 31 July 2016

The ARYZTA full year results for the year ended 31 July 2016 are available to download from the ARYZTA website and at the following link:
http://www.aryzta.com/2016-FullYear-Results.pdf

Analyst conference call
An analyst call will take place today at 09:00 CET (08:00 BST).

Dial in numbers are: Switzerland: 056 580 0007, Ireland: 01 431 9648,
UK: 084 4493 3800, USA: 1 631 510 7498, International: +44 (0) 1452 555566.

Please provide the following code: 47661436 to access the call.
A printable version of the slides will be available to download from the ARYZTA website **www.aryzta.com** 15 minutes before the call. A conference call webcast replay will be available from the ARYZTA website **www.aryzta.com**

About ARYZTA
ARYZTA AG ('ARYZTA') is a global food business with a leadership position in speciality bakery. ARYZTA is based in Zurich, Switzerland, with operations in North America, South America, Europe, Asia, Australia and New Zealand. ARYZTA has a primary listing on the SIX Swiss Exchange and a secondary listing on the ISE Irish Exchange (SIX: ARYN, ISE: YZA).

Enquiries:
Paul Meade
Communications Officer
ARYZTA AG
Tel: +41 (0) 44 583 42 00
info@aryzta.com

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

ARYZTA
Passion for good food

Extract from 2016 Annual Report

Full Year Result
for the year ended 31 July 2016

1 ARYZTA Group – Underlying Income Statement

in EUR `000	July 2016	July 2015	% Change
Group Revenue	3,878,871	3,820,231	1.5%
EBITA[1]	484,867	513,965	(5.7)%
EBITA margin	12.5%	13.5%	(100) bps
Joint ventures, net of tax	15,682	(1,210)	–
EBITA including joint ventures	500,549	512,755	(2.4)%
Finance cost, net	(103,180)	(83,390)	–
Hybrid instrument accrued dividend	(31,882)	(30,673)	–
Pre-tax profits	365,487	398,692	–
Income tax	(51,169)	(64,035)	–
Non-controlling interests	(2,776)	(4,669)	–
Underlying net profit - continuing operations	311,542	329,988	(5.6)%
Underlying net profit - discontinued operations[2]	–	29,735	(100.0)%
Underlying net profit - total[3]	**311,542**	**359,723**	**(13.4)%**
Underlying fully diluted EPS (cent) - total[4]	**350.3**	**402.2**	**(12.9)%**
Underlying net profit - continuing operations[3]	**311,542**	**329,988**	**(5.6)%**
Underlying fully diluted EPS (cent) - continuing operations[4]	**350.3**	**368.9**	**(5.0)%**

1 See glossary in section 22 for definitions of financial terms and references used in the financial and business review.

2 Following the reduction in the Group's investment in Origin during March 2015, the Group's proportion of Origin's results have been presented separately as discontinued operations.

3 See bridge from underlying net profit to reported net profit, as included on page 17.

4 The 31 July 2016 weighted average number of ordinary shares used to calculate underlying earnings per share is 88,929,096 (2015: 89,441,152).

Full Year Result
for the year ended 31 July 2016

2 ARYZTA Group – Underlying revenue growth

in EUR million	Europe	North America	Rest of World	Total Group
Group Revenue	1,747.1	1,908.1	223.7	3,878.9
Underlying growth	4.0%	(3.1)%	6.2%	0.5%
Acquisitions, net	1.9%	(2.4)%	–	(0.4)%
Currency	0.2%	3.7%	(9.5)%	1.4%
Revenue growth	**6.1%**	**(1.8)%**	**(3.3)%**	**1.5%**

Underlying Volume & Price / Mix Trend

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	FY 2016
Europe					
Volume %	2.1%	2.7%	3.3%	3.1%	2.8%
Price / Mix %	3.4%	1.1%	0.6%	(0.1)%	1.2%
Underlying growth %	**5.5%**	**3.8%**	**3.9%**	**3.0%**	**4.0%**
North America					
Volume %	(9.4)%	(6.5)%	(4.2)%	(1.2)%	(5.3)%
Price / Mix %	3.8%	4.1%	1.9%	(0.9)%	2.2%
Underlying growth %	**(5.6)%**	**(2.4)%**	**(2.3)%**	**(2.1)%**	**(3.1)%**
Underlying growth excluding contract renewals %	**(1.2)%**	**2.6%**	**4.7%**	**2.9%**	**2.2%**
Rest of World					
Volume %	(3.7)%	(0.8)%	3.7%	0.1%	(0.2)%
Price / Mix %	5.9%	6.5%	3.8%	9.3%	6.4%
Underlying growth %	**2.2%**	**5.7%**	**7.5%**	**9.4%**	**6.2%**
Total Group					
Volume %	(4.0)%	(2.1)%	(0.3)%	0.8%	(1.5)%
Price / Mix %	3.6%	2.9%	1.2%	0.0%	2.0%
Underlying growth %	**(0.4)%**	**0.8%**	**0.9%**	**0.8%**	**0.5%**
Underlying growth excluding contract renewals %	**2.4%**	**3.4%**	**4.4%**	**3.4%**	**3.4%**

Full Year Result
for the year ended 31 July 2016

3 ARYZTA Group – Segmental EBITA

in EUR `000	July 2016	July 2015	% Change	EBITA Margin 2016	EBITA Margin 2015	% Change
Europe	215,777	212,031	1.8%	12.4%	12.9%	(50) bps
North America	243,292	275,108	(11.6)%	12.8%	14.2%	(140) bps
Rest of World	25,798	26,826	(3.8)%	11.5%	11.6%	(10) bps
Total Group EBITA	**484,867**	**513,965**	**(5.7)%**	**12.5%**	**13.5%**	**(100) bps**

4 Our business

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

Total revenue from continuing operations increased by 1.5% to €3.9bn during the year ended 31 July 2016, mainly due to a favourable currency impact of 1.4%, primarily related to the strengthening of the US Dollar.

Overall underlying revenues increased during the year by 0.5%, reflecting strong underlying growth in Europe of 4.0%, offset by a (3.1)% decline in underlying revenues in North America, due entirely to the impact of long-term contract renewals. Excluding the impact of these long-term contract renewals, underlying revenue growth for the Group would have been 3.4%.

Group EBITA from continuing operations decreased (5.7)% to €484.9m and Group EBITA margins declined by (100) bps to 12.5%. Approximately half of this EBITA margin decline relates to increased investments in marketing of the Group's brands, including La Brea Bakery, Otis Spunkmeyer, Cuisine de France, Hiestand and Fornetti, in order to drive future sales of these higher margin consumer-facing sales. The remainder of the decline primarily relates to the production inefficiencies and negative operating leverage caused by the volume reductions resulting from the North American long-term contract renewals.

As previously indicated, all long-term contracts have now been signed, which significantly increases revenue stability going forward.

5 ARYZTA Europe

ARYZTA Europe has leading market positions in the speciality bakery markets in Germany, Switzerland, France, Ireland, the UK, the Netherlands, Hungary, Poland, Denmark, Spain, Sweden, Romania, Czechia and other European countries. ARYZTA Europe's business continues to benefit from growth in In-Store Bakery, driven primarily by growth in the discounter channel, and is well positioned for improved performance.

ARYZTA Europe performed strongly during the year, with revenue growth of 6.1% to €1,747.1m, of which underlying revenue increased by 4.0%. In addition, acquisitions, net of disposals, contributed 1.9% and there was also a favourable currency impact of 0.2%.

Full Year Result
for the year ended 31 July 2016

Europe EBITA increased by 1.8% to €215.8m and EBITA margins decreased by (50) bps to 12.4%.

The multi-year investment in additional bakery capacity in Germany was substantially completed during the year, enabling the consolidation of older less efficient capacity into a single highly-automated site by year-end. However, the level of change required during this transition period impacted production efficiencies and new product development, leading to reduced underlying revenue growth and operating leverage during Q4.

There was a good recovery in the ARYZTA Food Solutions businesses in Ireland and the UK during the year. The business performance in France suffered from a significant reduction in tourism, especially in Paris, due to heightened security concerns. In Switzerland, the strong Swiss franc continues to impact pricing strategies, in order to preserve market competitiveness.

ARYZTA Europe completed the divestment of Fresca in France and the acquisition of La Rousse Foods in Ireland during the year. These transactions reflect the ARYZTA Food Solutions strategy to focus on premium, higher-margin business. The recent European acquisitions of Fornetti and La Rousse performed well during the year, fully delivering their acquisition business plans.

During the year, ARYZTA Europe invested €91.1m in capital expansion, primarily related to extending capabilities and centralising production in Germany.

ARYZTA Europe also incurred €5.0m of non-cash asset write-downs of various manufacturing, distribution and administration assets and €57.1m of cash non-recurring costs, primarily related to severance and staff-related costs incurred as a direct result of bakery consolidation in Germany and de-layering of management functions across the region.

6 ARYZTA North America

ARYZTA North America is a leading player in the speciality bakery markets in the United States and Canada. ARYZTA has three routes to market; outsourced supply chain manufacturing, customer own brand manufacturing and ARYZTA brand manufacturing. ARYZTA's key consumer brands in North America are La Brea Bakery and Otis Spunkmeyer.

ARYZTA North America revenues declined by (1.8)% to €1.9bn. Underlying revenue declined by (3.1)% during the year. The disposal of a non-core, fillings and mixes business resulted in a further decline of (2.4)%, while favourable currency movements supported revenues by 3.7% during the year.

The ARYZTA North America decline in underlying revenues is entirely related to the impact of long-term contract renewals, as highlighted in previous announcements. Excluding the impact of these customers, underlying revenue growth in ARYZTA North

Full Year Result
for the year ended 31 July 2016

America would have been 2.2%, reflecting the success of the innovation driven pipeline of new food items, cross-selling and an overall extension of the customer base.

ARYZTA North America EBITA declined by (11.6)% to €243.3m, while EBITA margins declined (140) bps to 12.8%. These declines reflect the increased investment in consumer facing brands to support the nationwide roll-out of Otis Spunkmeyer. It also reflects the decreased operating leverage created by the decline in underlying revenues during the period.

