2009

Annual Report and Accounts

ARYZTA
Passion for good food

Images

Markets are places, markets have idiosyncracies and markets have similarities. Noticing these differences and similarities, and adapting products and services to meet the requirements of individual markets, are key for ARYZTA.

The urban park is a transparent space. It symbolises urbanity, mobility, the pace of modern life and a sense of community. Urban parks can be found throughout the world. Despite their many differences, they have much in common.





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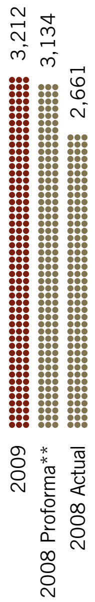
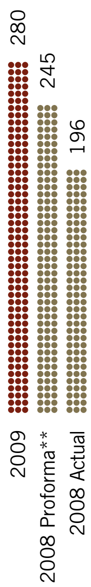
Group

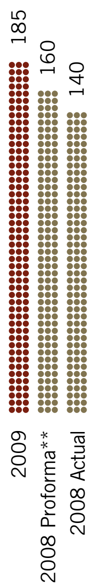
Revenue (EUR m)



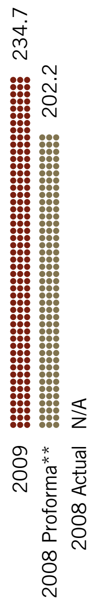
Operating profit* (EUR m)



Underlying fully diluted net profit (EUR m)

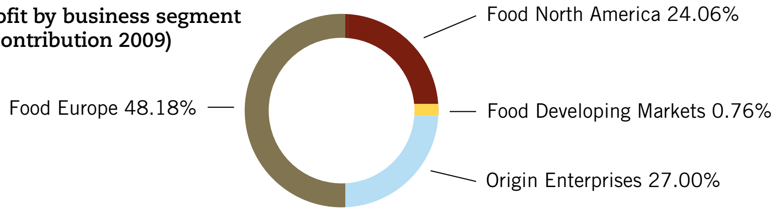


Underlying fully diluted EPS (cent)

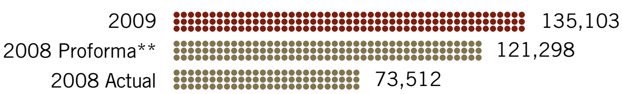


Group segments' operating profit

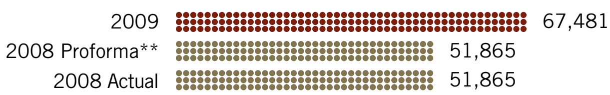
Operating profit by business segment (% of Group contribution 2009)



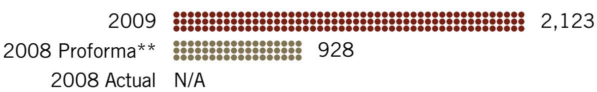
Operating profit Food Europe (EUR '000)



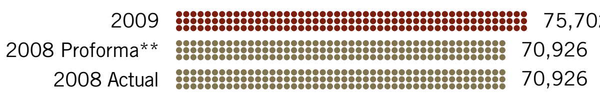
Operating profit Food North America (EUR '000)



Operating profit Food Developing Markets (EUR '000)



Operating profit Origin (EUR '000)



* Operating profit presented excluding contribution from associates and joint ventures and before intangible amortisation and impact of non recurring items.

** Proforma numbers presented including Hiestand Holding AG in the 2008 comparative.

Annual Report and Accounts 2009
Letter to Shareholders

The 2009 financial year has been a significant one for ARYZTA AG ('ARYZTA') representing, as it did, the Group's maiden financial year. ARYZTA commenced trading in August 2008 following the acquisition of IAWS Group plc ('IAWS') and the merger with Hiestand Holding AG ('Hiestand'). IAWS had been a listed company on the Dublin and London Stock Exchanges since 1988 while Hiestand had been listed on the Swiss Stock Exchange since 1997. Therefore, while ARYZTA is only one year old, it already has a proud heritage building on the success of two very entrepreneurial businesses.

ARYZTA now operates from Zurich where its corporate and group finance functions are located. The Group has implemented Swiss Internal Control System ('ICS'), as required by Swiss regulations and is audited by Swiss auditors. In support of clarity in its regulatory regime, the Company changed the status of the listing of its registered shares on the Irish Stock Exchange ('ISE') from primary to secondary effective, 10 March 2009. The primary listing of ARYZTA shares is now on the SIX Swiss Exchange.

ARYZTA is a Swiss AG with assets invested in its food businesses across four continents from Europe to North America through South East Asia to Australia. The Group holds 71.4% of Origin Enterprises plc ('Origin'), an agri-nutrition business listed on the AIM in London and the IEX in Dublin

Results
ARYZTA operates in the food business and is particularly fortunate to be in the bakery business. Bakery is everyday food. It is basic and sustainable. The creativity and culinary capabilities of bakery are enormous. It can satisfy basic needs and it can also indulge and delight with affordable luxuries. The aroma of a fresh bakery is comforting and evokes a consumer response everyday. Speciality Bakery is one of the most exciting food categories and for over 10 years these heritage businesses, as listed companies, reported double digit growth each year.

ARYZTA's first year was a particularly challenging one. It was not business as usual. The world economy suffered a major slowdown. Credit from banks became very restricted. Consumer spending slowed as consumers reacted to the unfolding financial crisis. What started as a banking problem quickly became a consumer problem and has evolved into a consumer led recession in most of the markets in which ARYZTA operates. Lower consumer spending impacted many customers during the year. This, combined with the reduced availability of capital, has forced customers to reduce costs and postpone expansion plans. This impacted on revenue growth in ARYZTA which declined progressively in each quarter.

