2016

Interim Report and Accounts

ARYZTA

Passion for good food

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Interim Report 2016

Interim Financial and Business Review

1 Key performance highlights

- Revenue increase of 5.5% to €1,960m; 0.2% underlying growth
- Food Europe revenues increased 9.5% to €881.7m; 4.7% underlying growth
- Food North America revenues increased 3.6% to €971.0m; (4.0)% underlying decline
- Food Rest of World revenues declined (7.2)% to €107.3m; 3.9% underlying growth

- EBITA increased 2.7% to €230.8m
  - Food Europe increased by 6.8% to €105.4m
  - Food North America increased by 0.1% to €113.1m
  - Food Rest of World declined by (6.8)% to €12.3m
- EBITA margin decreased by (30) bps to 11.8%
  - Food Europe margins declined (30) bps to 12.0%
  - Food North America margins declined (40) bps to 11.7%
  - Food Rest of World margins maintained at 11.5%

- Associate and joint ventures contributed €13.7m, in-line with expectations

- Finance cost, including Hybrid increased €16.1m to €71.8m, in-line with expectations
- New bank refinancing in place; lower cost and extended maturity

- Cash Generation increased €146.9m from €26.1m to €173.0m
- Net Debt: EBITDA (syndicated bank loan) of 2.91x

- Underlying fully diluted EPS – continuing operations increased 2.5% to 158.4 cent
- Underlying net profit – continuing operations increased 2.0% to €141.1m
- Underlying fully diluted EPS decreased (1.9)%, due to disposal of Origin discontinued operations, which contributed €6.2m or 6.9 cent during the prior period

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

"Underlying revenue growth momentum continued to improve, although still 18 - 24 months behind prior expectations. Free cash flow was strong during the period, as anticipated, and remains the key business focus. Underlying net profit from continuing operations remains flat.

Speciality food is a growth segment of the overall food market in Europe and North America where consumer demand was positive in the period. ARYZTA is well-invested and well-positioned to grow, because its recently invested infrastructure is the most relevant and most competitive for this market.

Revenue development has been erratic for the past 12 months and will be for a further 18 months as we commission and optimise our capacity. During this period, customer insourcing in Europe and contract renewal in North America will negatively impact revenue by circa 3%, as previously indicated. This will continue to be mitigated by cross-selling, facilitated by business optimisation and ATI. During this period, the best investor barometers will be free cash flow and underlying revenue growth, with more predictable 'wins' and lower 'losses'. We are focused on establishing a sequential growth pattern and view short-term earnings guidance as less relevant, until we deliver on this priority. We are confident we can achieve our post 2020 strategic goals, for which the significant investment building blocks are in place."

Interim Financial and Business Review (continued)

2 Underlying Income Statement

Six month period ended 31 January 2016

in EUR `000	January 2016	January 2015	% Change
Continuing operations			
Group revenue	1,960,014	1,857,870	5.5%
EBITA[1]	230,832	224,844	2.7%
EBITA margin	11.8%	12.1%	(30) bps
Associate and JVs, net of tax	13,699	(554)	–
EBITA incl. associate and JVs	244,531	224,290	9.0%
Finance cost, net	(55,940)	(41,342)	–
Hybrid instrument accrued dividend	(15,876)	(14,359)	–
Pre-tax profits	172,715	168,589	–
Income tax	(29,348)	(27,890)	–
Non-controlling interests	(2,293)	(2,386)	–
Underlying net profit - continuing operations	141,074	138,313	2.0%
Underlying net profit - discontinued operations[2]	–	6,214	(100.0)%
Underlying net profit - total	**141,074**	**144,527**	**(2.4)%**
Underlying fully diluted EPS (cent) - total[3]	**158.4[3]**	**161.4[3]**	**(1.9)%**
Underlying net profit - continuing operations	**141,074**	**138,313**	**2.0%**
Underlying fully diluted EPS (cent) - continuing[3]	**158.4[3]**	**154.5[3]**	**2.5%**

1 See glossary in section 18 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 in both the current and prior periods.

3 The 31 January 2016 weighted average number of ordinary shares used to calculate diluted earnings per share is 89,039,290 (H1 2015: 89,553,157).

Interim Financial and Business Review (continued)

3 Underlying revenue growth

Six month period ended 31 January 2016

Continuing operations in EUR million	Food Europe	Food North America	Food Rest of World	Total Group
Group revenue	881.7	971.0	107.3	1,960.0
Underlying growth	4.7%	(4.0)%	3.9%	0.2%
Acquisitions/(disposals), net	2.7%	(1.8)%	–	0.3%
Currency	2.1%	9.4%	(11.1)%	5.0%
Revenue growth	**9.5%**	**3.6%**	**(7.2)%**	**5.5%**

Continuing operations	Food Europe	Food North America	Food Rest of World	Total Group
Wins	6.8%	9.6%	7.5%	8.2%
Losses	(2.1)%	(13.6)%	(3.6)%	(8.0)%
Total underlying growth	**4.7%**	**(4.0)%**	**3.9%**	**0.2%**

4 Segmental EBITA

Six month period ended 31 January 2016

Continuing operations in EUR `000	January 2016	January 2015	% Change	EBITA Margin 2016	EBITA Margin 2015	% Change
Food Europe	105,370	98,635	6.8%	12.0%	12.3%	(30) bps
Food North America	113,129	112,974	0.1%	11.7%	12.1%	(40) bps
Food Rest of World	12,333	13,235	(6.8)%	11.5%	11.5%	– bps
Total Group EBITA	**230,832**	**224,844**	**2.7%**	**11.8%**	**12.1%**	**(30) bps**

Interim Financial and Business Review (continued)

5 Discontinued operations - Origin

During March 2015, ARYZTA announced the completion of its offering of 49 million ordinary shares of Origin Enterprises plc ('Origin'), which raised net proceeds for ARYZTA of €398.1m. Following the March 2015 placing, the Group's investment in Origin was reduced from 68.1% to 29.0% and since that time Origin was accounted for as an associate held-for-sale at fair value, rather than as a fully-consolidated subsidiary.

In September 2015, the Group completed the divestment of its remaining 29.0% interest, which raised additional net proceeds of €225.1m. As the €270.9m fair value of the associate held-for-sale was more than the proceeds received, this resulted in a loss on disposal of €45.7m during the period.

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 periods, as shown below:

in EUR `000	January **2016**	January **2015**
Revenue	194,721	531,599
EBITA	146	4,110
EBITA margin	0.1%	0.8%
Associates and JV, net of tax	881	6,284
EBITA incl. associates and JV	1,027	10,394
Finance cost, net	(1,015)	(2,789)
Pre-tax profits	12	7,605
Income tax	154	(309)
Total underlying net profit	166	7,296
Non-ARYZTA portion of discontinued operations	(118)	(1,082)
Underlying contribution associate held-for-sale	(48)	–
Underlying net profit - discontinued operations	**–**	**6,214**
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)**	**–**

Interim Financial and Business Review (continued)

6 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 grew by 5.5% to €1.96bn, primarily due to currency, which provided 5.0%. Underlying revenue increased in the period by 0.2%, while acquisitions, net of disposals, provided 0.3%.

Group EBITA from continuing operations increased by 2.7% to €230.8m, while EBITA margins declined by (30) bps to 11.8%, reflecting short-term reduced operating leverage as a result of the capacity optimisation, volume transitions and some supply chain contract changes.