During the year, ARYZTA North America invested an additional €39.8m to expand and modernise existing capabilities, primarily in the premium artisan bakery segment.

ARYZTA North America also incurred €9.7m of asset write-downs and €24.5m cash non-recurring costs due to continued optimisation and efficiency programmes.

7 ARYZTA Rest of World

ARYZTA's operations in the Rest of World primarily includes businesses in Brazil, Australia, New Zealand, Japan, Malaysia and Singapore. While accounting for less than 6% of the total Group's business, these locations provide attractive future growth opportunities.

ARYZTA Rest of World revenues declined by (3.3)% to €223.7m, entirely due to unfavourable currency movements of (9.5)%, primarily from the weakening of the Brazilian Real. Underlying revenue growth across the region was strong at 6.2%, driven by improved product mix and customer channel diversification.

ARYZTA Rest of World EBITA declined by (3.8)% to €25.8m, entirely due to unfavourable currency movements. Local currency EBITA grew relatively in-line with revenues, as EBITA margins declined by only (10) bps to 11.5%.

8 Joint ventures

During August 2015, the Group invested €450.7m in a 49% interest in Picard, which operates an asset-light business-to-consumer platform, focused on premium speciality food. Picard is located primarily in France, but also has some international franchises.

While the Group retains the right to exercise a call option to acquire the remaining outstanding interest in Picard between FY 2019 and FY 2021, Picard remains separately managed and has separately funded debt structures, which are non-recourse to ARYZTA.

As ARYZTA is entitled to jointly approve key business decisions, including approval of proposed members of Picard management and the annual operating budget, the Group's interest in Picard has been presented as a joint venture.

Extract from 2016 Annual Report

Full Year Result
for the year ended 31 July 2016

During January 2015, the Group exchanged assets with a fair value of GBP 24.0m (€30.6m) for a 50% interest in Signature Flatbreads, a pioneering flatbread producer in the UK and India, producing an innovative range of authentic Indian breads, as well as high quality international flatbreads, tortillas, pizza bases and pitas.

As ARYZTA is entitled to jointly approve key business decisions, the Group's interest in Signature Flatbreads has been presented as a joint venture.

These joint venture investments, totalling €491.4m as of 31 July 2016, are financed entirely through the hybrid funding perpetual instruments, totalling €793.5m as of 31 July 2016.

Joint ventures had combined revenues of €1,403m during the ARYZTA year ended 31 July 2016 and delivered an underlying contribution to ARYZTA, after interest and tax, of €15.7m. Both joint ventures performed well, growing revenues and margins, while generating strong internal cash flows.

ARYZTA's share of Picard net profit was €13.6m reflecting 11 months of contributions. Pro forma 12 month revenue growth to July 2016 was 0.7% to €1.4 billion, while pro forma 12 month EBITDA growth to July 2016 was 6.3% to €198.8m. Picard incurred an effective tax rate of 60%, which significantly reduced its net profit contribution. Picard generated €40.5m of free cash during the period.

ARYZTA's share of Signature Flatbreads net profit was €2.1m. Following a successful refinancing, Signature repaid €21.5m of its outstanding vendor loan note to ARYZTA, during the year.

in EUR '000	Picard 2016	Signature 2016	**Total July 2016**	Total July 2015
Revenue	1,287,900	115,087	**1,402,987**	55,502
EBITDA	186,743	11,108	**197,851**	(27)
Depreciation	(27,405)	(4,805)	**(32,210)**	(2,227)
EBITA	159,338	6,303	**165,641**	(2,254)
EBITA margin	12.4%	5.5%	**11.8%**	(4.1)%
Finance costs, net	(88,746)	(1,169)	**(89,915)**	(444)
Pre-tax profits / (losses)	70,592	5,134	**75,726**	(2,698)
Income tax'	(42,592)	(1,024)	**(43,616)**	278
Joint venture underlying net profit/(loss)	28,000	4,110	**32,110**	(2,420)
ARYZTA's share of underlying net profit	**13,627**	**2,055**	**15,682**	(1,210)

Full Year Result
for the year ended 31 July 2016

9 Net acquisition, disposal and restructuring-related costs

During the year ended 31 July 2016, the Group incurred the following amounts related to integration, rationalisation and restructuring:

in EUR `000	Non-cash 2016	Cash 2016	Total 2016	Total 2015
Net gain/(loss) on disposal of businesses	993	–	**993**	(45,685)
Asset write-downs	(14,787)	–	**(14,787)**	(146,289)
Acquisition-related costs	–	(2,330)	**(2,330)**	(9,982)
Severance and other staff-related costs	–	(65,447)	**(65,447)**	(48,642)
Contractual obligations	–	(6,738)	**(6,738)**	(2,087)
Advisory and other costs	–	(8,805)	**(8,805)**	(27,265)
Net acquisition, disposal and restructuring-related costs	**(13,794)**	**(83,320)**	**(97,114)**	**(279,950)**

Continuing operations – non-cash
During the year ended 31 July 2016, the Group disposed of two businesses, which historically generated approximately €100,000,000 in annual revenues. As the €42,060,000 proceeds received, net of associated transaction costs, exceeded the €41,067,000 carrying value of the net assets disposed, a net gain on disposal of €993,000 has been reflected in the financial statements.

The Group incurred €14,787,000 (2015: €146,289,000) of asset write-downs during the year, primarily related to the write-down of various distribution, manufacturing and administration assets within the ARYZTA Europe and ARYZTA North America segments. These write-downs arose as a result of the closure or reduction in activities in these locations and are the direct result of the Group's recent integration and rationalisation programme investments, which have replaced obsolete assets, optimised the distribution network and streamlined administrative functions.

Continuing operations – cash
The Group also incurred €83,320,000 (2015: €87,976,000) of costs, primarily related to severance and other staff-related costs incurred as a result of the asset closures above, de-layering of management and administrative functions, and further costs associated with the continued integration of acquired businesses into the Group's bakery and distribution network.

As these non-cash gains and losses are added back to net assets and the cash costs are deducted from EBITA when calculating ROIC for management compensation purposes, these items had no impact on management compensation during the year ended 31 July 2016.

The Group expects these net acquisition, disposal and restructuring-related costs to decrease significantly going forward, compared to recent periods of the multi-year restructuring programme that was aimed at integrating over 30 separately acquired autonomous business units, replacing obsolete assets, optimising the distribution network and streamlining administrative functions.

Full Year Result
for the year ended 31 July 2016

10 Discontinued operations – Origin

During March 2015, ARYZTA announced the completion of its offering of 49 million ordinary shares of Origin for €8.25 per share, which raised net proceeds for ARYZTA of €398,108,000. At the time of the placing, the deemed fair value of the Group's remaining 29.0% interest in Origin was also valued at €8.25 per share, resulting in a value of €299,329,000. As the total deemed consideration exceeded the Group's €145,678,000 share of the disposed net assets and cash balances of Origin, the Group recognised a gain on disposal of discontinued operations of €551,759,000.

Following the March 2015 placing, the Group's remaining 29.0% interest in Origin was determined to be an associate held-for-sale, recorded at fair value, less costs to sell. Based on the unadjusted quoted price of €7.62 as of 31 July 2015 less estimated costs to sell, a fair value adjustment of €28,459,000 was recorded during the prior year to reduce the carrying value to €270,870,000 as of 31 July 2015, resulting in a total net gain in relation to the disposal of Origin of €523,300,000 during the year ended 31 July 2015.

in EUR '000	July 2015
Cash received, net of transaction costs	398,108
Net cash disposed	(25,133)
Cash received, net of cash disposed	372,975
Fair value of retained 29% interest	299,329
Total consideration	672,304
ARYZTA's share of Origin net assets disposed	(120,545)
Gain on disposal of discontinued operations	551,759
Fair value adjustment to associate held-for-sale	(28,459)
Net gain on disposal of discontinued operations	**523,300**

During September 2015, ARYZTA announced the completion of its offering of its remaining 36.3 million ordinary shares of Origin for €6.30 per share, which raised net proceeds for ARYZTA of €225,101,000. As the fair value of the 29.0% investment in associate held-for-sale at 31 July 2015 was €270,870,000, this resulted in a net loss on disposal in the current year of €45,769,000. This divestment simplifies the reporting structure and transforms ARYZTA into a business fully focused on speciality food.

in EUR `000	July 2016
Underlying contribution associate held-for-sale	48
Cash received, net of transaction costs	225,101
Carrying value of 29% interest disposed	(270,870)
Net loss on disposal of associate held-for-sale	**(45,721)**

Full Year Result
for the year ended 31 July 2016

As Origin previously represented a significant component and a separately reported segment of the Group, Origin's results have been separately presented as discontinued operations, in both the current and prior years, as shown below:

in EUR `000	July 2016	July 2015
Revenue	194,721	1,458,098
EBITA	146	78,895
EBITA margin	0.1%	5.4%
Associates and JV, net of tax	881	14,076
EBITA incl. associates and JV	1,027	92,971
Finance cost, net	(1,015)	(4,810)
Pre-tax profits	12	88,161
Income tax	154	(12,690)
Total underlying net profit	166	75,471
Non-ARYZTA portion of discontinued operations	(118)	(45,736)
Underlying contribution associate held-for-sale	(48)	–
Underlying net profit - discontinued operations	**–**	**29,735**

11 Cash generation

in EUR `000	July 2016	July 2015
EBIT	308,626	345,943
Amortisation	176,241	168,022
EBITA	484,867	513,965
Depreciation	124,773	124,306
EBITDA	609,640	638,271
Working capital movement	40,586	(63,319)
Working capital movement from debtor securitisation[1]	54,258	104,077
Maintenance capital expenditure	(80,004)	(80,725)
Segmental operating free cash generation	**624,480**	**598,304**
Investment capital expenditure[2]	(132,901)	(329,412)
Acquisition and restructuring-related cash flows	(81,702)	(101,266)
Segmental operating free cash generation, after investment capital expenditure and integration costs	**409,877**	**167,626**
Dividends received from Origin	–	17,056
Hybrid dividend	(31,788)	(39,107)
Interest and income tax	(113,972)	(117,947)
Other[3]	2,615	(6,200)
Cash flow generated from activities	**266,732**	**21,428**

1 Total debtor balances securitised as of 31 July 2016 is €208m.

2 Includes expenditure on intangible assets.

3 Other cash generated from activities comprises primarily cash received from government grants, net of related amortisation.