Against the backdrop of a deteriorating macro-economic environment the Group posted a resilient performance for the financial year 2009, increasing underlying fully diluted earnings per share by 16.0% to 234.7 cent* which represents an underlying net profit of EUR 184.5m* in the period.

Dividend
The Board recommends a final dividend of CHF 0.5324** per share to be paid on 10 December 2009 if approved at the General Meeting on 3 December 2009.

Letter to Shareholders (continued)

Development activity

The Grangecastle bakery, distribution and R & D centre was fully commissioned during the year and contributed to the Group's increased operating margin. The project was delivered on budget and on plan. The facility provides the Group with the opportunity to develop the business into new channels in the UK and Ireland.

As part of the ARYZTA Technology Initiative ('ATI'), the Group will be implementing a global Enterprise Resource Planning System ('ERP') to be rolled out over the coming three years. The key objective of this initiative is the delivery of a group wide platform that will enable all of our businesses to operate shared common 'best in class' processes and procedures, the effective implementation of which will improve internal business efficiencies.

Board changes

On 31 October 2008, Mr. Lyndon Lea resigned from his position on the Board. Mr. Wolfgang Werle stepped down from his position as Vice Chairman and resigned from the Board of Directors on 29 December 2008. On 28 July 2009, Mr. Paul Wilkinson and Ms. Beatrice Dardis resigned from the Board. On behalf of the Board, we would like to thank Lyndon, Wolfgang, Paul and Beatrice for their considerable contribution to the creation and development of ARYZTA.

The Board now consists of 11 directors (3 executive directors and 8 non-executive directors). This reduced number is in keeping with the intention to reduce the size of the Board as outlined in the Company Prospectus.

Acknowledgement

On behalf of the Board, we would like to acknowledge the talent, hard work and commitment of ARYZTA's management and staff. This is an everyday business and our people are the inspiration to excellence every day. We would also like to thank our customers for their support and loyalty and our suppliers for their reliability at all times.

Finally we would like to acknowledge the support of our bankers and finance providers in making ARYZTA AG a reality despite the difficult banking climate.

We believe ARYZTA AG is well positioned to deliver long term sustainable growth.

Denis Lucey
Chairman, Board of Directors

Owen Killian
CEO, Member of the Board of Directors

24 September 2009

* Underlying fully diluted EPS and underlying net profit, are stated here before intangible amortisation and impact of non-recurring items.

** Based on EUR 0.3520 per share converted at the foreign exchange rate of one Euro to CHF 1.5124 on 24 September 2009, the date of approval of the ARYZTA fincancial statements.

Annual Report and Accounts 2009
Business Overview
About ARYZTA

ARYZTA is a Swiss company based in Zurich with operations in Europe, North America, South East Asia and Australia.

ARYZTA was formed in 2008 through the merger of IAWS Group plc ('IAWS') and Hiestand Holding AG ('Hiestand') and has a primary listing on the Swiss Stock Exchange (SIX; Ticker: ARYN) and a secondary listing on the Irish Stock Exchange (ISE; Ticker: YZA).

The Group also holds 71.4% of Origin Enterprises plc, an agri-nutrition business listed on AIM in London (Ticker: OGN) and the IEX in Dublin (Ticker: OIZ).

Corporate structure

ARYZTA AG

Food Europe
- Coup de Pates
- Cuisine de France
- Delice de France
- Hiestand

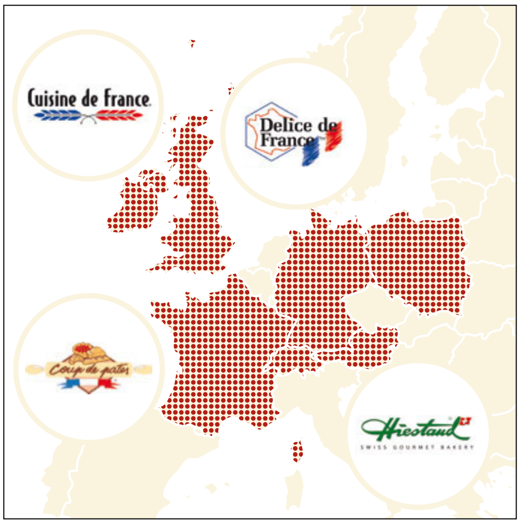
Food North America
- La Brea Bakery
- Otis Spunkmeyer

Food Developing Markets
- Hiestand

Shareholder 71.4%
- Origin

Business Overview
Food Business – Markets

Food Europe
Food Europe has leading market positions in the speciality bakery market in Switzerland, Germany, Poland, the UK, Ireland and France. In Europe ARYZTA has a mixture of business to business and consumer brands, including: Hiestand, Cuisine de France, Delice de France and Coup de Pates.



Food North America
Food North America has leading market positions in freshly baked cookies and freshly baked artisan bread. The business has two iconic brands which evoke emotional appeal with the US consumer, namely Otis Spunkmeyer and La Brea Bakery.

Food Developing Markets
ARYZTA has embryonic businesses in Japan, Malaysia and Australia. This gives ARYZTA an excellent opportunity to understand the customer diversity and opportunity in this vast market.