Group underlying revenue growth during the quarters to date, and the comparative quarters during the prior year, were as follows:

Continuing operations	Q1 2016	Q2 2016	H1 2016
Food Europe	5.5%	3.8%	**4.7%**
Food North America	(5.6)%	(2.4)%	**(4.0)%**
Food Rest of World	2.2%	5.7%	**3.9%**
Total Group	**(0.4)%**	**0.8%**	**0.2%**

	Q1 2015	Q2 2015	H1 2015	Q3 2015	Q4 2015	FY 2015
Food Europe	3.1%	1.7%	**2.4%**	1.8%	(2.1)%	1.0%
Food North America	(3.2)%	(8.4)%	**(5.8)%**	(6.7)%	(6.5)%	(6.2)%
Food Rest of World	6.1%	8.1%	**7.1%**	3.4%	(3.6)%	3.3%
Total Group	**0.5%**	**(2.4)%**	**(0.9)%**	**(2.3)%**	**(4.3)%**	**(2.2)%**

7 Food Europe

Food Europe outperformed in the first half, with revenue growth of 9.5% to €881.7m, of which underlying revenue increased by 4.7%. In addition, acquisitions, net of disposals, contributed 2.7% and there was also a favourable currency impact of 2.1%. Food Europe EBITA increased by 6.8% to €105.4m. EBITA margins decreased by (30) bps to 12.0%, reflecting the short-term reduced operating leverage in some parts of ARYZTA Food Solutions ('AFS'), while ARYZTA Bakeries Europe brought on-stream newly invested infrastructure.

The in-store bakery market has been experiencing above average growth in Europe, driven by the entry of discount formats supported by sophisticated, highly efficient supply chains. Substantial newly invested capacity to support this growth is coming on stream over the next 12 months. While isolated customer insourcing is expected to impact revenues, good progress in terms of expanding the European customer base through long-term partnerships has been achieved. Unlike North America, the European bakery market is experiencing price deflation, primarily due to lower soft commodity prices in the region.

Interim Financial and Business Review (continued)

AFS has seen a recovery to positive underlying revenue growth overall, driven by strong performance in Ireland and the UK, offsetting some weakness in Continental Europe, especially in France and Switzerland, as anticipated. Disruption in the independent retail channel continues, due to growth in discounting. Innovation investment continues to support the AFS portfolio alignment with consumer trends.

During the period, AFS completed the divestment of Fresca in France and the acquisition of La Rousse Foods in Ireland. These transactions reflect the AFS strategy to focus on premium, higher-margin business.

8 Food North America

Food North America revenue increased by 3.6% to €971.0m. Underlying revenue declined by (4.0)%, while there was a decrease of (1.8)% from disposals and a favourable currency impact of 9.4%.

Underlying revenue growth, although still behind expectations, continued to improve during the period, and is expected to continue to develop through H2. Revenue developed positively in the retail and food service channels.

The QSR market is proving highly competitive. As the consumer's perception of value is increasingly based on multiple variables, of which price is only one consideration, some customers are gaining share, while others are losing out. Underperformance in the QSR segment, supply chain optimisation and supply chain contract renewals were the key drivers of the volume decline in North America.

North America EBITA increased by 0.1% to €113.1m, while Food North America EBITA margins decreased by (40) bps to 11.7%, reflecting the impact of decreased operating leverage from capacity optimisation and some supply chain contract renewals.

The market response to the relaunch of La Brea Bakery and Otis Spunkmeyer branded portfolio was encouraging during the period. Developing ARYZTA's branded positon remains a key part of the North American marketing strategy in the periods ahead.

There was some price inflation during the period, due to higher ingredient costs, while labour and freight costs are also escalating.

During the period, Food North America also completed the divestment of its non-core fillings and mixes business in the United States.

9 Food Rest of World

Food Rest of World revenues decreased by (7.2)% to €107.3m, with underlying growth contributing 3.9%, offset by an unfavourable currency impact of (11.1)%. The underlying revenue growth relates primarily to an improved product sales mix.

Food Rest of World EBITA decreased by (6.8)% to €12.3m, primarily as a result of currency impacts, while maintaining EBITA margins at 11.5%.

Interim Financial and Business Review (continued)

Rest of World achieved continued growth, despite challenging economic conditions across these markets. The performance was adversely impacted by negative currency translation rates. ARYZTA continues to explore opportunities to expand capacity across the Rest of World segment.

10 Associate and Joint Ventures

During August 2015, the Group acquired a 49.5% interest in Picard, which operates an asset light business-to-consumer platform, focused on premium speciality food. Picard is located primarily in France with some international locations. ARYZTA also retains the right to exercise a call option to acquire the remaining outstanding interest in Picard between FY2019 and FY2021. Picard is separately managed and has separately funded debt structures, which are non-recourse to ARYZTA.

During January 2015, the Group acquired a 50.0% interest in Signature Flatbreads, a pioneering flatbread producer in India and the UK, producing an innovative range of authentic Indian breads, as well as high-quality international flatbreads, tortillas, pizza bases and pitas.

Associate and joint ventures had total revenues of €820m at average ARYZTA margins. The businesses performed to expectations, delivering an underlying contribution after interest and tax of €13,699,000 during the period, and continue to provide significant future growth opportunities for the Group.

11 Net acquisition, disposal and restructuring related costs - continuing operations

As announced in September 2015, the Group expects net acquisition, disposal and restructuring related costs to decrease significantly going forward, compared to prior periods during the multi-year restructuring programme, which was aimed at integrating over 30 separately-acquired autonomous business units through replacing obsolete assets, optimising the distribution network and streamlining administrative functions.

During the period ended 31 January 2016, net acquisition, disposal and restructuring related costs primarily related to integration activities associated with recently acquired or disposed of business units in Food Europe and Food North America, as follows:

Continuing operations in EUR `000	Non-cash 2016	Cash 2016	**Total 2016**	Total 2015
Net gain/(loss) on disposal of businesses	2,395	–	**2,395**	(9,740)
Asset write-downs	(7,379)	–	**(7,379)**	(8,982)
Acquisition-related costs	–	(965)	**(965)**	(2,097)
Severance and other staff-related costs	–	(7,714)	**(7,714)**	(6,710)
Advisory and other costs	–	(6,094)	**(6,094)**	(11,195)
Net acquisition, disposal and restructuring related costs	(4,984)	(14,773)	**(19,757)**	(38,724)

Interim Financial and Business Review (continued)

Non-cash acquisition, disposal and restructuring related costs

Net gain/(loss) on disposal of businesses
During the period ended 31 January 2016, the Group disposed of two businesses, which historically generated approximately €100,000,000 in total annual revenues. As the €35,992,000 proceeds received, net of associated transaction costs, plus the estimated remaining proceeds receivable of €3,920,000 exceeded the €37,517,000 carrying value of the net assets disposed, a net gain on disposal of €2,395,000 has been reflected in the financial statements during the period.

During the period ended 31 January 2015, the Group agreed to exchange certain assets within the Food Europe operating segment, which historically generated approximately €100,000,000 in annual revenues, for a 50% interest in Signature Flatbreads (UK) Ltd. As the €56,256,000 total estimated fair value of the Group's 50% interest and the associated Vendor Loan Note receivable from the Joint Venture were less than the €66,099,000 carrying value of the associated net assets, an estimated loss on asset disposal and write-downs on contribution to joint venture in the amount of €9,740,000 was reflected in the financial statements during the period ended 31 January 2015, net of associated foreign exchange gains of €103,000.

Asset write-downs
The Group incurred €7,379,000 (2015: €8,982,000) of asset write-downs during the period ended 31 January 2016. These amounts relate to the write-down of certain distribution, manufacturing and administration assets, following the closure and / or reduction in activities expected to be generated from those assets. These 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.

Cash acquisition, disposal and restructuring related costs

Acquisition-related costs
During the period ended 31 January 2016, the Group incurred acquisition-related costs, such as share purchase tax, due diligence and other professional services fees totalling €965,000 (2015: €2,097,000). 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, as well as to the finalisation of the Group's associate interest investment in Picard. The costs incurred during the period ended 31 January 2015 primarily related to activities associated with the joint venture transaction with Signature Flatbreads (UK) Ltd.