Extract from 2016 Annual Report

Full Year Result
for the year ended 31 July 2016

12 Net debt and investment activity

in EUR `000	FY 2016	FY 2015
Group opening net debt as at 1 August	**(1,725,103)**	**(1,642,079)**
Cash flow generated from activities	266,732	21,428
Disposal of businesses, net of cash and finance leases	42,060	22,728
Proceeds from disposal of Origin, net of cash disposed	225,101	398,108
Investment in joint venture	(450,732)	–
Net debt cost of acquisitions	(26,917)	(149,822)
Collection of receivables from joint ventures	21,509	–
Contingent consideration paid	(46,916)	(9,240)
Hybrid instrument proceeds	–	69,334
Dividends paid	(57,313)	(69,364)
Foreign exchange movement[1]	36,038	(363,792)
Other[2]	(4,076)	(2,404)
Group closing net debt as at 31 July	**(1,719,617)**	**(1,725,103)**

1 Foreign exchange movement for the year ended 31 July 2016 primarily attributable to the fluctuation in the GBP to euro rate from July 2015 (0.7091) to July 2016 (0.8399). Foreign exchange movement for the year ended 31 July 2015 is primarily attributable to the fluctuation in the US Dollar to euro rate from July 2014 (1.3430) to July 2015 (1.1109) and in the Swiss Franc to euro rate from July 2014 (1.2169) to July 2015 (1.0635).

2 Other comprises primarily amortisation of upfront financing costs.

As of 31 July 2016, the Group's financing facilities, related capitalised upfront borrowing costs, finance leases, overdrafts and cash balances outstanding were as follows:

Debt Funding as at 31 July 2016	Principal	Outstanding in EUR '000
Syndicated Bank Loan	EUR 100m	(100,000)
Syndicated Bank Loan	USD 550m	(492,744)
Syndicated Bank Loan	CAD 80m	(54,936)
Syndicated Bank Loan	GBP 80m	(95,247)
Syndicated Bank Loan	CHF 270m	(248,740)
Private Placements	USD 1,300m	(1,164,666)
Private Placements	EUR 50m	(50,000)
Gross term debt		**(2,206,333)**
Upfront borrowing costs		20,020
Term debt, net of upfront borrowing costs		**(2,186,313)**
Finance leases		(2,277)
Cash and cash equivalents, net of overdrafts		468,973
Net debt		**(1,719,617)**

As of 31 July 2016, the Group's interest cover including hybrid interest was 4.50x (2015: 5.76x). The weighted average maturity of the Group gross term debt was 4.39 years (2015: 4.98 years). The weighted average interest cost of Group debt financing facilities (including overdrafts) is 4.49% (2015: 3.84%).

ARYZTA intends to maintain an investment grade position in the range of 2x – 3x Net debt: EBITDA on its syndicated bank loan. The Group's key financial ratio is as follows:

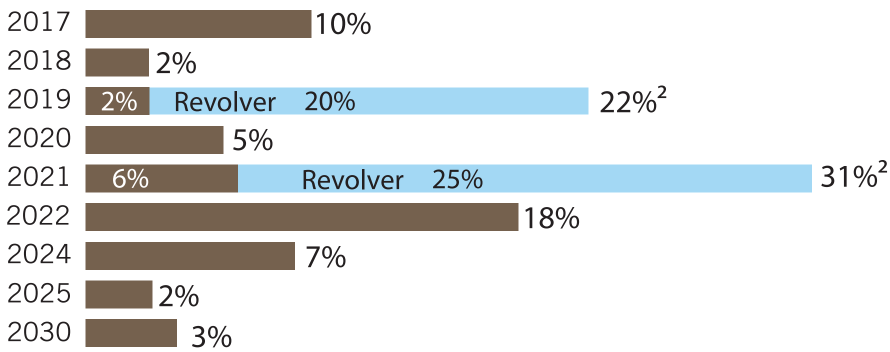
	July 2016	July 2015
Net Debt: EBITDA[1] (syndicated bank loan)	2.90x	2.54x

1 Calculated based on the terms of the Group Syndicated Bank Loan Revolving Credit Facility.

Extract from 2016 Annual Report

Full Year Result
for the year ended 31 July 2016

Gross Term Debt Maturity Profile[1]
Financial Year



1 The term debt maturity profile is set out as at 31 July 2016. Gross term debt at 31 July 2016 is €2,206.3m. Net debt at 31 July 2016 is €1,719.6m, which also includes overdrafts and finance leases, and is net of cash and related capitalised upfront borrowing costs.

2 Incorporating the drawn amount on the Revolving Credit Facility of €991.7 m as at 31 July 2016, which represents 45 % of the gross term debt.

13 Hybrid funding

Perpetual Callable Subordinated Instruments as at 31 July 2016		
Hybrid Funding - first call date April 2018	CHF 400m	(319,442)
Hybrid Funding - first call date March 2019	EUR 250m	(245,335)
Hybrid Funding - first call date April 2020	CHF 190m	(155,679)
Hybrid funding at historical cost, net of associated costs		**(720,456)**
Hybrid funding fair value adjustment to year-end exchange rates		(73,087)
Hybrid funding at 31 July 2016 exchange rates		**(793,543)**

14 Foreign currency

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

Currency	Average 2016	Average 2015	% Change	Closing 2016	Closing 2015	% Change
CHF	1.0905	1.1191	2.5%	1.0855	1.0635	(2.1)%
USD	1.1106	1.1799	5.9%	1.1162	1.1109	(0.5)%
CAD	1.4748	1.4009	(5.3)%	1.4562	1.4446	(0.8)%
GBP	0.7602	0.7547	(0.7)%	0.8399	0.7091	(18.4)%

Extract from 2016 Annual Report

Full Year Result
for the year ended 31 July 2016

15 ARYZTA Group Return on invested capital

in EUR million	Europe	North America	Rest of World	Total Group
2016				
Group share net assets[1]	1,903	2,488	198	4,589
EBITA[1]	215	243	26	484
ROIC	11.3%	9.8%	13.0%	10.5%
2015				
Group share net assets[1]	1,963	2,602	204	4,769
EBITA[1]	220	275	27	522
ROIC	11.2%	10.6%	13.2%	10.9%

1 See glossary in section 22 for definitions of financial terms and references used.

2 Group WACC on a pre-tax basis is currently 8.0% (2015: 7.4%).

16 Net assets, goodwill and intangibles

Group Balance Sheet in EUR `000	Total Group 2016	Total Group 2015
Property, plant and equipment	1,594,885	1,543,263
Investment properties	24,787	25,916
Goodwill and intangible assets	3,617,194	3,797,269
Deferred tax on acquired intangibles	(210,635)	(246,116)
Working capital	(361,307)	(218,669)
Other segmental liabilities	(76,109)	(132,849)
Segmental net assets	4,588,815	4,768,814
Joint ventures and related receivables	495,402	60,711
Associate held-for-sale	–	270,870
Net debt	(1,719,617)	(1,725,103)
Deferred tax, net	(113,823)	(95,423)
Income tax	(49,118)	(45,813)
Derivative financial instruments	(13,888)	(12,113)
Net assets	**3,187,771**	**3,221,943**

17 Proposed dividend

At the Annual General Meeting on 13 December 2016, shareholders will be invited to approve a proposed dividend of CHF 0.5731 (€0.5255) per share. If approved, the dividend will be paid to shareholders on 1 February 2017. A dividend of CHF 0.6555 per share was paid during the year, as approved by shareholders at the Annual General Meeting on 8 December 2015.

Extract from 2016 Annual Report

Full Year Result
for the year ended 31 July 2016

18 Subsequent Events
During August 2016, the Group exercised its option to increase its Revolving Credit Facility ('RCF') by CHF 150m, to a total available capacity of CHF 1,550m (€1,428m). As of 31 July 2016 the balance outstanding on this facility was €991.7m.

During August 2016, the Group signed a new €1,000m Term Loan Facility, which matures in February 2018, with similar financial terms as the RCF.

During September 2016, the Group utilised the available capacity of the RCF, Term Loan Facility and existing cash resources to redeem all of its outstanding Private Placements, which totalled €1,215m as of 31 July 2016, for a total redemption cost of €1,410m, including the principal balance, early redemption costs of €169m, accrued interest, associated unamortised borrowing costs and other related fees.

These transactions are expected to result in a significant reduction in the Group's weighted average interest cost.

19 Outlook
During FY17 ARYZTA expects to generate free cash in a range of €225-€275m, excluding Private Placement early redemption costs, and deliver underlying fully diluted EPS in-line with consensus of 358 cent.

20 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 18 to continue to reflect the principal risks and uncertainties of the Group.

21 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.

Extract from 2016 Annual Report

Full Year Result
for the year ended 31 July 2016

22 Glossary of financial terms and references

‘Joint ventures, net’ – presented as profit from joint ventures, net of taxes and interest, before non-ERP amortisation and the impact of associated non-recurring items.

‘EBITA’ – presented as earnings before interest, taxation, non-ERP related intangible amortisation; before net acquisition, disposal and restructuring-related costs and related tax credits.

‘EBITDA’ – presented as earnings before interest, taxation, depreciation and amortisation; before net acquisitions, disposal and restructuring-related costs and related tax credits.

‘ERP’ – Enterprise Resource Planning intangible assets include the Group SAP system.

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

‘Segmental Net Assets’ – Based on segmental net assets, which excludes joint ventures, all bank debt, cash and cash equivalents and tax balances, with the exception of deferred tax liabilities associated with non-ERP intangible assets, as those deferred tax liabilities represent a notional non-cash tax impact directly linked to segmental intangible assets recorded as part of a business combination, rather than an actual cash tax obligation.

‘ROIC’ – Return On Invested Capital is calculated on a consistent basis year over year using a pro-forma trailing twelve months segmental EBITA (‘TTM EBITA’) reflecting the full twelve month contribution from acquisitions and full twelve month deductions from disposals, divided by the respective Segmental Net Assets, as of the end of each respective period.