Business Overview
Food Business

Coup de Pates
Food Europe

Coup de Pates is the principal brand of Groupe Hubert, a leading developer and distributor of bakery products to the bakery, craft and foodservice sectors in France. Groupe Hubert offers its customers bread, viennoiserie, patisserie, traiteur and reception products.

www.coupdepates.fr

Cuisine de France
Food Europe

Cuisine de France offers the consumer traditional French breads, pastries and also a wide range of continental-style breads, confectionery and hot savoury items. Cuisine de France provides a complete bake-off solution primarily to the retail industry, as well as staff training and category management to enable the timely delivery of ready-to-bake products.

www.cuisinedefrance.com

Delice de France
Food Europe

Delice de France supplies high quality continental breads, viennoiserie, savoury and confectionery products, including hospitality goods, primarily to the foodservice and catering industry.
The business offers premium solutions tailored to meet future customer and consumer needs. It is the UK's leading provider of innovative and authentic continental bakery products to the foodservice trade.

www.delicedefrance.co.uk

Business Overview
Food Business (continued)

Hiestand
Food Europe & Developing Markets

Hiestand offers a broad range of innovative bakery products (croissants, bread, rolls, pastries, snacks, pretzels), and the comprehensive services to actively promote sales. Hiestand provides added value for business to business customers.
Through the close-knit logistical and distribution network, assurance is given that products sold to customers are consistently 'fresher than fresh'.

www.hiestand.ch

La Brea Bakery
Food North America

La Brea Bakery is widely credited as the pioneer and leader of the artisan bread movement in America.
La Brea Bakery offers a wide assortment of rustic breads ranging from baguettes and loaves to sandwich and dinner rolls.

www.labreabakery.com

Otis Spunkmeyer
Food North America

Otis Spunkmeyer is a leading, premium fresh baked goods brand in its US market categories.
An iconic brand, it has strong recognition and awareness across a national customer base in the foodservice and retail channels.

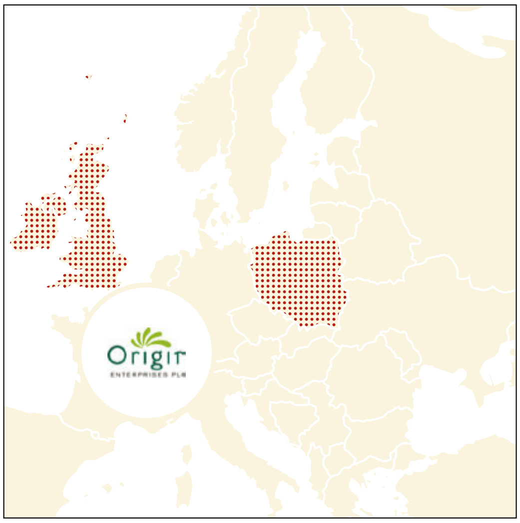
www.spunkmeyer.com

Business Overview
Origin

Origin
ARYZTA is the majority shareholder (71.4%) in Origin Enterprises plc, which has a listing on the AIM in London and the IEX in Dublin (AIM:OGN, IEX:OIZ).

Origin markets
Origin is a leading player in the agri-nutrition sector in Ireland, the UK and Poland and has leading ambient food and cereal milling businesses in Ireland.

www.originenterprises.com



Annual Report and Accounts 2009

Financial and Business Review

1 Summary income statement for year ended 31 July

in Euro `000	Food Group 2009	Origin 2009	Total Group 2009	Proforma Total Group 2008[7]	% Change
Group revenue	**1,712,754**	**1,499,516[4]**	**3,212,270**	3,134,201	2.5%
Group operating profit[1]	**204,707**	**75,702**	**280,409**	245,017	14.4%
Share of associates and JVs[2]	**13,808**	**3,717**	**17,525**	17,455	–
Operating profit incl. associates and JVs	**218,515**	**79,419**	**297,934**	262,472	13.5%
Finance cost, net	**(33,299)**	**(17,353)**	**(50,652)**	(44,446)	–
Pre tax profits[1]	**185,216**	**62,066**	**247,282**	218,026	–
Income tax[1]	**(32,845)**	**(12,240)**	**(45,085)**	(42,907)	–
Minority Interest[3]	**(3,035)**	**(134)**	**(17,649)**	(15,476)	–
Underlying fully diluted net profit	**149,336**	**49,692**	**184,548**	159,643	15.5%
Underlying fully diluted EPS (cent)	**–**	**36.16**	**234.7[5]**	202.2[6]	**16.0%**

1 Before intangible amortisation and impact of non-recurring items and related tax credits.
2 Associates & JVs profit net of tax and interest.
3 Presented after dilutive impact of Origin management incentives and investment property write down.
4 Origin revenue is presented after deducting intra group sales between Origin and Food Group.
5 Actual 2009 underlying fully diluted EPS calculated using weighted average number of shares in issue of 78,626,718.
6 Proforma 2008 underlying fully diluted EPS calculated using number of shares issued during IPO in August 2008 of 78,940,460.
7 Prepared on a proforma basis including Hiestand in prior year comparative as disclosed in the ARYZTA Results Announcement published in September 2008.