Severance and other staff-related costs
The Group incurred €7,714,000 (2015: €6,710,000) in severance and other staff-related costs during the period. These primarily related to costs associated with employees whose service was discontinued following certain rationalisation decisions across the various business locations of the Group.

Interim Financial and Business Review (continued)

Advisory and other costs
During the period ended 31 January 2016, the Group incurred €6,094,000 (2015: €11,195,000) in advisory and other costs related directly to the integration and rationalisation of the supply chain and distribution functions of recently acquired businesses into the Group's network, as well as costs associated with centralisation of certain administrative functions and contractual obligations due to volume transitions.

12 Financial position

In March 2016 the Group agreed new terms for its revolving credit facility, which reduced the Group's credit capacity from CHF 1,977m to CHF 1,400m. CHF 500m of the new facility matures in March 2019, with the balance of CHF 900m maturing in 2021. The Group also has the option to extend the maturity of the CHF 500m portion of the facility to March 2021 and to increase the CHF 900m portion of the facility by up to CHF 150m. The financial covenants under the new facility remain broadly unchanged. The Group will benefit from new lower interest margins across the facility.

As of 31 January 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 January 2016	Principal	Outstanding in EUR `000
Syndicated Bank Loan	EUR 190m	(190,000)
Syndicated Bank Loan	USD 550m	(503,894)
Syndicated Bank Loan	CAD 80m	(52,209)
Syndicated Bank Loan	GBP 100m	(131,657)
Syndicated Bank Loan	CHF 230m	(207,413)
Private Placements	USD 1,340m	(1,227,668)
Private Placements	EUR 50m	(50,000)
Gross term debt		**(2,362,841)**
Upfront borrowing costs		15,741
Term debt, net of upfront borrowing costs		**(2,347,100)**
Finance leases		(2,089)
Cash and cash equivalents, net of overdrafts		525,643
Net debt		**(1,823,546)**

Perpetual Callable Subordinated Instruments as at January 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 period-end exchange rates		(61,603)
Hybrid funding at 31 January 2016 exchange rates		**(782,059)**

Interim Financial and Business Review (continued)

ARYZTA intends to maintain an investment grade position in the range of 2x - 3x Net debt: EBITDA on its syndicated bank loan. As of 31 January 2016, the Group's interest cover, including hybrid interest, was 4.99x (July 2015 5.76x). The Group's key financial ratio was as follows:

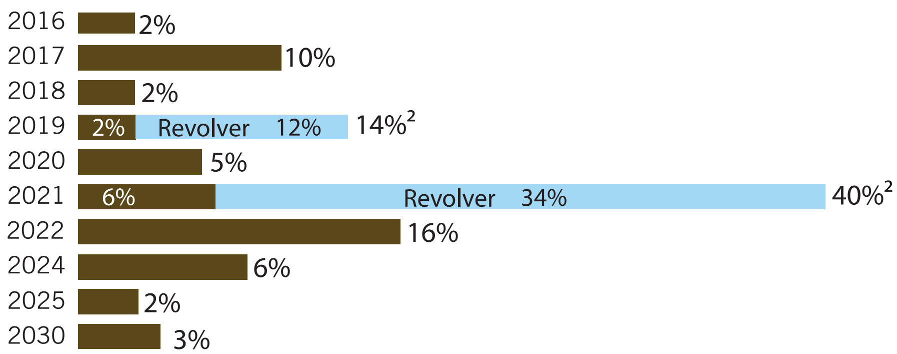
	January 2016	July 2015
Net Debt: EBITDA[1] (syndicated bank loan)	2.91x	2.54x

1 Calculated based on Food Group EBITDA for the 12 month period, including any dividends received, adjusted for the pro-forma full-year impact of completed acquisitions and disposals, as well as other adjustments in-line with the specific terms of the Group Syndicated Bank Loan Revolving Credit Facility.

As of 31 January 2016, the weighted average maturity of the Group's gross term debt outstanding, adjusted for the new revolving credit facility, is 4.89 years.

Gross Term Debt Maturity Profile (excluding hybrid)[1]

Financial Year



1 The Group term debt maturity profile is set out as at 31 January 2016, adjusted for the terms of the new revolving credit facility. Gross term debt at 31 January 2016 is €2,362.8m. Group net debt at 31 January 2016 is €1,823.5m, 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 €1,085.2m as at 31 January 2016, which represents 46% of the Group gross term debt.

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

Currency	Average H1 2016	Average H1 2015	% Change	Closing H1 2016	Closing FY 2015	% Change
CHF	1.0862	1.1894	8.7%	1.1089	1.0635	(4.3)%
USD	1.1020	1.2548	12.2%	1.0915	1.1109	1.7%
CAD	1.4806	1.4226	(4.1)%	1.5323	1.4446	(6.1)%
GBP	0.7276	0.7872	7.6%	0.7596	0.7091	(7.1)%

Interim Financial and Business Review (continued)

Cash generation - continuing operations

in EUR `000	January 2016	January 2015
EBIT	144,462	140,420
Amortisation	86,370	84,424
EBITA	230,832	224,844
Depreciation	69,025	64,990
EBITDA	299,857	289,834
Working capital movement	26,707	(40,319)
Working capital movement from debtor securitisation	39,984	90,699
Maintenance capital expenditure	(39,615)	(46,637)
Segmental operating free cash generation	**326,933**	**293,577**
Investment capital expenditure[1]	(68,777)	(172,095)
Acquisition and restructuring-related cash flows	(26,971)	(39,705)
Segmental operating free cash generation, after investment capital expenditure and integration costs	**231,185**	**81,777**
Dividends received from Origin - discontinued operations	–	17,056
Hybrid dividend	–	(16,815)
Interest and tax	(53,456)	(54,397)
Other non-cash income[2]	(4,688)	(1,533)
Cash flow generated from activities	**173,041**	**26,088**

Net debt and investment activity - continuing operations

in EUR `000	January 2016	January 2015
Opening net debt as at 1 August	**(1,725,103)**	**(1,642,079)**
Cash flow generated from activities	173,041	26,088
Disposal of businesses, net of cash and finance leases	35,992	–
Proceeds from disposal of interest in Origin	225,101	–
Investment in associate	(450,732)	–
Net debt cost of acquisitions	(26,917)	–
Contingent consideration	(42,118)	(3,280)
Hybrid instrument proceeds	–	69,334
Dividends paid	(4,603)	(4,330)
Foreign exchange movement[3]	(5,566)	(305,292)
Other[4]	(2,641)	(1,740)
Closing net debt as at 31 January	**(1,823,546)**	**(1,861,299)**

1 Includes expenditure on intangible assets.

2 Other non-cash income comprises primarily amortisation of deferred income from government grants.

3 Foreign exchange movement for the period ended 31 January 2016 is primarily attributable to the fluctuation in the US Dollar to euro rate from July 2015 (1.1109) to January 2016 (1.0915), partially offset by fluctuations in other currency rates. Foreign exchange movement for the period ended 31 January 2015 was primarily attributable to the fluctuation in the US Dollar to euro rate from July 2014 (1.3430) to January 2015 (1.1358) and in the Swiss Franc to euro rate from July 2014 (1.2169) to January 2015 (1.0519).

4 Other comprises primarily amortisation of financing costs.

Interim Financial and Business Review (continued)

13 Net assets, goodwill & intangibles

Group Consolidated Balance Sheet in EUR `000	January 2016	July 2015
Property, plant and equipment	1,566,682	1,543,263
Investment properties	25,015	25,916
Goodwill and intangible assets	3,694,663	3,797,269
Deferred tax on acquired intangibles	(229,976)	(246,116)
Working capital	(360,774)	(218,669)
Other segmental liabilities	(104,456)	(132,849)
Segmental net assets	4,591,154	4,768,814
Associate held-for-sale	–	270,870
Associate and joint ventures	520,716	60,711
Net debt	(1,823,546)	(1,725,103)
Deferred tax, net	(94,620)	(95,423)
Income tax	(61,807)	(45,813)
Derivative financial instruments	(6,934)	(12,113)
Net assets	**3,124,963**	**3,221,943**

14 Return on invested capital

ROIC is calculated using a pro-forma trailing twelve months segmental EBITA ('TTM EBITA') reflecting the full twelve months contribution from acquisitions and full twelve months deductions from disposals, divided by the respective Segmental Net Assets as of the end of each respective period.