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

The Group utilises the underlying net profit measure to enable comparability of the 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.

Extract from 2016 Annual Report

Bridge to Group Consolidated Income Statement

for the financial year ended 31 July 2016

in EUR `000	ARYZTA Group 2016	ARYZTA Group 2015
Underlying net profit – continuing operations	**311,542**	329,988
Intangible amortisation	**(176,241)**	(168,022)
Tax on amortisation	**36,715**	35,104
Share of joint venture intangible amortisation and restructuring-related costs, net of tax	**(3,966)**	(310)
Hybrid instrument accrued dividend	**31,882**	30,673
Net acquisition, disposal and restructuring-related costs	**(97,114)**	(279,950)
Tax on net acquisition, disposal and restructuring-related costs	**9,911**	47,881
Reported net profit/(loss) – continuing operations	**112,729**	(4,636)
Underlying net profit – discontinued operations	**–**	29,735
Underlying contribution associate held-for-sale	**48**	(17,296)
Intangible amortisation, non-recurring and other	**–**	(6,343)
Profit for the year – discontinued operations	**48**	6,096
(Loss)/gain on disposal of discontinued operations	**(45,769)**	523,300
Reported net profit – discontinued operations	**(45,721)**	529,396
Reported net profit attributable to equity shareholders	**67,008**	524,760

Extract from 2016 Annual Report

Group Risk Statement
Principal Risks and Uncertainties

The Board and senior management continue to invest significant time and resources in identifying specific risks across the Group, and in developing a culture of balanced risk minimisation. The Group has formal risk assessment processes in place through which risks are identified and associated mitigating controls are evaluated. These processes are driven by local management, who are best placed to identify the significant ongoing and emerging risks facing the business. The outputs of these risk assessment processes are subject to various levels of review by Group management and Internal Audit, and a consolidated Risk Map denoting the potential frequency, severity and velocity of identified risks is reviewed by the Board of Directors on an annual basis. Risks identified, and associated mitigating controls, are also subject to audit as part of various operational, financial, health and safety audit programmes.

The key risks facing the Group include the following: [1]

- As an international group with substantial operations and interests outside the Eurozone, ARYZTA is subject to the risk of adverse movements in foreign currency exchange rates.
- The Group faces business risks associated with cash, receivables and other financial instruments.
- Operational risks facing the Group include product contamination and general food scares, which could impact relevant products or production and distribution processes.
- Changing dietary trends and the increased emphasis on health and wellness among consumers present both opportunities and risks for the Group.
- The Group faces increasing compliance requirements in areas such as health and safety, emissions and effluent control.
- The loss of a significant manufacturing/operational site through natural catastrophe or act of vandalism could have a material impact on the Group.
- A significant failure in the accounting, planning or internal financial controls and related systems could result in a material error or fraud.
- A significant IT or security system failure could adversely impact operations.
- Fluctuations in energy, commodities and other production inputs could materially impact the profitability of the Group.
- The Group faces the risk of a decrease in consumer spending.
- The Group faces the risk of impairment of its goodwill, brands and intangibles.
- Having grown both organically and through acquisitions, the Group faces risks and challenges associated with managing growth and ensuring that processes around acquiring and integrating new businesses are robust.
- The Group faces risks associated with the potential loss of key management personnel.
- Were the Group to breach a financing covenant, it may be required to renegotiate its financing facilities at less favourable terms resulting in higher financing costs, and/or be unable to finance operations.
- The loss of a significant supplier could adversely impact ongoing operations.
- As the Group operates in a competitive industry, it is subject to the risk of the loss of a significant customer.
- The implementation of a Group-wide ERP system requires substantial investment and ongoing monitoring.

1 These risks are not listed in order of importance.

Statement of Directors' Responsibilities
for the year ended 31 July 2016

Company law requires the directors to prepare Group consolidated and Company financial statements for each financial year. The directors are required to prepare the Group consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') and the requirements of Swiss law and to prepare the Company financial statements in accordance with Swiss law and the Company's Articles of Association.

This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of the Group consolidated and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing each of the Group consolidated and Company financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper books of account that present, with reasonable accuracy at any time, the financial position of the Group and Company and enable them to ensure that its financial statements comply with IFRS, the requirements of Swiss law and the Company's Articles of Association.

They are also responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

On behalf of the Board

Denis Lucey
Chairman, Board of Directors

Owen Killian
CEO, Member of the Board of Directors

22 September 2016

Group Consolidated Income Statement
for the year ended 31 July 2016

in EUR `000	Notes	2016	2015
Continuing Operations			
Revenue	2	**3,878,871**	3,820,231
Cost of sales		**(2,654,228)**	(2,709,763)
Distribution expenses		**(414,410)**	(407,658)
Gross profit		**810,233**	702,810
Selling expenses		**(188,656)**	(167,646)
Administration expenses		**(410,065)**	(469,171)
Operating profit	2	**211,512**	65,993
Share of profit / (loss) after tax of joint ventures	6	**11,716**	(1,520)
Profit before financing income, financing costs and income tax expense		**223,228**	64,473
Financing income		**3,526**	2,137
Financing costs		**(106,706)**	(85,527)
Profit / (loss) before income tax		**120,048**	(18,917)
Income tax (expense) / credit		**(4,543)**	18,950
Profit for the year from continuing operations		**115,505**	33
Discontinued operations			
(Loss) / profit for the year from discontinued operations	3	**(45,721)**	532,246
Profit for the year		**69,784**	532,279
Attributable as follows:			
Equity shareholders - continuing operations		**112,729**	(4,636)
Equity shareholders - discontinued operations		**(45,721)**	529,396
Equity shareholders - total		**67,008**	524,760
Non-controlling interests - continuing operations		**2,776**	4,669
Non-controlling interests - discontinued operations		**–**	2,850
Non-controlling interests - total		**2,776**	7,519
Profit for the year		**69,784**	532,279

Basic earnings per share	Notes	**2016 euro cent**	2015 euro cent
From continuing operations	5	**91.1**	(39.8)
From discontinued operations	5	**(51.5)**	597.1
		39.6	557.3

Diluted earnings per share	Notes	**2016 euro cent**	2015 euro cent
From continuing operations	5	**90.9**	(39.8)
From discontinued operations	5	**(51.4)**	597.1
		39.5	557.3

Group Consolidated Statement of Comprehensive Income
for the year ended 31 July 2016

in EUR `000	Notes	2016	2015
Profit for the year		**69,784**	532,279
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation effects			
– Foreign currency net investments		**(49,548)**	370,741
– Foreign currency borrowings	8	**36,027**	(359,872)
– Taxation effect of foreign exchange translation movements		**198**	5,265
– Foreign exchange translation effects related to discontinued operations		**–**	9,286
Cash flow hedges			
– Effective portion of changes in fair value of cash flow hedges		**5,747**	(12,391)
– Fair value of cash flow hedges transferred to income statement		**(7,380)**	4,936
– Deferred tax effect of cash flow hedges		**376**	599
– Cash flow hedges gain related to discontinued operations, net of tax		**–**	3,352
Share of joint ventures' other comprehensive income	6	**304**	–
Total of items that may be reclassified subsequently to profit or loss		**(14,276)**	21,916
Items that will not be reclassified to profit or loss:			
Defined benefit plans			
– Actuarial loss on Group defined benefit pension plans		**(462)**	(6,882)
– Deferred tax effect of actuarial loss		**(23)**	1,216
– Discontinued operations loss on defined benefit plans, net of tax		**–**	(17,789)
Total of items that will not be reclassified to profit or loss		**(485)**	(23,455)
Total other comprehensive loss		**(14,761)**	(1,539)
Total comprehensive income for the year		**55,023**	530,740
Attributable as follows:			
Equity shareholders		**53,757**	522,888
Non-controlling interests		**1,266**	7,852
Total comprehensive income for the year		**55,023**	530,740

Group Consolidated Balance Sheet
as at 31 July 2016

in EUR `000	Notes	2016	2015
Assets			
Non-current assets			
Property, plant and equipment		**1,594,885**	1,543,263
Investment properties		**24,787**	25,916
Goodwill and intangible assets		**3,617,194**	3,797,269
Investments in joint ventures	6	**491,446**	32,067
Receivables from joint ventures		**3,956**	28,644
Deferred income tax assets		**133,176**	105,579
Total non-current assets		**5,865,444**	5,532,738
Current assets			
Inventory		**248,719**	259,855
Trade and other receivables		**168,595**	264,036
Derivative financial instruments		**669**	653
Cash and cash equivalents	8	**647,724**	316,867
Total current assets		**1,065,707**	841,411
Associate held-for-sale	3	**–**	270,870
Total assets		**6,931,151**	6,645,019

Group Consolidated Balance Sheet (continued) as at 31 July 2016

in EUR `000	Notes	2016	2015
Equity			
Called up share capital		**1,172**	1,172
Share premium		**774,040**	774,040
Retained earnings and other reserves		**2,397,460**	2,428,295
Total equity attributable to equity shareholders		**3,172,672**	3,203,507
Non-controlling interests		**15,099**	18,436
Total equity		**3,187,771**	3,221,943
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	8	**1,963,709**	1,937,176
Employee benefits		**13,470**	15,274
Deferred income from government grants		**23,945**	16,998
Other payables		**37,678**	51,917
Deferred income tax liabilities		**457,634**	447,118
Derivative financial instruments		**4,618**	5,401
Total non-current liabilities		**2,501,054**	2,473,884
Current liabilities			
Interest-bearing loans and borrowings	8	**403,632**	104,794
Trade and other payables		**778,621**	742,560
Income tax payable		**49,118**	45,813
Derivative financial instruments		**9,939**	7,365
Contingent consideration		**1,016**	48,660
Total current liabilities		**1,242,326**	949,192
Total liabilities		**3,743,380**	3,423,076
Total equity and liabilities		**6,931,151**	6,645,019

Group Consolidated Statement of Changes in Equity
for the year ended 31 July 2016