2 Underlying net profit reconciliation for year ended 31 July

in Euro `000	Food Group 2009	Origin 2009	Total Group 2009
Reported net profit	**94,633**	**(56,825)**	**54,010**
Amortisation of intangible assets	42,983	3,294	46,277
Tax on amortisation	(10,800)	(380)	(11,180)
Property write down	–	134,543	134,543
Tax on property write down	–	(30,940)	(30,940)
Minority interest on property write down	–	–	(29,609)
Merger costs	22,738	–	22,738
Tax on merger costs	(218)	–	(218)
Underlying net profit	**149,336**	**49,692**	**185,621**
Dilutive impact of Origin management incentives	–	–	(1,073)
Underlying fully diluted net profit	**149,336**	**49,692**	**184,548**
Underlying fully diluted EPS (cent)	**–**	**36.16[2]**	**234.7[1]**

1 The total Group share denominator for the year ended 31 July 2009 is 78,626,718 shares.
2 The Origin share denominator for the year ended 31 July 2009 is 137,417,000.

Financial and Business Review (continued)

3 Underlying revenue growth

in Euro million	Food Europe[1]	Food North America	Food Developing Markets[1]	Total Food Group	Origin[2]	Total Group
Group revenue	1,137.2	555.1	20.4	1,712.7	1,499.6	3,212.3
Underlying growth	(2.2)%	12.5%	1.5%	1.9%	(8.4)%	(3.0)%
Acquisitions	2.2%	–	–	1.6%	16.1%	8.5%
Currency	(2.4)%	10.0%	15.3%	1.2%	(7.6)%	(3.0)%
Revenue increase	**(2.4)%**	**22.5%**	**16.8%**	**4.7%**	**0.1%**	**2.5%**

1 Prepared on a proforma basis including Hiestand in prior year comparative as disclosed in the ARYZTA Results Announcement published in September 2008.
2 Origin revenue is presented after deducting intra group sales between Origin Enterprises and Food Group.

4 Segmental operating profit performance[1]

in Euro '000	Food Europe	Food North America	Food Developing Markets	Total Food Group	Origin	Total Group
Operating Profit	135,103	67,481	2,123	204,707	75,702	280,409
Growth	11.4%	30.1%	129%	17.6%	6.7%	14.4%
Operating Margin[1]	**11.9%**	**12.2%**	**10.4%**	**12.0%**	**5.0%**	**8.7%**
Operating Margin[2] (FY ended 31 July, 2008)	10.4%	11.4%	5.3%	10.6%	4.7%	7.8%

1 The above figures exclude intangible amortisation and the impact of non-recurring items.
2 The 2008 comparator is prepared on a proforma basis including Hiestand as disclosed in ARYZTA Results Announcement published in September 2008.

5 Food business

ARYZTA AG's ('ARYZTA') food business is primarily focused on speciality bakery, a niche part of the total global bakery market. Speciality bakery consists of freshly prepared bakery offerings giving the best value, variety, taste and convenience to consumers at point of sale. The aroma of freshly baked goods at the point of sale drives consumer footfall and represents a point of difference for ARYZTA's customers in foodservice and retail establishments.

The world economy suffered a major slowdown during the period and this is reflected in the Food Group's underlying revenues, which swung from double-digit growth to a decline, within the twelve month period.

Credit from banks became very restricted. Consumer spending slowed as consumers reacted to the unfolding financial crisis. What started as a banking problem quickly became a consumer problem and has evolved into a consumer led recession in most markets. Lower consumer spending impacted on most customers during the year. This, combined with the reduced availability of capital, has forced most customers to reduce costs and postpone investment decisions.

ARYZTA is fortunate to be in the food business. It is particularly fortunate to be in the bakery business. Bakery is everyday food. It is basic and sustainable. It is also indulgent and affordable. The challenge is to deliver everyday consumer experience, with consistently high quality baked goods available through all dayparts.

Financial and Business Review (continued)

6 Food Europe

Food Europe has leading market positions in the speciality bakery market in Switzerland, Germany, Poland, the UK, Ireland and France. In Europe, ARYZTA has a mixture of business to business and consumer brands, including Hiestand, Cuisine de France, Delice de France and Coup de Pates. It has a diversified customer base including convenience retail, gas stations, multiple retail, restaurants, catering, hotels and leisure.

Food Europe faced tough trading conditions in the financial year 2009 with revenue growth declining in each quarter and like-for-like revenues for the full financial year declining by 2.2% (excluding impact of acquisitions and foreign exchange). Food Europe's operating profit grew by 11.4% to €135.1m demonstrating the capability and adaptability of the business model in a rapidly changing macro-environment.

The Irish and UK business was most affected by the revenue decline and as a result has substantially reduced its cost base. The Grangecastle bakery, distribution and R & D centre was fully commissioned during the year and helped enhance efficiencies. The project was delivered on budget and on plan. The facility provides the Group with the opportunity to develop the business into new channels in the UK and Ireland.

The Continental European market proved resilient in the financial year 2009. The business expanded its channel penetration utilising its unique logistics capability in the market. Merger benefits were unlocked through moving from an initial position of two publicly listed companies to one.

The Hiestand business had an excellent performance in the period ended 31 July 2009. The business has been aligned with the ARYZTA reporting model, integrating its accounting and risk management systems with the Group and has implemented Swiss Internal Control System ('ICS') requirements across the business.

A small bolt-on acquisition was made in France in the third quarter of 2009. This acquisition helps diversify the customer base and leverage product development capability.

7 Food North America

Food North America has leading market positions in freshly baked cookies and freshly baked artisan breads. The business has two iconic brands which evoke emotional appeal with the US consumer, namely Otis Spunkmeyer and La Brea Bakery.

Otis Spunkmeyer has a strong diversified customer base with particular strength across the US foodservice market from restaurants, catering (including hospitals, military and fundraising events), to hotels and leisure and quick service restaurants. La Brea Bakery's business is primarily focused on servicing the US multiple retail channel.