Continuing operations in EUR million	Food Europe	Food North America	Food Rest of World	Total Group
31 January 2016				
Group share net assets	1,874	2,528	189	4,591
EBITA	220	274	26	520
ROIC[1]	11.7%	10.8%	13.7%	11.3%
31 July 2015				
Group share net assets	1,963	2,602	204	4,769
EBITA	220	275	27	522
ROIC[1]	11.2%	10.6%	13.2%	10.9%

1 See glossary in section 18 for definitions of financial terms and references used.

2 The Food Group WACC on a pre-tax basis is currently 7.8% (2015: 7.4%).

15 Outlook

Underlying revenue growth was positive in the period and this momentum is expected to continue to develop in H2. Margins will remain under pressure, as in H1, due to supply chain contract renewals, bakery commissioning and increased brand support investment. The short-term focus is on underlying revenue growth and free cash flow, which will be the best investment barometer until the business has reported several periods of underlying growth in both revenue and earnings. For FY16 underlying fully diluted EPS should be in line with previous guidance, once adjusted for disposals during the period. The medium-term focus and target profile post 2020 is unchanged.

Interim Financial and Business Review (continued)

16 Principal risks and uncertainties

The Board and senior management have invested significant time and resources in identifying specific risks across the Group, and in developing a culture of balanced risk minimisation. The Board considers the risks and uncertainties disclosed on page 57 of the ARYZTA AG 2015 Annual Report and Accounts to continue to reflect the principal risks and uncertainties of the Group over the remaining six months of the financial year.

17 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.

18 Glossary of financial terms and references

'Associate and JVs, net' – presented as profit from associate and JVs, net of taxes and interest, before non-ERP amortisation and the impact of associated non-recurring items.

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

'EBITDA' – presented as earnings before interest, taxation, depreciation and amortisation; before net acquisition, 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 associate and JVs, 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' is calculated using a pro-forma trailing twelve months segmental EBITA ('TTM EBITA') reflecting the full twelve months contribution from acquisitions and full twelve months deductions from disposals, divided by the Segmental Net Assets, as of the end of each respective period.

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

The Group utilises the Underlying earnings 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.

Bridge to Group Consolidated Income Statement
for the six months ended 31 January 2016

in EUR `000	January 2016	January 2015
Underlying fully diluted net profit - continuing operations	**141,074**	138,313
Intangible amortisation	**(86,370)**	(84,424)
Tax on amortisation	**17,817**	17,919
Share of joint venture intangible amortisation, net of tax	**(1,873)**	–
Hybrid instrument accrued dividend	**15,876**	14,359
Net acquisition, disposal and restructuring-related costs	**(19,757)**	(38,724)
Tax on net acquisition, disposal and restructuring-related costs	**3,512**	8,765
Reported net profit - continuing operations	**70,279**	56,208
Underlying fully diluted net profit - discontinued operations	**–**	6,214
Intangible amortisation, non-recurring and other - discontinued operations	**–**	(4,819)
Profit for the period - discontinued operations	**–**	1,395
Underlying contribution associate held-for-sale	**48**	–
Loss on disposal of associate held-for-sale	**(45,769)**	–
Reported net (loss)/profit - discontinued operations	**(45,721)**	1,395
Reported net profit attributable to equity shareholders	**24,558**	57,603

Group Consolidated Income Statement
for the six months ended 31 January 2016

in EUR `000	Notes	Six months ended 31 January **2016 Unaudited**	Represented 2015 Unaudited
Continuing Operations			
Revenue	3	**1,960,014**	1,857,870
Cost of sales		**(1,349,410)**	(1,294,658)
Distribution expenses		**(208,299)**	(200,840)
Gross profit		**402,305**	362,372
Selling expenses		**(93,544)**	(76,529)
Administration expenses		**(184,056)**	(184,147)
Operating profit	5	**124,705**	101,696
Share of profit/(loss) after tax of associate and joint ventures	9	**11,826**	(554)
Profit before financing income, financing costs and income tax expense	5	**136,531**	101,142
Financing income		**1,356**	689
Financing costs		**(57,296)**	(42,031)
Profit before income tax		**80,591**	59,800
Income tax expense		**(8,019)**	(1,206)
Profit for the period from continuing operations		**72,572**	58,594
Discontinued operations			
(Loss)/profit for the period from discontinued operations	4	**(45,721)**	2,048
Profit for the period		**26,851**	60,642
Attributable as follows:			
Equity shareholders - continuing operations		**70,279**	56,208
Equity shareholders - discontinued operations	4	**(45,721)**	1,395
Equity shareholders - total		**24,558**	57,603
Non-controlling interests - continuing operations		**2,293**	2,386
Non-controlling interests - discontinued operations	4	**–**	653
Non-controlling interests - total		**2,293**	3,039
Profit for the period		**26,851**	60,642

Basic earnings per share	Notes	Six months ended 31 January **2016 euro cent**	2015 euro cent
From continuing operations	8	**61.3 cent**	47.2 cent
From discontinued operations	8	**(51.5) cent**	1.6 cent
	8	**9.8 cent**	48.8 cent

Diluted earnings per share	Notes	**2016 euro cent**	2015 euro cent
From continuing operations	8	**61.1 cent**	46.7 cent
From discontinued operations	8	**(51.3) cent**	1.6 cent
	8	**9.8 cent**	48.3 cent

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

Group Consolidated Statement of Comprehensive Income
for the six months ended 31 January 2016

in EUR `000	Notes	Six months ended 31 January 2016 Unaudited	 Represented 2015 Unaudited
Profit for the period		**26,851**	60,642
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation effects			
– Foreign currency net investments		**(41,880)**	344,990
– Foreign currency borrowings	10	**(7,498)**	(312,070)
– Foreign exchange translation effects related to discontinued operations		**–**	6,745
Cash flow hedges			
– Effective portion of changes in fair value of cash flow hedges		**9,449**	(21,058)
– Fair value of cash flow hedges transferred to income statement		**(4,558)**	2,603
– Deferred tax effect of cash flow hedges		**(833)**	1,510
– Cash flow hedges gain related to discontinued operations, net of tax		**–**	3,352
Total of items that may be reclassified subsequently to profit or loss		**(45,320)**	26,072
Items that will not be reclassified to profit or loss:			
Defined benefit plans			
– Actuarial loss on Group defined benefit pension plans		**(6,421)**	(9,652)
– Deferred tax effect of actuarial loss		**1,099**	1,979
– Discontinued operations loss on defined benefit plans, net of tax		**–**	(12,638)
Total of items that will not be reclassified to profit or loss		**(5,322)**	(20,311)
Total other comprehensive (loss)/income		**(50,642)**	5,761
Total comprehensive (loss)/income for the period		**(23,791)**	66,403
Attributable as follows:			
Equity shareholders of the Company		**(24,351)**	61,983
Non-controlling interests		**560**	4,420
Total comprehensive (loss)/income for the period		**(23,791)**	66,403

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

Group Consolidated Balance Sheet
as at 31 January 2016

in EUR `000	Notes	31 January 2016 Unaudited	31 July 2015 Audited
Assets			
Non-current assets			
Property, plant and equipment		**1,566,682**	1,543,263
Investment properties		**25,015**	25,916
Goodwill and intangible assets		**3,694,663**	3,797,269
Investments in associate and joint ventures	9	**492,813**	32,067
Receivables from associate and joint ventures		**27,903**	28,644
Deferred income tax assets		**107,004**	105,579
Total non-current assets		**5,914,080**	5,532,738
Current assets			
Inventory		**253,266**	259,855
Trade and other receivables		**197,494**	264,036
Derivative financial instruments		**4,600**	653
Cash and cash equivalents	10	**544,836**	316,867
Total current assets		**1,000,196**	841,411
Associate held-for-sale	4	–	270,870
Total assets		**6,914,276**	6,645,019