31 July 2016 in EUR `000	Share capital	Share premium	Treasury shares	Other equity reserve	Cash flow hedge reserve	Share-based payment reserve	Foreign currency trans-lation reserve	Retained earnings	Total share-holders equity	Non-controlling interests	Total
At 1 August 2015	**1,172**	**774,040**	**(47)**	**720,456**	**(10,264)**	**–**	**(5,153)**	**1,723,303**	**3,203,507**	**18,436**	**3,221,943**
Profit for the year	–	–	–	–	–	–	–	67,008	67,008	2,776	69,784
Other comprehensive (loss) / income	–	–	–	–	(1,257)	–	(12,961)	967	(13,251)	(1,510)	(14,761)
Total comprehensive (loss) / income	**–**	**–**	**–**	**–**	**(1,257)**	**–**	**(12,961)**	**67,975**	**53,757**	**1,266**	**55,023**
Equity dividends (note 9)	–	–	–	–	–	–	–	(52,710)	(52,710)	–	(52,710)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	(4,603)	(4,603)
Dividends accrued on perpetual callable subordinated instruments	–	–	–	–	–	–	–	(31,882)	(31,882)	–	(31,882)
Total transactions with owners recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(84,592)**	**(84,592)**	**(4,603)**	**(89,195)**
At 31 July 2016	**1,172**	**774,040**	**(47)**	**720,456**	**(11,521)**	**–**	**(18,114)**	**1,706,686**	**3,172,672**	**15,099**	**3,187,771**

Group Consolidated Statement of Changes in Equity (continued)
for the year ended 31 July 2016

31 July 2015 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 2014	**1,172**	**773,735**	**(55)**	**604,446**	**(3,616)**	**13,322**	**19,454**	**(29,045)**	**1,324,292**	**2,703,705**	**87,752**	**2,791,457**
Profit for the year	–	–	–	–	–	–	–	–	524,760	524,760	7,519	532,279
Other comprehensive (loss)/income	–	–	–	–	(4,571)	–	–	20,487	(17,788)	(1,872)	333	(1,539)
Total comprehensive (loss)/income	**–**	**–**	**–**	**–**	**(4,571)**	**–**	**–**	**20,487**	**506,972**	**522,888**	**7,852**	**530,740**
Issue of perpetual callable subordinated instruments	–	–	–	401,014	–	–	–	–	–	401,014	–	401,014
Redemption of perpetual callable subordinated instrument	–	–	–	(285,004)	–	–	–	–	(46,676)	(331,680)	–	(331,680)
Release of treasury shares due to exercise of LTIP	–	305	8	–	–	–	–	–	–	313	–	313
Share-based payments	–	–	–	–	–	–	1,705	–	–	1,705	–	1,705
Transfer of share-based payment reserve to retained earnings	–	–	–	–	–	–	(19,919)	–	19,919	–	–	–
Equity dividends (note 9)	–	–	–	–	–	–	–	–	(65,034)	(65,034)	–	(65,034)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(12,307)	(12,307)
Dividend accrued on perpetual callable subordinated instrument	–	–	–	–	–	–	–	–	(30,673)	(30,673)	–	(30,673)
Total contributions by and distributions to owners	**–**	**305**	**8**	**116,010**	**–**	**–**	**(18,214)**	**–**	**(122,464)**	**(24,355)**	**(12,307)**	**(36,662)**
Disposal of Origin	–	–	–	–	(2,077)	(13,322)	(1,240)	3,405	14,562	1,328	(64,727)	(63,399)
Acquisition of non-controlling interests	–	–	–	–	–	–	–	–	(59)	(59)	(134)	(193)
Total transactions with owners recognised directly in equity	**–**	**305**	**8**	**116,010**	**(2,077)**	**(13,322)**	**(19,454)**	**3,405**	**(107,961)**	**(23,086)**	**(77,168)**	**(100,254)**
At 31 July 2015	**1,172**	**774,040**	**(47)**	**720,456**	**(10,264)**	**–**	**–**	**(5,153)**	**1,723,303**	**3,203,507**	**18,436**	**3,221,943**

Group Consolidated Cash Flow Statement
for the year ended 31 July 2016

in EUR `000	Notes	2016	2015
Cash flows from operating activities			
Profit for the year from continuing operations		**115,505**	33
Income tax expense / (credit)		**4,543**	(18,950)
Financing income		**(3,526)**	(2,137)
Financing costs		**106,706**	85,527
Share of (profit) / loss after tax of joint ventures	6	**(11,716)**	1,520
Net (gain) / loss on disposal of businesses	4	**(993)**	45,685
Asset write-downs	4	**14,787**	146,289
Other restructuring-related costs in excess of payments		**1,618**	(14,650)
Depreciation of property, plant and equipment	2	**112,030**	114,519
Amortisation of intangible assets	2	**188,984**	177,809
Recognition of deferred income from government grants		**(3,098)**	(4,107)
Share-based payments		**–**	1,705
Other		**(4,332)**	(2,437)
Cash flows from operating activities before changes in working capital		**520,508**	530,806
Increase in inventory		**(16,223)**	(25,627)
Decrease in trade and other receivables		**80,902**	67,594
Increase / (decrease) in trade and other payables		**30,165**	(1,209)
Cash generated from operating activities		**615,352**	571,564
Interest paid		**(98,934)**	(88,831)
Interest received		**3,331**	1,666
Income tax paid		**(18,369)**	(30,782)
Net cash flows from operating activities - continuing operations		**501,380**	453,617
Net cash flows from operating activities - discontinued operations		**–**	(171,068)
Net cash flows from operating activities		**501,380**	282,549

Group Consolidated Cash Flow Statement
(continued)
for the year ended 31 July 2016

in EUR `000	Notes	2016	2015
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**1,030**	1,120
Purchase of property, plant and equipment			
– maintenance capital expenditure		**(81,034)**	(80,725)
– investment capital expenditure		**(102,985)**	(269,290)
Grants received		**10,045**	193
Investment in joint venture	6	**(450,732)**	–
Acquisition of businesses, net of cash acquired	7	**(26,447)**	(148,530)
Proceeds from disposal of Origin, net of cash disposed	3	**225,101**	372,975
Disposal of businesses, net of cash disposed	4	**42,060**	22,642
Purchase of intangible assets		**(29,916)**	(60,122)
Net receipts from joint ventures	6	**21,509**	–
Contingent consideration paid		**(46,916)**	(9,240)
Investing cash flows from discontinued operations		**–**	(4,224)
Net cash flows from investing activities		**(438,285)**	(175,201)
Cash flows from financing activities			
Issue of perpetual callable subordinated instrument		**–**	401,014
Repayment of perpetual callable subordinated instrument		**–**	(331,680)
Gross drawdown of loan capital	8	**290,887**	–
Gross repayment of loan capital	8	**(43,903)**	(337,668)
Capital element of finance lease liabilities	8	**(26)**	(60)
Dividends paid on perpetual callable subordinated instruments		**(31,788)**	(39,107)
Repurchase of non-controlling interests		**–**	(193)
Dividends paid to non-controlling interests		**(4,603)**	(4,330)
Dividends paid to equity shareholders		**(52,710)**	(65,034)
Financing cash flows from discontinued operations		**–**	79,485
Net cash flows from financing activities		**157,857**	(297,573)
Net increase in cash and cash equivalents		**220,952**	(190,225)
Translation adjustment		**(12)**	(549)
Net cash and cash equivalents at start of year		**248,033**	438,807
Net cash and cash equivalents at end of year	8	**468,973**	248,033

Notes to the Group Consolidated Financial Statements
for the year ended 31 July 2016

1 Basis of preparation

ARYZTA AG (the 'Company') is domiciled and incorporated in Zurich, Switzerland. The consolidated financial statements for the year ended 31 July 2016 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as the 'Group'), and show the Group's interest in joint ventures using the equity method of accounting, except where those investments are held-for-sale.

The Group consolidated financial statements are presented in euro, rounded to the nearest thousand, unless otherwise stated.

The financial information included on pages 20 to 44 of this News Release has been extracted from the ARYZTA Group consolidated financial statements for the year ended 31 July 2016, which are subject to approval by the shareholders at the Annual General Meeting on 13 December 2016.

The Group consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'). These policies have been consistently applied to all years presented, unless otherwise stated.

In the preparation of these Group consolidated financial statements, the Group has applied all standards that were required for accounting periods beginning on or before 1 August 2015. There are no new standards and interpretations, issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee, which are effective for the first time in the current financial year. The Group has not applied early adoption of any standards which are not yet effective.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Income statement presentation
In accordance with IAS 1, the Group Consolidated Income Statement is presented by function of expense.

Management has also identified certain acquisition, disposal and restructuring-related costs and fair value adjustments within each functional area that do not relate to the underlying business of the Group. Due to the relative size and nature of these items, in order to enable comparability of the Group's underlying results from period to period, these items have been presented as separate components of operating profit within note 4 and have been excluded from the calculation of underlying net profit in note 5.

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

Reclassifications and adjustments

Following the reduction in the Group's ownership interest in Origin Enterprises plc ('Origin') from 68.1% to 29.0% in March 2015, and the classification of the remaining investment in Origin as an associate held-for-sale, the corresponding amounts included in the 31 July 2015 Group Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement related to Origin have been presented as a single Discontinued Operations amount within these statements and the related notes in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

Certain other amounts in the 31 July 2015 Group consolidated financial statement notes have been reclassified or adjusted to conform to the 31 July 2016 presentation. These other reclassifications or adjustments were made for presentation purposes and have no effect on total revenues, expenses, profit for the year, total assets, total liabilities, equity or cash flow classifications as previously reported.