Food North America was not able to escape the general recessive trend, exhibiting declining revenue growth in each quarter with most channels experiencing declining revenues. As a result of the consumer slowdown, value conscious US consumers continued to conserve their dollars.

Despite the prevailing environment Food North America delivered revenues of €555.1m which represented a 12.5% increase in like-for-like revenue growth for the full year

Financial and Business Review (continued)

(excluding impact of acquisitions and foreign exchange). Operating profit grew by 30.1% to €67.5m while its operating margins increased by 80 basis points to 12.2% for the year ended 31 July 2009.

La Brea Bakery proved resilient during the period, while Otis Spunkmeyer was the main growth driver.

8 Food Developing Markets

ARYZTA has embryonic businesses in Japan, Malaysia and Australia. This gives ARYZTA an excellent opportunity to understand the customer diversity and opportunity in this vast market. Like-for-like revenue growth (excluding the impact of acquisitions and foreign exchange) in Food Developing Markets for the period was 1.5%. Food Developing Markets operating profit grew by 129% to €2.1m in the year ended 31 July 2009.

9 ARYZTA Technology Initiative

Otis Spunkmeyer is currently implementing SAP Enterprise Resource Planning ('ERP') System across its extensive business platform. The project is on plan and should net cost savings and improve the speed of business intelligence to further enhance its business.

This will provide the blueprint for the rollout of the ARYZTA Technology Initiative ('ATI') across the Food Group. This will involve implementing a global ERP System over the coming three years. This will enable all the businesses to operate shared common 'best in class' processes and procedures. The effective implementation of ATI will drive substantial business efficiencies and reduce cost to serve customers.

10 Canadian joint venture

This joint venture yielded a net contribution after tax and interest of €13.8m in the year ended 31 July 2009 (€15.2m in the year ended 31 July 2008).

11 Non-recurring items

In the period the impact of non-recurring items was €96.5m net of minorities and taxes. The non-recurring items had a non-cash impact. They primarily relate to a circa 70% write down of Origin Enterprises plc ('Origin') investment property and merger costs.

The investment property principally comprises 32 acres (13 hectares) of development land located close to the centre of Ireland's second largest city, Cork, at the South Docklands area. The area has long been associated with Origin's port activities. Origin has more recently been considering an overall development of the area. In 2007 (the year of the Origin IPO) the property was revalued and transferred to investment property. Following the unprecedented deterioration in the Irish property market the fair value of the property has substantially reduced.

The merger of IAWS and Hiestand triggered the vesting of all previously granted share awards within IAWS, resulting in a non-cash merger cost charge in the period.

Financial and Business Review (continued)

12 Financial position

ARYZTA's 71.4% subsidiary and separately listed company, Origin, has separate funding structures, which are financed without recourse to ARYZTA. Origin's net debt amounted to €153.8m at 31 July 2009.

The consolidated net debt of the Group excluding Origin's non-recourse debt amounted to €505.5m and relates to the Food segments of the Group.

Food Group cash generation

in Euro `000	**July 2009**
EBIT	161,724
Amortisation	42,983
EBITA	204,707
Depreciation	54,628
EBITDA	259,335
Working capital movement	24,675
Dividends received	18,830
Ongoing capital expenditure	(15,047)
Interest and tax	(53,562)
Other	2,126
Cash flow generated from activities	**236,357**
Underlying net profit[1]	**149,336**
Depreciation	54,628
	203,964
Net underlying cash earnings conversion	**115.9%**

1 Underlying net profit before intangible amortisation and impact of non-recurring items.

Financial and Business Review (continued)

Food Group net debt and investment activity

in Euro `000	Food Group
Food Group proforma opening net debt as at 31 July 2008	**(552,562)**
Cash flow generated from activities	236,357
Investment capital expenditure	(63,006)
Deferred consideration and acquisition costs	(76,497)
Foreign exchange movement[1]	(42,203)
Other	(7,593)
Food Group closing net debt 31 July 2009	**(505,504)**
Net Debt to EBITDA[2]	1.77x

1 Foreign exchange movement is primarily attributable to the fluctuation in the US Dollar to Euro rate between July 2008 (1.5729) and July 2009 (1.4252).

2 Food Group net debt to EBITDA ratio based on bank covenant definition. EBITDA includes proforma contribution from the Canadian JV and the French acquisition during the year. It is also adjusted for the non-cash share based payments charge.

ARYZTA continues to have a strong balance sheet with excellent free cash flow. At the year ended 31 July 2009, ARYZTA Food Group had net debt of €505.5m; this represented a conservative Net Debt to EBITDA ratio of 1.77 times (based on bank covenant definition). The banking covenant definition of EBITDA includes a proforma contribution from the Canadian joint venture and the French acquisition during the period. It excludes the non-cash cost of share based payments.

ARYZTA's banking facilities and financial covenants (excluding Origin, which is separately financed) are as follows:

Description	Revolving credit	Private placement
Principal	€795m	$450m
Maturity	20 June 2013	13 June 2014 - 13 June 2019
Net Debt : EBITDA (not greater than)	3.5 times	3.5 times
Interest Cover (not less than)	4 times	4 times

The weighted average debt maturity of the Food Group's debt is 5.35 years. The revolving facilities are circa. 23.9% net drawdown as at 31 July 2009.