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

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

in EUR `000	Notes	**31 January 2016 Unaudited**	31 July 2015 Audited
Equity			
Called up share capital		**1,172**	1,172
Share premium		**774,040**	774,040
Retained earnings and other reserves		**2,335,358**	2,428,295
Total equity attributable to equity shareholders		**3,110,570**	3,203,507
Non-controlling interests		**14,393**	18,436
Total equity		**3,124,963**	3,221,943
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings	10	**2,312,317**	1,937,176
Employee benefits		**21,504**	15,274
Deferred income from government grants		**25,181**	16,998
Other payables		**51,250**	51,917
Deferred income tax liabilities		**431,600**	447,118
Derivative financial instruments		**5,496**	5,401
Total non-current liabilities		**2,847,348**	2,473,884
Current liabilities			
Interest-bearing loans and borrowings	10	**56,065**	104,794
Trade and other payables		**811,534**	742,560
Income tax payable		**61,807**	45,813
Derivative financial instruments		**6,038**	7,365
Contingent consideration		**6,521**	48,660
Total current liabilities		**941,965**	949,192
Total liabilities		**3,789,313**	3,423,076
Total equity and liabilities		**6,914,276**	6,645,019

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

Group Consolidated Statement of Changes in Equity
for the six months ended 31 January 2016

for the six months ended 31 January 2016 in EUR `000	Share capital	Share premium	Treasury shares	Other equity reserve	Cash flow hedge reserve	Share-based payment reserve	Foreign currency translation 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 period	–	–	–	–	–	–	–	24,558	24,558	2,293	26,851
Other comprehensive (loss)/income	–	–	–	–	4,058	–	(48,710)	(4,257)	(48,909)	(1,733)	(50,642)
Total comprehensive (loss)/income	**–**	**–**	**–**	**–**	**4,058**	**–**	**(48,710)**	**20,301**	**(24,351)**	**560**	**(23,791)**
Equity dividends	–	–	–	–	–	–	–	(52,710)	(52,710)	–	(52,710)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	(4,603)	(4,603)
Dividend on perpetual callable subordinated instruments	–	–	–	–	–	–	–	(15,876)	(15,876)	–	(15,876)
Total transactions with owners recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(68,586)**	**(68,586)**	**(4,603)**	**(73,189)**
At 31 January 2016	**1,172**	**774,040**	**(47)**	**720,456**	**(6,206)**	**–**	**(53,863)**	**1,675,018**	**3,110,570**	**14,393**	**3,124,963**

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

Group Consolidated Statement of Changes in Equity (continued)
for the six months ended 31 January 2016

for the six months ended 31 January 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 period	–	–	–	–	–	–	–	–	57,603	57,603	3,039	60,642
Other comprehensive income/(loss)	–	–	–	–	(14,661)	–	–	35,326	(16,285)	4,380	1,381	5,761
Total comprehensive income/(loss)	**–**	**–**	**–**	**–**	**(14,661)**	**–**	**–**	**35,326**	**41,318**	**61,983**	**4,420**	**66,403**
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	–	–	7	–	–	–	–	–	–	7	–	7
Share-based payments	–	–	–	–	–	–	2,777	–	–	2,777	–	2,777
Transfer of share-based payment reserve to retained earnings	–	–	–	–	–	–	(19,919)	–	19,919	–	–	–
Equity dividends	–	–	–	–	–	–	–	–	(65,034)	(65,034)	–	(65,034)
Dividends to non-controlling interests	–	–	–	–	–	–	–	–	–	–	(12,307)	(12,307)
Dividend on perpetual callable subordinated instruments	–	–	–	–	–	–	–	–	(14,359)	(14,359)	–	(14,359)
Total contributions by and distributions to owners of the company	**–**	**–**	**7**	**116,010**	**–**	**–**	**(17,142)**	**–**	**(106,150)**	**(7,275)**	**(12,307)**	**(19,582)**
Non-controlling interests acquired	–	–	–	–	–	–	–	–	(59)	(59)	(134)	(193)
Total transactions with owners of the company recognised directly in equity	**–**	**–**	**7**	**116,010**	**–**	**–**	**(17,142)**	**–**	**(106,209)**	**(7,334)**	**(12,441)**	**(19,775)**
At 31 January 2015	**1,172**	**773,735**	**(48)**	**720,456**	**(18,277)**	**13,322**	**2,312**	**6,281**	**1,259,401**	**2,758,354**	**79,731**	**2,838,085**

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

Group Consolidated Cash Flow Statement
for the six months ended 31 January 2016

in EUR `000	Notes	Six months ended 31 January 2016 Unaudited	Represented 2015 Unaudited
Cash flows from operating activities			
Profit for the period from continuing operations		**72,572**	58,594
Income tax expense		**8,019**	1,206
Financing income		**(1,356)**	(689)
Financing costs		**57,296**	42,031
Share of (profit)/loss after tax of associate / joint ventures	9	**(11,826)**	554
Net (gain)/loss on disposal of businesses	5	**(2,395)**	9,740
Asset write-downs	5	**7,379**	8,982
Other restructuring-related payments in excess of current-period costs		**(12,198)**	(19,865)
Depreciation of property, plant and equipment		**62,672**	56,654
Amortisation of intangible assets		**92,723**	92,760
Recognition of deferred income from government grants		**(1,835)**	(1,643)
Share-based payments	6	**–**	2,524
Other		**(2,853)**	(2,252)
Cash flows from operating activities before changes in working capital		**268,198**	248,596
Increase in inventory		**(7,825)**	(15,025)
Decrease in trade and other receivables		**61,369**	86,497
Increase/(decrease)in trade and other payables		**13,147**	(21,092)
Cash generated from operating activities		**334,889**	298,976
Interest paid, net		**(44,062)**	(38,473)
Income tax paid		**(9,394)**	(15,924)
Net cash flows from operating activities - continuing operations		**281,433**	244,579
Net cash flows from operating activities - discontinued operations		**–**	(115,774)
Net cash flows from operating activities		**281,433**	128,805

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

Group Consolidated Cash Flow Statement
(continued)
for the six months ended 31 January 2016

in EUR `000	Notes	Six months ended 31 January 2016 Unaudited	Represented 2015 Unaudited
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**549**	198
Purchase of property, plant and equipment			
– maintenance capital expenditure		**(39,615)**	(46,637)
– investment capital expenditure		**(53,546)**	(134,574)
Investment in associate	9	**(450,732)**	–
Acquisitions of subsidiaries and businesses, net of cash acquired	11	**(26,447)**	–
Proceeds from disposal of Origin, net of cash disposed	4	**225,101**	–
Disposal of subsidiaries and business, net of cash disposed	5	**35,992**	–
Purchase of intangible assets		**(15,231)**	(37,521)
Movement in receivables from associate and joint ventures		**(964)**	–
Contingent consideration paid		**(42,118)**	(3,280)
Investing cash flows from discontinued operations		**–**	(1,991)
Net cash flows from investing activities		**(367,011)**	(223,805)
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	10	**366,223**	–
Gross repayment of loan capital	10	**–**	(59,610)
Capital element of finance lease liabilities	10	**(328)**	(5)
Dividends paid on perpetual callable subordinated instruments		**–**	(16,815)
Repurchase of non-controlling interests		**–**	(193)
Dividends paid to non-controlling interests		**(4,603)**	(4,330)
Financing cash flows from discontinued operations		**–**	79,508
Net cash flows from financing activities		**361,292**	67,889
Net increase in cash and cash equivalents	10	**275,714**	(27,111)
Translation adjustment	10	**1,896**	10,129
Net cash and cash equivalents at start of period	10	**248,033**	438,807
Net cash and cash equivalents at end of period	10	**525,643**	421,825

The notes on pages 24 to 39 are an integral part of these Group consolidated financial statements.