2 Segment information

2.1 Analysis by business segment

I) Segment revenue and result	Europe		North America		Rest of World		Total Continuing Operations	
in EUR `000	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Segment revenue[1]	**1,747,045**	1,646,635	**1,908,147**	1,942,342	**223,679**	231,254	**3,878,871**	3,820,231
Operating profit/(loss)[2]	**70,443**	(40,881)	**124,954**	96,077	**16,115**	10,797	**211,512**	65,993
Share of profit/(loss) after tax of joint ventures							**11,716**	(1,520)
Financing income[3]							**3,526**	2,137
Financing costs[3]							**(106,706)**	(85,527)
Profit/(loss) before income tax expense as reported in Group Consolidated Income Statement							**120,048**	(18,917)

1 Revenues from external customers attributed to the Group's country of domicile, Switzerland, are 7.0% (2015: 6.8%) of total Group revenues. Revenues from external customers attributed to material foreign countries are United States 40.0% (2015: 40.2%), Germany 15.0% (2015: 15.1%) and Canada 9.2% (2015: 10.6%). For the purposes of this analysis, customer revenues are allocated based on the geographic location of the vendor. As is common in this industry, the Group has a large number of customers, and there is no single customer with a share of revenue greater than 10% of total Group revenue. There were no significant intercompany revenues between business segments.

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

3 Joint ventures, finance income/(costs) and income tax expense are managed on a centralised basis. 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 Consolidated Financial Statements (continued) for the year ended 31 July 2016

II) Segment assets	Europe		North America		Rest of World		Total Continuing Operations	
in EUR `000	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Segment assets	**2,411,081**	2,513,401	**2,967,117**	3,107,704	**275,982**	269,234	**5,654,180**	5,890,339

Reconciliation to total assets as reported in the Group Consolidated Balance Sheet		
Investments in joint ventures and related financial assets	**495,402**	60,711
Associate held-for-sale	–	270,870
Derivative financial instruments	**669**	653
Cash and cash equivalents	**647,724**	316,867
Deferred income tax assets	**133,176**	105,579
Total assets as reported in Group Consolidated Balance Sheet	**6,931,151**	6,645,019

III) Segment liabilities	Europe		North America		Rest of World		Total Continuing Operations	
in EUR `000	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Segment liabilities	**508,256**	550,965	**479,005**	505,284	**78,104**	65,276	**1,065,365**	1,121,525

Reconciliation to total liabilities as reported in Group Consolidated Balance Sheet		
Interest-bearing loans and borrowings	**2,367,341**	2,041,970
Derivative financial instruments	**14,557**	12,766
Current and deferred income tax liabilities	**296,117**	246,815
Total liabilities as reported in Group Consolidated Balance Sheet	**3,743,380**	3,423,076

Notes to the Group Consolidated Financial Statements (continued)
for the year ended 31 July 2016

IV) Other segment information	Europe		North America		Rest of World		Total Continuing Operations	
in EUR `000	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Depreciation	**50,143**	57,368	**53,276**	47,547	**8,611**	9,604	**112,030**	114,519
ERP amortisation	**9,179**	5,330	**3,564**	4,457	**-**	-	**12,743**	9,787
Amortisation of other intangible assets	**78,192**	82,550	**90,114**	79,101	**7,935**	6,371	**176,241**	168,022
Capital expenditure								
– Property, plant and equipment	**108,420**	180,113	**64,976**	153,204	**10,916**	10,963	**184,312**	344,280
– Intangibles	**14,273**	39,577	**16,364**	21,328	**65**	316	**30,702**	61,221
Total capital expenditure	**122,693**	219,690	**81,340**	174,532	**10,981**	11,279	**215,014**	405,501

2.2 Segmental non-current assets

	Europe		North America		Rest of World		Total	
in EUR `000	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
IFRS 8 non-current assets[1]	**2,750,410**	2,343,064	**2,737,659**	2,837,326	**244,199**	246,769	**5,732,268**	5,427,159

1 Non-current assets as reported under IFRS 8, Operating Segments, include all non-current assets as presented in the Group Consolidated Balance Sheet, with the exception of deferred taxes and derivative financial instruments. Non-current assets attributed to the Group's country of domicile, Switzerland, are 5.9% of total Group non-current assets (2015: 6.6%). Non-current assets attributed to material foreign countries are: United States 35.9% (2015: 39.3%), Germany 13.9% (2015: 14.1%) and Canada 11.8% (2015: 12.9%).

Notes to the Group Consolidated Financial Statements (continued)
for the year ended 31 July 2016

3 Discontinued operations

During March 2015, ARYZTA announced the completion of its offering of 49 million ordinary shares of Origin for €8.25 per share, which raised net proceeds for ARYZTA of €398,108,000. At the time of the placing, the deemed fair value of the Group's remaining 29.0% interest in Origin was also valued at €8.25 per share, resulting in a value of €299,329,000. As the total deemed consideration exceeded the Group's €145,678,000 share of the disposed net assets and cash balances of Origin, the Group recognised a gain on disposal of discontinued operations of €551,759,000.

In accordance with IFRS 5, as Origin previously represented a significant component and separately reported segment of the Group, Origin's results have been separately presented in the Group Financial Statements as Discontinued Operations, in both the current and prior years.

A calculation of the March 2015 gain on disposal is shown below:

in EUR `000	**Origin**
Net assets of discontinued operations disposed	
Property, plant and equipment	96,394
Investment properties	7,575
Goodwill and intangible assets	160,495
Investment in associates and joint venture (note 6)	62,370
Inventory	220,157
Trade and other receivables	396,520
Trade and other payables	(458,284)
Interest bearing loans and borrowings	(248,774)
Derivative financial liabilities, net	(748)
Employee benefits	(24,240)
Deferred income tax liabilities	(10,355)
Income tax payable	(17,166)
Total net assets disposed	183,944
Other comprehensive income recycled on disposal of discontinued operations	1,328
Non-controlling interests disposed as part of discontinued operations	(64,727)
ARYZTA's share of Origin net assets disposed	**120,545**
Consideration	
- Cash received, net of transaction costs	398,108
- Net cash disposed	(25,133)
- Cash received, net of cash disposed	372,975
- Fair value of retained 29% interest	299,329
Total consideration	**672,304**
Gain on disposal of discontinued operations	551,759
Fair value adjustment to associate held-for-sale	(28,459)
Net gain on disposal of discontinued operations	**523,300**

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

Following the March 2015 placing, the Group's remaining 29.0% interest in Origin was determined to be an associate held-for-sale, recorded at fair value, less costs to sell. Based on the unadjusted quoted price of €7.62 as of 31 July 2015, less estimated costs to sell, a fair value adjustment of €28,459,000 was recorded during the prior year to reduce the carrying value to €270,870,000 as of 31 July 2015, resulting in a total net gain in relation to the disposal of Origin of €523,300,000 during the year ended 31 July 2015.

During September 2015, ARYZTA announced the completion of its offering of its remaining 36.3 million ordinary shares of Origin for €6.30 per share, which raised net proceeds for ARYZTA of €225,101,000. As the fair value of the 29.0% investment in associate held-for-sale at 31 July 2015 was €270,870,000, this resulted in a net loss on disposal in the current year of €45,769,000. This divestment simplifies the reporting structure and transforms ARYZTA into a business fully focused on speciality food.

Analysis of the result of discontinued operations in both years, including the loss recognised on the disposal of the associate held-for-sale, is as follows:

in EUR `000	**2016**	2015
Revenue	–	829,518
Cost of sales	–	(719,381)
Distribution expenses	–	(18,196)
Gross profit	–	91,941
Selling expenses	–	(32,124)
Administration expenses	–	(52,572)
Operating profit	–	7,245
Share of profit after tax of associates and joint ventures	–	6,026
Profit before financing income, financing costs and income tax expense	–	13,271
Financing income	–	1,951
Financing costs	–	(5,542)
Profit before income tax	–	9,680
Income tax expense	–	(734)
Profit after tax from discontinued operations	–	8,946
Gain on disposal of discontinued operations	–	551,759
Fair value adjustment to associate held-for-sale	–	(28,459)
Underlying contribution associate held-for-sale	**48**	–
Cash received, net of transaction costs	**225,101**	–
Carrying value of 29% interest disposed	**(270,870)**	–
(Loss)/profit for the year from discontinued operations	**(45,721)**	532,246
Attributable as follows:		
Equity shareholders – discontinued operations	**(45,721)**	529,396
Non-controlling interests – discontinued operations	–	2,850
(Loss)/profit for the year from discontinued operations	**(45,721)**	532,246

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

4 Net acquisition, disposal and restructuring-related costs

In accordance with IAS 1, the Group Consolidated Income Statement is presented by function of expense.

Management has also identified certain acquisition, disposal and restructuring-related costs within each functional area that do not relate to the underlying business of the Group. Due to the relative size and nature of these items, they have been presented as separate components of operating profit below, in order to enable comparability of the Group's underlying results and performance from period to period, and have been excluded from the calculation of underlying net profit in note 5.

in EUR `000	IFRS Income Statement 2016	Net acquisition, disposal, restructuring-related costs 2016	Intangible amortisation 2016	Financial Business Review 2016	IFRS Income Statement 2015	Net acquisition, disposal, restructuring-related costs 2015	Intangible amortisation 2015	Financial Business Review 2015
Revenue	**3,878,871**	–	–	**3,878,871**	**3,820,231**	–	–	**3,820,231**
Cost of sales	**(2,654,228)**	32,484	–	**(2,621,744)**	**(2,709,763)**	129,974	–	**(2,579,789)**
Distribution expenses	**(414,410)**	3,983	–	**(410,427)**	**(407,658)**	7,706	–	**(399,952)**
Gross profit	**810,233**	36,467	–	**846,700**	**702,810**	137,680	–	**840,490**
Selling expenses	**(188,656)**	5,040	–	**(183,616)**	**(167,646)**	5,545	–	**(162,101)**
Administration expenses	**(410,065)**	55,607	176,241	**(178,217)**	**(469,171)**	136,725	168,022	**(164,424)**
Operating profit of continuing operations	**211,512**	97,114	176,241	**484,867**	**65,993**	279,950	168,022	**513,965**
Joint ventures	**11,716**	804	3,162	**15,682**	**(1,520)**	–	310	**(1,210)**
Profit of continuing operations before financing income, financing costs and income tax expense	**223,228**	97,918	179,403	**500,549**	**64,473**	279,950	168,332	**512,755**

in EUR `000	Notes	Europe 2016	Europe 2015	North America 2016	North America 2015	Rest of World 2016	Rest of World 2015	Total Continuing Operations 2016	Total Continuing Operations 2015
Net gain / (loss) on disposal of businesses	4.1	**(4,987)**	(45,685)	**5,980**	–	**–**	–	**993**	(45,685)
Asset write-downs	4.2	**(5,040)**	(72,395)	**(9,747)**	(68,544)	**–**	(5,350)	**(14,787)**	(146,289)
Total net gain / (loss) on disposal of businesses and asset write-downs		**(10,027)**	(118,080)	**(3,767)**	(68,544)	**–**	(5,350)	**(13,794)**	(191,974)
Acquisition-related costs		**(2,330)**	(9,467)	**–**	(515)	**–**	–	**(2,330)**	(9,982)
Severance and other staff-related costs		**(48,314)**	(28,367)	**(15,614)**	(18,916)	**(1,519)**	(1,359)	**(65,447)**	(48,642)
Contractual obligations		**(1,402)**	(586)	**(5,305)**	(1,285)	**(31)**	(216)	**(6,738)**	(2,087)
Advisory and other costs		**(5,069)**	(13,862)	**(3,538)**	(10,670)	**(198)**	(2,733)	**(8,805)**	(27,265)
Total acquisition and restructuring-related costs	4.3	**(57,115)**	(52,282)	**(24,457)**	(31,386)	**(1,748)**	(4,308)	**(83,320)**	(87,976)
Total acquisition, disposal and restructuring-related costs		**(67,142)**	(170,362)	**(28,224)**	(99,930)	**(1,748)**	(9,658)	**(97,114)**	(279,950)