The current banking crisis and severe curtailment of credit availability poses risks for all businesses including ARYZTA in terms of cash and collectables. ARYZTA's primary financial focus is on cash and collectables to ensure the business is not materially impacted by bad debts. This has been managed successfully to date. ARYZTA will continue to be vigilant and focused on the area of cash and collectables.

Financial and Business Review (continued)

13 Assets, goodwill & intangibles

Group balance sheet in Euro '000	**Total Group** **2009**
Property, plant and equipment	664,532
Investment properties	62,975
Goodwill and intangible assets	1,498,430
Associates and joint ventures	139,351
Working capital	(14,871)
Other segmental liabilities	(93,592)
Segmental net assets	2,256,825
Net debt	(659,256)
Deferred tax, net	(176,474)
Income tax	(40,650)
Derivative financial instruments	(12,477)
Net assets	**1,367,968**

The Food Group's fixed asset base reflects its continued strategic investment in its manufacturing operations, in particular the full commissioning of its Grangecastle facility during the period. These strategic investments have been timely in providing the Group with adaptability in the current changing macro environment.

Goodwill and intangible assets created following the merger reflect the strong value in the brands, customer base and workforce of Hiestand.

These newly recognised goodwill and intangibles, together with those created out of the relatively recent acquisitions of Otis Spunkmeyer and Coup de Pates, reflect the strength of value contained within ARYZTA's businesses. This strength contributes and supports the resilient operating profit growth in these more challenging economic times.

14 Return on investment

in Euro millions	Food Europe[1]	Food North America	Total Food Group[5]	Origin	Total
2009					
Group share net assets[2]	1,344	638	1,986	382	2,368
EBITA & JVs/associates cont.[4]	135	81	219	79	298
ROI	10.0%	12.7%	11.0%	20.7%	12.6%
2008					
Group share net assets	1,222	592	1,815	366	2,181
EBITA & JVs/associates cont.[4]	119	67	189	73	262
ROI	9.7%	11.3%	10.4%	20.0%	12.0%

1 Food Europe and Developing Markets 2008 net assets and operating profit presented on a proforma basis including Hiestand intangibles and net assets as disclosed in the ARYZTA Results Announcement published in September 2008.
2 Net assets exclude all bank debt, cash, cash equivalents and tax related balances.
3 Food Group net assets includes previously written off goodwill of € 51.8 million. Origin net assets includes previously written off goodwill of € 59.4 million.
4 Earnings before interest tax and amortisation (EBITA) is presented before the impact of non-recurring items. The contribution from associates and JVs is net profit (i.e. presented after interest and tax).
5 Total Food Group includes the net assets and EBITA for Food Developing Markets which are not seperately shown.
6 The Group WACC is currently 7.6%.

Financial and Business Review (continued)

15 Proposed dividend

The Board recommends a final dividend of CHF 0.5324* to be paid on 10 December 2009, if approved by shareholders at the General Meeting to be held on 3 December 2009.

16 Swiss corporate governance

ARYZTA operates from Zurich, where its corporate and group finance functions are located. It has now implemented a Swiss Internal Control System ('ICS') framework, as required by Swiss regulations.

17 Origin

Origin has performed strongly in 2009, growing operating profits and delivering excellent cash flow against the backdrop of challenging and competitive market conditions.

The excellent performance was driven from Origin's integrated agronomy services business. This reinforces the relevance of Masstock's knowledge-based systems model in supporting profitable and sustainable agriculture.

The strategic merger of Origin's and Austevoll's European marine proteins and oils businesses provides the foundation for the future development of the enlarged marine proteins and oils business.

The Board of Origin have proposed a dividend per ordinary share of 8 cent for the period ended 31 July 2009. ARYZTA will net approximately €7.6m from its holding of 95 million shares in Origin.

Farming is currently facing significant challenges. Farm incomes and purchasing power are under sustained pressure following a period of very low output prices and tightening farm credit. The outlook for Origin in 2010 is challenging, while the long term outlook is excellent.

Origin's separately published results are available at www.originenterprises.com.

18 Outlook

The Group combines a well invested and efficient platform with passionate, motivated people to deliver a proven customer partnership model. ARYZTA will continue to remain focused on cash generation while ensuring, through on-going cost savings programmes and operational initiatives, that the business is well placed to capitalise on opportunities as market and trading conditions develop.

As global stock markets rebound, there may be a temptation to believe that the world is returning to the economic conditions that existed before the financial crisis broke. However, ARYZTA did not predict the severity of the recession last year, and based on the trading environment that has been experienced so far in the new financial year, the Group would certainly not be calling the timing of an economic recovery.