Notes to the Group Condensed Interim Financial Statements
for the six months ended 31 January 2016

1 Basis of preparation

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

These Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's most recent Annual Financial Statements in respect of the year ended 31 July 2015, which have been prepared in accordance with International Financial Reporting Standards ('IFRS').

These Interim Financial Statements for the six months ended 31 January 2016 and the comparative figures for the six months ended 31 January 2015 are unaudited and have not been reviewed by the auditors. The extracts from the Group's Annual Financial Statements for the year ended 31 July 2015 represent an abbreviated version of the Group's full accounts for that year, on which the auditors issued an unqualified audit report.

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 January 2015 Group Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement related to Origin have been represented, in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", and presented as a single Discontinued Operations amount within each of these respective statements and the related notes.

Certain other amounts in the 31 January 2015 and 31 July 2015 comparative financial statement figures and related notes have been reclassified to conform to the 31 January 2016 presentation. The reclassifications were made for presentation purposes to better align the Group's financial statement presentation to a more commonly used approach and have no effect on total revenues, expenses, profit for the period, total assets, total liabilities, total equity or cash flow classifications as previously reported.

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

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

Currency	Average H1 2016	Average H1 2015	% Change	Closing H1 2016	Closing FY 2015	% Change
CHF	1.0862	1.1894	8.7%	1.1089	1.0635	(4.3)%
USD	1.1020	1.2548	12.2%	1.0915	1.1109	1.7%
CAD	1.4806	1.4226	(4.1)%	1.5323	1.4446	(6.1)%
GBP	0.7276	0.7872	7.6%	0.7596	0.7091	(7.1)%

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

2 Accounting policies

Except as described below, the Interim Financial Statements have been prepared on the basis of the accounting policies, significant judgements, key assumptions and estimates, as set out on pages 74 to 88 of the ARYZTA AG 2015 Annual Report and Accounts.

The IFRS applied by the Group in preparation of these financial statements are those that were effective for accounting periods beginning on or before 1 August 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 period.

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

3 Analysis by business segment

I) Segment revenue and result	Food Europe		Food North America		Food Rest of World		Total Continuing Operations	
	Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January	
in EUR `000	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Segment revenue[1]	**881,712**	805,143	**971,016**	937,171	**107,286**	115,556	**1,960,014**	1,857,870
Operating profit[2]	**53,638**	34,061	**61,972**	59,869	**9,095**	7,766	**124,705**	101,696
Share of profit/(loss) after tax of associate / joint ventures[3]							**11,826**	(554)
Financing income[3]							**1,356**	689
Financing costs[3]							**(57,296)**	(42,031)
Profit before income tax expense as reported in Group Consolidated Income Statement							**80,591**	59,800

1 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 Share of profit/(loss) after tax of associate / 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 Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

II) Segment assets	Food Europe		Food North America		Food Rest of World		Total Continuing Operations	
in EUR `000	**as at 31 Jan 2016**	as at 31 Jul 2015	**as at 31 Jan 2016**	as at 31 Jul 2015	**as at 31 Jan 2016**	as at 31 Jul 2015	**as at 31 Jan 2016**	as at 31 Jul 2015
Segment assets	**2,430,622**	2,513,401	**3,050,617**	3,107,704	**255,881**	269,234	**5,737,120**	5,890,339
Reconciliation to total assets as reported in the Group Consolidated Balance Sheet								
Investments in associate / joint ventures and related financial assets							**520,716**	60,711
Associate held-for-sale							–	270,870
Derivative financial instruments							**4,600**	653
Cash and cash equivalents							**544,836**	316,867
Deferred income tax assets							**107,004**	105,579
Total assets as reported in Group Consolidated Balance Sheet							**6,914,276**	6,645,019

III) Segment liabilities	Food Europe		Food North America		Food Rest of World		Total Continuing Operations	
in EUR `000	**as at 31 Jan 2016**	as at 31 Jul 2015	**as at 31 Jan 2016**	as at 31 Jul 2015	**as at 31 Jan 2016**	as at 31 Jul 2015	**as at 31 Jan 2016**	as at 31 Jul 2015
Segment liabilities	**556,905**	550,965	**522,850**	505,284	**66,211**	65,276	**1,145,966**	1,121,525
Reconciliation to total liabilities as reported in the Group Consolidated Balance Sheet								
Interest-bearing loans and borrowings							**2,368,382**	2,041,970
Derivative financial instruments							**11,534**	12,766
Current and deferred income tax liabilities							**263,431**	246,815
Total liabilities as reported in Group Consolidated Balance Sheet							**3,789,313**	3,423,076

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

4 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. Following the March placing, the Group's investment in Origin was reduced from 68.1% to 29.0% and Origin was accounted for as an associate held-for-sale, recorded at fair value, less costs to sell, rather than as a fully-consolidated subsidiary.

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 periods.

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 period 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 periods, including the loss recognised on the disposal of the associate held-for-sale, is as follows:

	Six months ended 31 January	
in EUR `000	**2016**	2015
Revenue	–	531,599
Cost of sales	–	(458,871)
Distribution expenses	–	(13,336)
Gross profit	–	59,392
Selling expenses	–	(23,050)
Administration expenses	–	(36,460)
Operating profit	–	(118)
Share of profit after tax of associate and joint venture	–	4,628
Profit before financing income, financing costs and income tax	–	4,510
Financing costs, net	–	(2,789)
Profit before income tax	–	1,721
Income tax credit	–	327
Profit after tax from discontinued operations	–	2,048
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 period from discontinued operations	**(45,721)**	2,048
Attributable as follows:		
Equity shareholders - discontinued operations	**(45,721)**	1,395
Non-controlling interests - discontinued operations	–	653
(Loss)/profit for the period from discontinued operations	**(45,721)**	2,048

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

5 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 or nature of these items, they have been presented as separate components of operating profit in the table below, in order to enable comparability of the Group's underlying results from period to period, and have been excluded from the calculation of underlying fully diluted net profit in note 8.

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	1,960,014	–	–	1,960,014	1,857,870	–	–	1,857,870
Cost of sales	(1,349,410)	13,158	–	(1,336,252)	(1,294,658)	14,565	–	(1,280,093)
Distribution expenses	(208,299)	1,959	–	(206,340)	(200,840)	3,226	–	(197,614)
Gross profit	402,305	15,117	–	417,422	362,372	17,791	–	380,163
Selling expenses	(93,544)	1,456	–	(92,088)	(76,529)	129	–	(76,400)
Administration expenses	(184,056)	3,184	86,370	(94,502)	(184,147)	20,804	84,424	(78,919)
Operating profit of continuing operations	124,705	19,757	86,370	230,832	101,696	38,724	84,424	224,844
Associate and joint ventures	11,826	–	1,873	13,699	(554)	–	–	(554)
Profit of continuing operations before financing income, financing costs and income tax expense	136,531	19,757	88,243	244,531	101,142	38,724	84,424	224,290

		Food Europe		Food North America		Food Rest of World		Total Continuing Operations	
		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January		Six months ended 31 January	
in EUR `000	Notes	2016	2015	2016	2015	2016	2015	2016	2015
Net gain/(loss) on disposal of businesses	5.1	(3,291)	(9,740)	5,686	–	–	–	2,395	(9,740)
Asset write-downs	5.2	(301)	–	(7,078)	(8,982)	–	–	(7,379)	(8,982)
Total net loss on disposal of businesses and asset write-downs		(3,592)	(9,740)	(1,392)	(8,982)	–	–	(4,984)	(18,722)
Acquisition-related costs		(965)	(1,942)	–	(155)	–	–	(965)	(2,097)
Severance and other staff-related costs		(4,000)	(3,768)	(3,330)	(2,924)	(384)	(18)	(7,714)	(6,710)
Advisory and other costs		(1,776)	(4,045)	(4,318)	(4,892)	–	(2,258)	(6,094)	(11,195)
Total acquisition and restructuring-related costs	5.3	(6,741)	(9,755)	(7,648)	(7,971)	(384)	(2,276)	(14,773)	(20,002)
Total acquisition, disposal and restructuring-related costs		(10,333)	(19,495)	(9,040)	(16,953)	(384)	(2,276)	(19,757)	(38,724)

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

5.1 Net gain/(loss) on disposal of businesses

During the period ended 31 January 2016, the Group disposed of two businesses, which historically generated approximately €100,000,000 in total annual revenues. As the €35,992,000 proceeds received, net of associated transaction costs, plus the estimated remaining proceeds receivable of €3,920,000 exceeded the €37,517,000 carrying value of the net assets disposed (including €20,573,000 of goodwill), a net gain on disposal of €2,395,000 has been reflected in the financial statements during the period.