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

As these non-cash gains and losses are added back to net assets and the cash costs are deducted from EBITA when calculating ROIC for management compensation purposes, these items had no impact on management compensation during the year ended 31 July 2016.

4.1 Net gain/(loss) on disposal of businesses

During the year, the Group disposed of two businesses, which historically generated approximately €100,000,000 in total annual revenues. As the €42,060,000 proceeds received, net of associated transaction costs, exceeded the €41,067,000 carrying value of the net assets disposed (including €20,573,000 of goodwill), a net gain on disposal of €993,000 has been reflected in the financial statements during the year ended 31 July 2016.

During January 2015, the Group agreed to exchange certain assets, which historically generated approximately €100,000,000 in annual revenues, for a 50% interest in Signature Flatbreads. As the €53,106,000 total fair value of the Group's 50% interest and the Vendor Loan Note receivable from the joint venture, were less than the €66,659,000 carrying value of the net assets exchanged and related costs incurred, the transaction resulted in a loss on disposal in the amount of €13,789,000, including foreign exchange losses of €236,000.

During April 2015, the Group agreed to sell its 100% interest in Carroll Cuisine, which historically generated approximately €45,000,000 in annual revenues, for cash consideration of €37,276,000. As the proceeds received exceeded the €12,970,000 carrying value of the net assets disposed and associated costs incurred, the transaction resulted in a gain on disposal of €24,306,000.

As a result of the two disposals above, the Group also wrote-off a proportionate amount of goodwill within the UK and Ireland Cash Generating Unit in the amount of €56,202,000. The total of the above transactions and the associated write-down of Goodwill resulted in a net loss on disposal of businesses within continuing operations of €45,685,000 during the year ended 31 July 2015.

4.2 Asset write-downs

The Group incurred €14,787,000 (2015: €146,289,000) of asset write-downs during the year, primarily related to the write-down of various distribution, manufacturing, and administration assets within the ARYZTA Europe and ARYZTA North America segments. These asset write-downs arise following the closure of and/or reduction in activities in these locations. The reductions are the direct result of the Group's recent integration and rationalisation programme investments, which have replaced obsolete assets, optimised the distribution network and streamlined administrative functions.

4.3 Acquisition and restructuring-related costs

During the year ended 2016, the Group completed its joint venture investment in Picard (note 6), as well as a bolt-on acquisition in Ireland (note 7).

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

During the year ended 2016 and 2015, progress continued on integrating recent acquisitions and aligning the operational processes of those businesses to the Group's existing network. As a result of these investments, 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:

Acquisition-related costs
During the year ended 31 July 2016, the Group incurred acquisition-related costs such as share purchase tax, due diligence and other professional services fees totalling €2,330,000 (2015: €9,982,000). These costs primarily related to activities associated with the Group's acquisition of La Rousse Foods, a supplier of fresh, frozen and ambient goods to various restaurants, hotels and caterers in Ireland. It also includes the finalisation of the Group's joint venture interest investment in Picard.

The costs incurred during the year ended 31 July 2015 primarily related to activities associated with the Group's various acquisitions, as well as the Group's investments in the Picard and Signature joint ventures.

Severance and other staff-related costs
The Group incurred and provided for €65,447,000 (2015: €48,642,000) in severance and other staff-related costs during the year. These related primarily to costs associated with employees whose service was discontinued following certain rationalisation decisions across the various business locations of the Group, primarily in Europe.

Contractual obligations
The operational decisions made as a result of the Group's integration and rationalisation projects triggered early termination penalties and resulted in certain long-term operational contracts becoming onerous. The Group incurred total costs of €6,738,000 (2015: €2,087,000) during the year to either exit or provide for such onerous contractual obligations.

Advisory costs and other costs
During the year ended 31 July 2016, the Group incurred €8,805,000 (2015: €27,265,000) in advisory and other costs related directly to the rationalisation of certain bakery assets, integration of the supply chain and distribution functions of recently acquired businesses into the Group's network, and costs associated with centralisation of certain functions.

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

5 Earnings per share

Basic earnings per share	2016 in EUR '000	2015 in EUR '000
Profit/(loss) attributable to equity shareholders – continuing operations	**112,729**	(4,636)
(Loss)/profit attributable to equity shareholders – discontinued operations	**(45,721)**	529,396
Profit attributable to equity shareholders – total	**67,008**	524,760
Profit/(loss) attributable to equity shareholders – continuing operations	**112,729**	(4,636)
Perpetual callable subordinated instrument accrued dividend	**(31,882)**	(30,673)
Profit/(loss) used to determine basic EPS – continuing operations	**80,847**	(35,309)
(Loss)/profit used to determine basic EPS – discontinued operations	**(45,721)**	529,396
Profit used to determine basic EPS – total	**35,126**	494,087
Weighted average number of ordinary shares	'000	'000
Ordinary shares outstanding at 1 August[1]	**88,759**	88,175
Effect of exercise of equity instruments during the year	**–**	481
Weighted average number of ordinary shares used to determine basic earnings per share	**88,759**	88,656
Basic earnings/(loss) per share from continuing operations	**91.1 cent**	(39.8) cent
Basic (loss)/earnings per share from discontinued operations	**(51.5) cent**	597.1 cent
Basic earnings per share	**39.6 cent**	557.3 cent

Diluted earnings per share	2016 in EUR '000	2015 in EUR '000
Profit/(loss) used to determine diluted EPS – continuing operations	**80,847**	(35,309)
(Loss)/profit used to determine basic EPS – discontinued operations	**(45,721)**	529,396
Effect on non-controlling interests share of reported profits, due to dilutive impact of Origin management equity entitlements	**–**	(27)
(Loss)/profit used to determine diluted EPS – discontinued operations	**(45,721)**	529,369
Profit used to determine diluted EPS – total	**35,126**	494,060
Weighted average number of ordinary shares (diluted)	'000	'000
Weighted average number of ordinary shares used to determine basic earnings per share	**88,759**	88,656
Effect of equity-based incentives with a dilutive impact[2]	**170**	–
Weighted average number of ordinary shares used to determine diluted earnings per share	**88,929**	88,656
Diluted earnings/(loss) per share from continuing operations	**90.9 cent**	(39.8) cent
Diluted (loss)/earnings per share from discontinued operations	**(51.4) cent**	597.1 cent
Diluted earnings per share	**39.5 cent**	557.3 cent

1 Issued share capital excludes treasury shares.

2 In accordance with IAS 33, potential ordinary shares are treated as dilutive only when their conversion would decrease profit per share or increase loss per share from continuing operations. As the impact related to the conversion of equity-based incentives would decrease the loss per share for the year ended 31 July 2015, no dilutive effect was given to outstanding equity based incentives during that period.

Notes to the Group Consolidated Financial Statements (continued)
for the year ended 31 July 2016

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 EPS;
- excludes intangible amortisation, except ERP 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.

Underlying fully diluted earnings per share	**2016** in EUR ’000	2015 in EUR ’000
Profit/(loss) used to determine basic EPS – continuing operations	**80,847**	(35,309)
Amortisation of non-ERP intangible assets (note 2)	**176,241**	168,022
Tax on amortisation of non-ERP intangible assets	**(36,715)**	(35,104)
Share of joint venture intangible amortisation and restructuring-related costs, net of tax (note 6)	**3,966**	310
Net acquisition, disposal and restructuring-related costs (note 4)	**97,114**	279,950
Tax on net acquisition, disposal and restructuring-related costs	**(9,911)**	(47,881)
Underlying net profit – continuing operations	**311,542**	329,988
(Loss) / profit used to determine basic EPS – discontinued operations	**(45,721)**	529,396
Underlying contribution as associate – discontinuing operations	**(48)**	17,296
Amortisation, non-recurring and other – discontinued operations	**–**	6,343
Loss / (gain) on disposal of discontinued operations	**45,769**	(551,759)
Fair value adjustment - discontinuing operations	**–**	28,459
Underlying net profit – discontinued operations	**–**	29,735
Underlying net profit – total	**311,542**	359,723

Weighted average number of ordinary shares used to determine basic earnings per share	**88,759**	88,656
Underlying basic earnings per share – continuing operations	**351.0 cent**	372.2 cent
Underlying basic earnings per share – discontinued operations	**–**	33.6 cent
Underlying basic earnings per share – total	**351.0 cent**	405.8 cent

Weighted average number of ordinary shares used to determine basic earnings per share	**88,759**	88,656
Effect of equity-based incentives with a dilutive impact	**170**	785
Weighted average number of ordinary shares used to determine underlying fully diluted earnings per share	**88,929**	89,441
Underlying fully diluted earnings per share – continuing operations	**350.3 cent**	368.9 cent
Underlying fully diluted earnings per share – discontinued operations	**–**	33.3 cent
Underlying fully diluted earnings per share – total	**350.3 cent**	402.2 cent

Notes to the Group Consolidated Financial Statements (continued)
for the year ended 31 July 2016

6 Investments in associates and joint ventures

31 July 2016 in EUR '000	Share of associates net assets	Share of joint ventures net assets	Total
At 1 August 2015	–	32,067	32,067
Investment in joint venture	–	450,732	450,732
Share of profit after tax and before intangible amortisation	–	15,682	15,682
Group share of intangible amortisation	–	(3,162)	(3,162)
Group share of restructuring-related costs	–	(804)	(804)
Gains through other comprehensive income	–	304	304
Translation adjustments	–	(3,373)	(3,373)
At 31 July 2016	**–**	**491,446**	**491,446**

31 July 2015 in EUR '000			
At 1 August 2014	41,323	13,588	54,911
Investment in joint ventures	–	30,577	30,577
Share of losses, after tax and before intangible amortisation	–	(1,210)	(1,210)
Group share of intangible amortisation	–	(310)	(310)
Movements in investment in associates and JV in discontinued operations	4,326	3,133	7,459
Disposals as part of discontinued operations (note 3)	(45,649)	(16,721)	(62,370)
Translation adjustments	–	3,010	3,010
At 31 July 2015	**–**	**32,067**	**32,067**

During August 2015, the Group acquired a 49% interest in Picard, which operates an asset light business-to-consumer platform focused on premium speciality food. Picard is located primarily in France, but also has some international franchises outside of France.