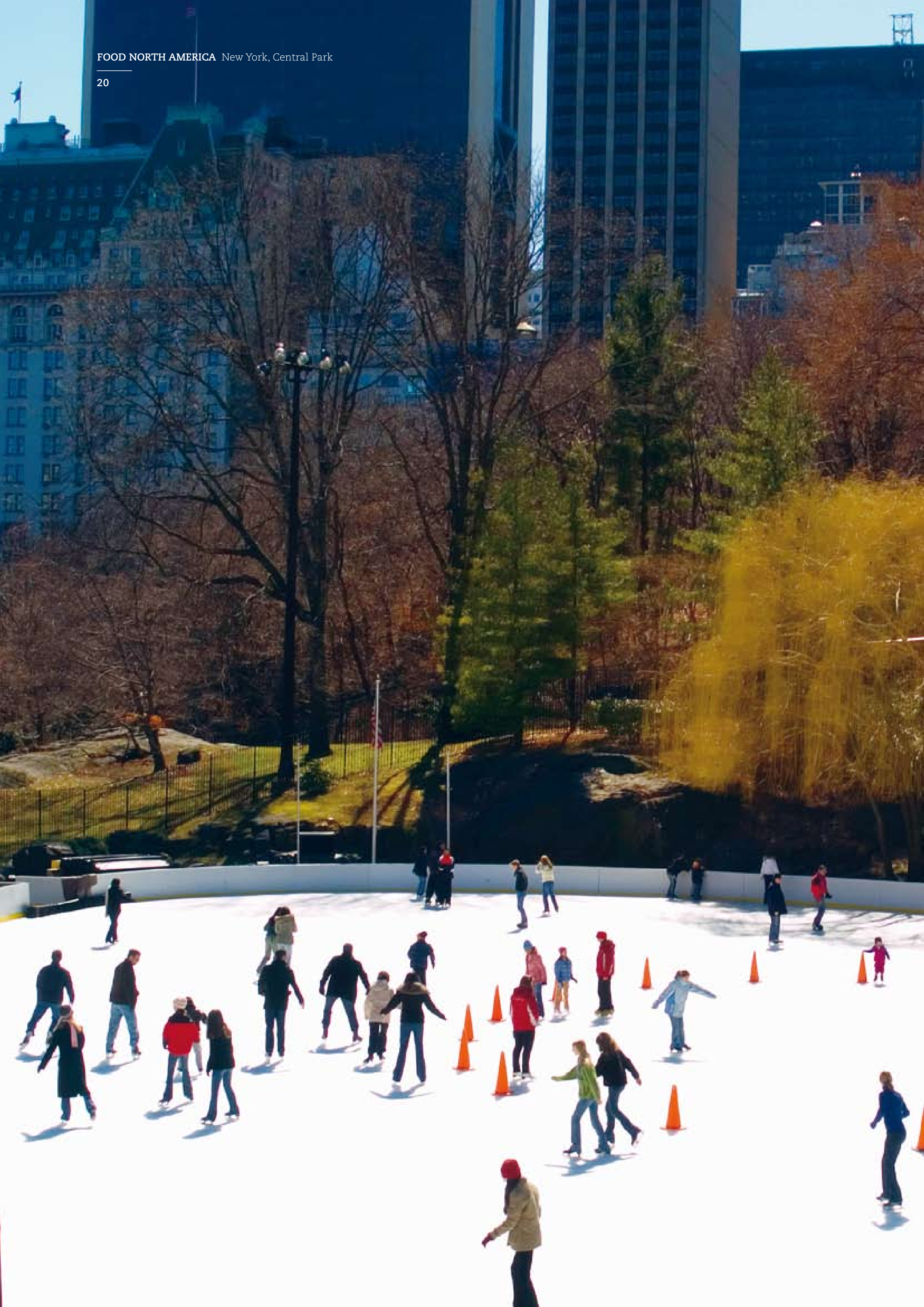
* Based on EUR 0.3520 per share converted at the foreign exchange rate of one Euro to CHF 1.5124 on 24 September 2009, the date of approval of the ARYZTA financial statements.

Financial and Business Review (continued)

For all the defensive characteristics of the food industry, the fact is that many customers and consumers remain in survival mode. Underlying revenues last year swung from double digit growth to decline within twelve short months, and early sales trends in the 2010 financial year are indeed markedly weaker than the equivalent period last year.

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.



Annual Report and Accounts 2009

Corporate Governance Report

Preliminary remarks

ARYZTA is committed to best practice in corporate governance.

The primary corporate governance instruments adopted by ARYZTA (namely the Articles of Association, Organisational Regulations and Terms of Reference for the Committees of the Board) are available on the Company website at www.aryzta.com. While recognising the importance of these formal instruments, good corporate governance in practice requires a commitment to, and the practice of, values which guide the Group in serving the needs of its stakeholders, be they shareholders (institutional or retail), customers, consumers, suppliers, employees or other interested groups. ARYZTA is committed to keeping its corporate governance framework under review with a view to on-going developments in the area and the on-going evolution of the Group. This framework reflects its evolution and strikes a balance between the norms on the Swiss and Irish markets.

The ARYZTA Corporate Governance Report 2009 follows the SIX Swiss Exchange Directive on Information Relating to Corporate Governance and takes into account the Swiss Code of Best Practice for Corporate Governance.

The ARYZTA Group and Company Financial Statements 2009 comply with International Financial Reporting Standards (IFRS) and are in accordance with Swiss Law. Where necessary, these disclosures have been extended to comply with the requirements of the SIX Swiss Exchange Directive on Information Relating to Corporate Governance.

In this Report, the terms “ARYZTA” and “Company” refer to ARYZTA AG whereas “Group” and “ARYZTA Group” refer to the Company and its subsidiaries. The “Board” refers to the Board of Directors of the Company. “Origin Enterprises” means Origin Enterprises plc (ARYZTA has a 71.4% holding in Origin Enterprises plc), and the “Origin Board” means the Board of Directors of Origin Enterprises plc. In some sections, to avoid duplication, cross-reference is made to the 2009 Financial Statements (comprising the Group Financial Statements and Company Financial Statements of ARYZTA), as well as to the Articles of Association of ARYZTA AG.