During the period ended 31 January 2015, the Group agreed to exchange certain assets within the Food Europe operating segment, which historically generated approximately €100,000,000 in annual revenues, for a 50% interest in Signature Flatbreads (UK) Ltd. As the €56,256,000 total estimated fair value of the Group's 50% interest and the associated Vendor Loan Note receivable from the Joint Venture were less than the €66,099,000 carrying value of the associated net assets, an estimated loss on asset disposal and write-downs on contribution to joint venture in the amount of €9,740,000 was reflected in the financial statements during the period ended 31 January 2015, net of associated foreign exchange gains of €103,000.

5.2 Asset write-downs

The Group incurred €7,379,000 (2015: €8,982,000) of asset write-downs during the period. These amounts relate to the write-down of certain distribution, manufacturing and administration assets, following the closure and / or reduction in activities expected to be generated from those assets. These 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.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

5.3 Acquisition and restructuring-related costs

During the period ended 31 January 2016, the Group completed its associate interest investment in 49.5% of Picard, as well as a bolt-on acquisition in Ireland. During the period ended 31 January 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 period ended 31 January 2016, the Group incurred acquisition-related costs such as share purchase tax, due diligence and other professional services fees totalling €965,000 (2015: €2,097,000). 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, as well as to the finalisation of the Group's associate interest investment in Picard. The costs incurred during the period ended 31 January 2015 primarily related to activities associated with the joint venture transaction with Signature Flatbreads (UK) Ltd.

Severance and other staff-related costs

The Group incurred and provided for €7,714,000 (2015: €6,710,000) in severance and other staff-related costs during the period. These primarily related to costs associated with employees whose service was discontinued following certain rationalisation decisions across the various business locations of the Group.

Advisory costs and other costs

During the period ended 31 January 2016, the Group incurred €6,094,000 (2015: €11,195,000) in advisory and other costs related directly to the integration and rationalisation of the supply chain and distribution functions of recently acquired businesses into the Group's network, as well as costs associated with centralisation of certain administrative functions and contractual obligations due to volume transitions.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

6 Share Based Payments

The Group had outstanding grants of equity-based incentives under the ARYZTA Option Equivalent Plan LTIP during the period ended 31 January 2016.

The total cost reported in the Group consolidated financial statements in the current period in relation to equity settled share-based payments was €Nil (2015: €2,777,000), of which €Nil (2015: €2,524,000) was reported in the Group Consolidated Income Statement.

Analysis of movements within the LTIP plan during the period are as follows:

Option Equivalent Plan awards	Weighted conversion price 2016 in CHF	Number of equity entitlements 2016
Outstanding at beginning of the period	55.21	2,574,500
Issued during the period	44.28	2,172,500
Exercised during the period	–	–
Forfeited during the period	44.28	(150,000)
Outstanding at the end of the period	50.40	4,597,000
Vested at end of the period	39.36	1,594,500

Option Equivalent Plan awards outstanding by conversion price	Conversion price in CHF	Number of equity entitlements	Actual remaining life (years)
Issued during financial year 2010	37.23	550,000	3.6
Issued during financial year 2012	39.95	962,500	5.7
Issued during financial year 2013	46.70	82,000	6.9
Issued during financial year 2015	81.00	980,000	8.7
Issued during financial year 2016	44.28	2,022,500	9.7
As of 31 January 2016	50.40	4,597,000	7.8

Plan description

The equity instruments granted under the ARYZTA Option Equivalent Plan LTIP are equity-settled share-based payments, as defined in IFRS 2, 'Share-based Payment'. The Group has no legal or constructive obligation to repurchase or settle the Option Equivalent awards in cash.

Vesting of the awards under the Option Equivalent Plan is conditional on compound annual growth in underlying fully diluted EPS (including the associated cost of any awards expected to vest) in three consecutive accounting periods exceeding the compound growth in the Euro-zone Core Consumer Price Index, plus 5%, on an annualised basis.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

Awards under the Option Equivalent Plan are subject to additional conditions, including notably:

(a) the requirement to remain in service throughout the performance period;
(b) the requirement that the ARYZTA's reported ROIC over the expected performance period is not less than its weighted average cost of capital for awards granted before financial year 2016 and not less than 120% of its weighted average cost of capital for awards granted thereafter; and
(c) the requirement that annual dividends to shareholders are at least 15% of the underlying EPS during the performance period.

The Option Equivalent Plan awards granted in the periods before financial year 2015 can be exercised as of the time the performance conditions described above have been met, but no longer than ten years after grant date. Awards granted during financial year 2015 and thereafter, which meet the conditions for vesting after the three year performance period, are subject to additional conditions, including notably an additional two year holding period before they can be exercised.

The weighted average fair value assigned to the 2,172,500 share option equivalents granted during the period ended 31 January 2016 was CHF 6.80, which was determined using the Black-Scholes valuation model. The significant inputs into the model were the price of the shares as at the grant date, an expected option life of 5.0 years, expected share price volatility of 23.11%, the exercise price of CHF 44.28 or €40.56, the expected dividend yield of 1.5% and the risk-free rate of (0.54)%.

There were no Option Equivalent Plan awards exercised during the period ended 31 January 2016.

The weighted average exercise price of all 1,594,500 Option Equivalent Plan awards that remain outstanding, and for which the vesting conditions have been met, is CHF 39.36.

7 Dividends

The proposed dividend covering the year ended 31 July 2015 of CHF 0.6555 (31 July 2014: CHF 0.7646) per registered share was approved at the annual general meeting held on 8 December 2015. The total resulting dividend of €52,710,000 (2015: €65,034,000) was paid in February 2016 to those shareholders holding shares in ARYZTA AG on 27 January 2016.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

8 Earnings per share

	Six months ended 31 January	
	2016	2015
Basic earnings per share	in EUR '000	in EUR '000
Profit attributable to equity shareholders - continuing operations	**70,279**	56,208
(Loss)/profit attributable to equity shareholders - discontinued operations	**(45,721)**	1,395
Profit attributable to equity shareholders - total	**24,558**	57,603
Profit attributable to equity shareholders - continuing operations	**70,279**	56,208
Perpetual callable subordinated instrument accrued dividend	**(15,876)**	(14,359)
Profit used to determine basic EPS - continuing operations	**54,403**	41,849
(Loss)/profit used to determine basic EPS - discontinued operations	**(45,721)**	1,395
Profit used to determine basic EPS - total	**8,682**	43,244
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 period	**–**	380
Weighted average ordinary shares used to determine basic EPS	**88,759**	88,555
Basic earnings per share from continuing operations	**61.3 cent**	47.2 cent
Basic (loss)/earnings per share from discontinued operations	**(51.5) cent**	1.6 cent
Basic earnings per share	**9.8 cent**	48.8 cent

	2016	2015
Diluted earnings per share	in EUR '000	in EUR '000
Profit used to determine diluted EPS - continuing operations	**54,403**	41,849
(Loss)/profit used to determine basic EPS - discontinued operations	**(45,721)**	1,395
Effect on non-controlling interests share of reported profits, due to dilutive impact of Origin management equity entitlements	**–**	(6)
(Loss)/profit used to determine diluted EPS - discontinued operations	**(45,721)**	1,389
Profit used to determine diluted EPS - total	**8,682**	43,238
Weighted average number of ordinary shares (diluted)	'000	'000
Weighted average ordinary shares used to determine basic EPS	**88,759**	88,555
Effect of equity-based incentives with a dilutive impact	**280**	998
Weighted average ordinary shares used to determine diluted EPS	**89,039**	89,553
Diluted earnings per share from continuing operations	**61.1 cent**	46.7 cent
Diluted (loss)/earnings per share from discontinued operations	**(51.3) cent**	1.6 cent
Diluted earnings per share	**9.8 cent**	48.3 cent

1 Issued share capital excludes treasury shares.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 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
- adjusts for the impact of dilutive instruments on non-controlling interests share of adjusted profits.