While ARYZTA holds only a minority shareholding and voting rights in Picard, the Group is entitled to jointly approve key business decisions, including approval of proposed members of Picard management and the annual operating budget which are considered relevant activities. Therefore, the Group's interest in Picard has been presented as a joint venture.

The Group also retains the right to exercise a call option to acquire the remaining outstanding interest in Picard between FY2019 and FY2021, Picard remains separately managed and has separately funded debt structures, which are non-recourse to ARYZTA.

During January 2015, the Group exchanged assets with a fair value of GBP 24,000,000 (€30,577,000) for a 50% interest in Signature Flatbreads, a pioneering flatbread producer in the UK and India, producing an innovative range of authentic Indian breads, as well as high quality international flatbreads, tortillas, pizza bases and pitas. As ARYZTA is entitled to jointly approve key business decisions, the Group's interest in Signature Flatbreads has been presented as a joint venture.

Notes to the Group Consolidated Financial Statements (continued)
for the year ended 31 July 2016

The Group also received a vendor loan note receivable from Signature Flatbreads, with an initial balance of GBP 17,683,000 (€22,529,000), of which GBP 17,700,000 (€21,509,000) was repaid during the year ended 31 July 2016.

The amounts included in these Group consolidated financial statements in respect of the current year post-acquisition profits or losses of joint ventures are taken from their latest financial statements, prepared up to their respective year-ends, together with management accounts for the intervening periods to the Group's year-end. Both Picard and Signature International Foods India Private Ltd have a year-end of 31 March, while Signature Flatbreads (UK) Ltd has a year-end of 31 May.

The investment in joint ventures is analysed as follows:

31 July 2016 in EUR '000	Picard	Signature	Total	ARYZTA portion
Cash and cash equivalents	122,594	3,769	126,363	61,551
Other current assets	122,413	22,859	145,272	71,008
Total current assets	**245,007**	**26,628**	**271,635**	**132,559**
Total non-current assets	**1,901,773**	**61,663**	**1,963,436**	**956,424**
Trade and other payables	(230,334)	(19,954)	(250,288)	(122,081)
Other current liabilities	(62,241)	(461)	(62,702)	(30,523)
Total current liabilities	**(292,575)**	**(20,415)**	**(312,990)**	**(152,604)**
Total non-current liabilities	**(1,690,737)**	**(23,968)**	**(1,714,705)**	**(834,866)**
Balance at 31 July 2016	**163,468**	**43,908**	**207,376**	**101,513**
Goodwill				389,933
Investment in joint ventures				**491,446**

The share of revenues and results of joint ventures is as follows:

31 July 2016 in EUR '000	Picard	Signature	Total	ARYZTA's share thereof
Revenue	1,287,900	115,087	**1,402,987**	
EBITDA	186,743	11,108	**197,851**	
Depreciation	(27,405)	(4,805)	**(32,210)**	
EBITA	159,338	6,303	**165,641**	
Finance costs, net	(88,746)	(1,169)	**(89,915)**	
Pre-tax profit	70,592	5,134	**75,726**	
Income tax	(42,592)	(1,024)	**(43,616)**	
Joint venture underlying net profit	**28,000**	**4,110**	**32,110**	**15,682**
Intangible amortisation, net of deferred taxes	(4,326)	(2,113)	**(6,439)**	**(3,162)**
Restructuring-related costs	(1,652)	–	**(1,652)**	**(804)**
Profit after tax	**22,022**	**1,997**	**24,019**	**11,716**
Gains through other comprehensive income	626	–	**626**	**304**
Total other comprehensive income	**22,648**	**1,997**	**24,645**	**12,020**

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

7 Business combinations

7.1 Acquisitions in financial year 2016

During the year ended 31 July 2016, the Group completed the acquisition of La Rousse Foods, a supplier of fresh, frozen and ambient goods to various restaurants, hotels and caterers across Ireland.

The details of the net assets acquired and goodwill arising from this business combination are set out below. The goodwill arising on this business combination 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	4,451
Intangible assets	19,300
Inventory	2,068
Trade and other receivables	5,641
Trade and other payables	(7,884)
Finance leases	(470)
Deferred tax	(2,413)
Income tax payable	(592)
Net assets acquired	**20,101**
Goodwill arising on acquisitions	6,918
Consideration	**27,019**
Satisfied by:	
Cash consideration	26,772
Cash acquired	(325)
Net cash consideration	**26,447**
Contingent consideration	572
Total consideration	**27,019**

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	26,772
Cash acquired	(325)
Net cash consideration within investment activities	**26,447**
Finance leases acquired within net debt	470
Net debt consideration	**26,917**

Acquisition-related costs of €2,330,000 related to the Group's acquisition and joint venture investment related activities were charged to the Group Consolidated Income Statement during the year ended 31 July 2016, as included in note 4, net acquisition disposal and restructuring-related costs.

Notes to the Group Consolidated Financial Statements (continued) for the year ended 31 July 2016

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

in EUR '000	Total
Revenue	35,720
Profit for the year	1,769

No material difference exists between the consolidated revenue and profit reported and the consolidated revenue and profit that would have been reported if this acquisition had occurred on 1 August 2015. 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 2015.

The identified intangibles associated with this acquisition 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 transaction.

Notes to the Group Consolidated Financial Statements (continued)
for the year ended 31 July 2016

7.2 Acquisitions in financial year 2015

During the year ended 31 July 2015, the Group completed the 100% acquisitions of two businesses in the ARYZTA Europe segment.

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

in EUR `000	Final fair values
Final fair value of net assets acquired:	
Property, plant and equipment	77,474
Intangible assets	55,671
Inventory	7,703
Trade and other receivables	15,926
Trade and other payables	(31,515)
Finance leases	(1,292)
Deferred tax	(17,511)
Income tax payable	(2,672)
Net assets acquired	**103,784**
Goodwill arising on acquisitions	87,112
Consideration	**190,896**

Satisfied by:	
Cash consideration	155,713
Cash acquired	(7,183)
Net cash consideration	**148,530**
Contingent consideration	42,366
Total consideration	**190,896**

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

in EUR '000	Total
Cash flows from investing activities	
Cash consideration	155,713
Cash acquired	(7,183)
Net cash consideration within investment activities	**148,530**
Finance leases acquired within net debt	1,292
Net debt consideration	**149,822**

Costs of €9,982,000 related to the Group's acquisition and joint venture investment related activities were charged to the Group Consolidated Income Statement during the year ended 31 July 2015, as included in note 4.

For the identification and estimation of the fair value of the intangibles acquired as part of these acquisitions, ARYZTA was assisted by an independent non-audit appraisal firm. The identified intangibles acquired primarily related to customer relationships, which were valued using the income approach method.

Notes to the Group Consolidated Financial Statements (continued)
for the year ended 31 July 2016

8 Analysis of net debt

Details of the Group's interest bearing loans and borrowings are outlined below.

Analysis of net debt in EUR `000	1 August 2015	Cash flows	Arising on business combination / disposal	Non-cash movements	Translation adjustment	31 July 2016
Cash	316,867	319,991	15,613	–	(4,747)	647,724
Overdrafts	(68,834)	(114,652)	–	–	4,735	(178,751)
Cash and cash equivalents	**248,033**	**205,339**	**15,613**	**–**	**(12)**	**468,973**
Loans	(1,971,711)	(246,984)	–	(3,645)	36,027	(2,186,313)
Finance leases	(1,425)	26	(470)	(431)	23	(2,277)
Net debt	**(1,725,103)**	**(41,619)**	**15,143**	**(4,076)**	**36,038**	**(1,719,617)**

9 Proposed dividend

At the Annual General Meeting on 13 December 2016, shareholders will be invited to approve a proposed dividend of CHF 0.5731 (€0.5255) per share. If approved, the dividend will be paid to shareholders on 1 February 2017. A dividend of CHF 0.6555 per share was paid during the year, as approved by shareholders at the Annual General Meeting on 8 December 2015.

10 Post balance sheet events – after 31 July 2016

During August 2016, the Group exercised its option to increase its Revolving Credit Facility ('RCF') by CHF 150m, to a total available capacity of CHF 1,550m (€1,428m). As of 31 July 2016 the balance outstanding on this facility was €991.7m.

During August 2016, the Group signed a new €1,000m Term Loan Facility, which matures in February 2018, with similar financial terms as the RCF.

During September 2016, the Group utilised the available capacity of the RCF, Term Loan Facility and existing cash resources to redeem all of its outstanding Private Placements, which totalled €1,215m as of 31 July 2016, for a total redemption cost of €1,410m, including the principal balance, early redemption costs of €169m, accrued interest, associated unamortised borrowing costs and other related fees.

These transactions are expected to result in a significant reduction in the Group's weighted average interest cost.