	Six months ended 31 January	
	2016	2015
Underlying fully diluted earnings per share	in EUR '000	in EUR '000
Profit used to determine basic EPS - continuing operations	**54,403**	41,849
Amortisation of non-ERP intangible assets	**86,370**	84,424
Tax on amortisation of non-ERP intangible assets	**(17,817)**	(17,919)
Share of associate intangible amortisation, net of tax (note 9)	**1,873**	–
Net acquisition, disposal and restructuring-related costs (note 5)	**19,757**	38,724
Tax on net acquisition, disposal and restructuring-related costs	**(3,512)**	(8,765)
Underlying net profit - continuing operations	**141,074**	138,313
(Loss)/profit used to determine basic EPS - discontinued operations	**(45,721)**	1,395
Underlying contribution as associate - discontinuing operations	**(48)**	–
Amortisation, non-recurring and other - discontinued operations	**–**	4,819
Loss on disposal of discontinued operations	**45,769**	–
Underlying fully diluted net profit - discontinued operations	**–**	6,214
Underlying fully diluted net profit - total	**141,074**	144,527
Weighted average ordinary shares used to determine basic EPS	**88,759**	88,555
Underlying basic earnings per share - continuing operations	**158.9 cent**	156.2 cent
Underlying basic earnings per share - discontinued operations	**– cent**	7.0 cent
Underlying basic earnings per share - total	**158.9 cent**	163.2 cent
Weighted average ordinary shares used to determine fully diluted EPS	**89,039**	89,553
Underlying fully diluted earnings per share - continuing operations	**158.4 cent**	154.5 cent
Underlying fully diluted earnings per share - discontinued operations	**– cent**	6.9 cent
Underlying fully diluted earnings per share - total	**158.4 cent**	161.4 cent

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

9 Investments in associate and joint ventures

Continuing operations in EUR '000	**Share of associate and joint ventures net assets**
At 1 August 2015	32,067
Share of profit after tax and before intangible amortisation	13,699
Group share of intangible amortisation	(1,873)
Investment in associate	450,732
Translation adjustments	(1,812)
At 31 January 2016	**492,813**

During August 2015, the Group acquired a 49.5% interest in Picard, which operates an asset light business-to-consumer platform, focused on premium speciality food. Picard is located primarily in France, but is also capable of transferring internationally. ARYZTA also retains the right to exercise a call option to acquire the remaining outstanding interest in Picard between 2018 and 2020. Picard remains separately managed and have separately funded debt structures, which is non-recourse to ARYZTA.

During January 2015, the Group acquired a 50.0% interest in Signature Flatbreads, a pioneering flatbread producer in India and the UK, producing an innovative range of authentic Indian breads, as well as high-quality international flatbreads, tortillas, pizza bases and pittas.

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

	Six months ended 31 January	
	2016	**2015**
Share of results of associate and joint ventures - continuing operations	in EUR '000	in EUR '000
Group share of:		
Revenue	**406,240**	**4,115**
Profit/(loss) after tax and before intangible amortisation	13,699	(554)
Intangible amortisation	(1,873)	–
Profit/(loss) after tax	**11,826**	**(554)**

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

10 Analysis of net debt

Analysis of net debt of continuing operations in EUR `000	1 August 2015	Cash flows	Arising on business combination / disposal	Non-cash movements	Translation adjustment	31 January 2016
Cash	316,867	218,784	9,545	–	(360)	544,836
Overdrafts	(68,834)	47,385	–	–	2,256	(19,193)
Cash and cash equivalents	**248,033**	**266,169**	**9,545**	**–**	**1,896**	**525,643**
Loans	(1,971,711)	(366,223)	–	(1,668)	(7,498)	(2,347,100)
Finance leases	(1,425)	328	(470)	(558)	36	(2,089)
Net debt	**(1,725,103)**	**(99,726)**	**9,075**	**(2,226)**	**(5,566)**	**(1,823,546)**

11 Business Combinations

11.1 Acquisitions during the interim period ended 31 January 2016

During the period, 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**

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

The net cash outflow on this acquisition during the period ended 31 January 2016 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 €965,000 (2015: €2,097,000) were charged to net acquisition, disposal and restructuring-related costs in the Group Consolidated Income Statement related to these transactions during the period ended 31 January 2016.

No material difference exists between the consolidated revenue reported and the consolidated revenue 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.

Other than the movements reflected above, the impact of disposals as included in note 5, and the results of foreign currency translation adjustments, there were no adjustments to goodwill during the period. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. No indication of impairment has been identified during the period ended 31 January 2016.

11.2 Acquisitions during the interim period ended 31 January 2015

There were no acquisitions completed by the Group during the period ended 31 January 2015.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

12 Contingent liabilities

The Group is not aware of any significant changes with regard to contingent liabilities, in comparison with the situation as of 31 July 2015.

13 Subsequent events

During March 2016, the Group agreed new terms for its revolving credit facility, which reduces the Group's revolving credit facility capacity from CHF 1,977m to CHF 1,400m. The new facility has a maturity in March 2019 for CHF 500m and March 2021 for the remaining CHF 900m, with an option to extend the entire facility to March 2021. The Group also has the option to increase the facility by up to CHF 150m. The new facility has substantially unchanged financial covenants, but is expected to reduce future finance costs due to lower facility commitment fees and interest rate margins.

14 Related party transactions

There have been no significant changes in related party transactions other than those described in the ARYZTA AG 2015 Annual Report and Accounts, which could have a material impact on the financial position or performance of the Group in the six months to 31 January 2016.

15 Estimates, risks and uncertainties

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those risks outlined on page 143 of the ARYZTA AG 2015 Annual Report and Accounts.

During the period ended 31 January 2016:
- Share-based payment awards have been granted, as outlined in note 6;
- No indication of impairment of goodwill has been noted;
- Estimated exposures to credit, liquidity, foreign exchange, interest rate or commodity price risk have remained materially consistent with 31 July 2015;
- Estimates associated with the provision for income tax and deferred income tax have remained materially consistent with 31 July 2015; and
- Estimates used in determining the net employee benefit obligation on Group pension plans have remained materially consistent with 31 July 2015.

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. There have been no changes in the risk management department or any risk management policies since the year-end. The Board considers the risks and uncertainties disclosed on page 57 of the ARYZTA AG 2015 Annual Report and Accounts to continue to reflect the principal risks and uncertainties of the Group over the remaining six months of the financial year.

Notes to the Group Condensed Interim Financial Statements (continued)
for the six months ended 31 January 2016

16 Distribution of interim report

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

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

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

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

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

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

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

On behalf of the Board

Denis Lucey
Chairman, Board of Directors

Owen Killian
CEO, Member of the Board of Directors

14 March 2016