Corporate Governance Report (continued)

1 Group structure and shareholders

1.1 Group structure

The Group is structured conventionally. That is, the ARYZTA General Meeting is the supreme corporate body and the Board is accountable and reports to the shareholders, by whom it is elected. The Board, while entrusted with the ultimate direction of ARYZTA as well as the supervision and control of management, has delegated responsibility for the day to day management of the Group, through the Chief Executive Officer, to Executive Management. The Group's management structure corresponds to its segmental reporting lines, as set out in note 1 of the ARYZTA Group Financial Statements 2009. The Executive Teams within each segment report in to the Executive Management of the Group, which in turn reports to the Board. Origin Enterprises plc constitutes an exception. It is a public company in its own right, with its own Board of Directors, separate executive management team, governance structure and ring-fenced financing arrangements. The executive management team within Origin Enterprises reports to the Origin Board. The Origin Board is accountable and reports to its shareholders, including ARYZTA. Owen Killian and Patrick McEniff, ARYZTA Board members and CEO and CFO respectively are members of the Origin Board. Pat Morrissey, ARYZTA General Counsel and Company Secretary, is also Secretary of Origin Enterprises plc.

1.1.1 Listed companies of the ARYZTA Group

ARYZTA AG

Name and domicile:	ARYZTA AG, 8001 Zurich, Switzerland
Primary Listing:	SIX Swiss Exchange, Zurich, Switzerland
Swiss Security number:	4 323 836
ISIN:	CH0043238366
Cedel/ Euroclear common code:	037252298
Secondary Listing:	ISE Irish Exchange, Dublin, Ireland
SEDOL Code:	B39VJ74
Swiss Stock Exchange symbol:	ARYN
Irish Stock Exchange symbol:	YZA

Stock market capitalisation as of 31 July 2009:
CHF 2,960,478,788 or €1,926,284,864 based on 78,946,101 registered shares (i.e. disregarding 2,234,359 treasury shares) and closing prices of CHF 37.50 or €24.40 per share)

Origin Enterprises plc

Name and domicile:	Origin Enterprises plc, Dublin 8, Ireland
Holding:	ARYZTA Group has a 71.4% holding in Origin Enterprises plc
Dual Primary Listing:	IEX Irish Exchange, Dublin, Ireland AIM London Stock Exchange, London, United Kingdom
ISIN:	IE00B1WV4493
SEDOL Code:	B1WV449
Irish Enterprise Exchange symbol:	OIZ
London AIM symbol:	OGN

Stock market capitalisation as of 31 July 2009:
€352,491,266 based on 133,015,572 ordinary shares and closing price of €2.65 per share (excluding 5,555,270 deferred convertible ordinary shares)

Corporate Governance Report (continued)

1.1.2 Non-listed companies of the ARYZTA Group

Details of the principal subsidiary and associated companies of ARYZTA (being their company names, domicile, share capital, and the Company's participation therein) are set out on note 37 of the ARYZTA Group Financial Statements 2009.

1.2 Significant shareholders

As at 31 July 2009 the Company has been notified of the following shareholdings which amount to 3% or more of the Company's issued ordinary share capital:

	Number of shares	% of registered shares
Fidelity International Limited *	4,255,814	5.24%
Invesco Limited	4,102,193	5.05%
Fidelity Management and Research LLC ("FMR LLC") *	3,825,000	4.71%
Threadneedle Asset Management Holdings Limited	2,461,957	3.03%

* Fidelity International Limited and FMR LLC are two separate investment companies, but under common control as part of the Fidelity group of investment companies.

Any significant shareholder notifications during the year and since 31 July 2009 are available from the Group's website at www.aryzta.com.

1.3 Cross shareholdings

ARYZTA has no interest in any other company exceeding 5 per cent of voting rights of that other company, where that other company has an interest in ARYZTA exceeding 5 per cent of the voting rights in ARYZTA.

2 Capital structure

2.1 Capital

The share capital of the Company amounts to CHF 1,623,609.20 and is divided into 81,180,460 registered shares with a par value of CHF 0.02 per share. The share capital is fully paid-in.

2.2 Authorised and conditional capital

Pursuant to Article 4 of the Articles of Association (governing Conditional Share Capital for Employee Benefit Plans), the amount by which the share capital of the Company may be increased on a non-pre-emptive basis may not exceed CHF 130,152.80 (through the issue of up to 6,507,640 registered shares). The Board has the power to specify the precise conditions of issue including the issue price of such shares. For further details, refer to Article 4 of the Articles of Association.

Pursuant to Article 5 of the Articles of Association (governing Authorised Share Capital for General Purposes), the amount by which the share capital of the Company may be increased for general purposes may not exceed CHF 428,842.76 (through the issue of up to 21,442,138 registered shares). Authority for this purpose expires on 21 August, 2010. The Board has the power to determine the issue price, the period of entitlement to dividends and the type of consideration or the contribution or underwriting in kind for such an issue. The Board may withdraw the pre-emptive rights and allocate them to third parties in the event of the use of shares (1) for acquisitions (2) to broaden the shareholder constituency or (3) for the purposes of employee participation. For further details, refer to Article 5 of the Articles of Association.

Corporate Governance Report (continued)

2.3 Changes in capital

Trading in ARYZTA shares on the SIX Swiss Exchange and the Irish Stock Exchange commenced on the 22 August 2008 with the Company then having issued 78,940,460 registered shares. On the 2 December 2008 the Company increased its share capital by issuing 2,240,000 registered shares of CHF 0.02 each. These 2,240,000 registered shares were issued to a subsidiary of ARYZTA as treasury shares to be used in connection with the ARYZTA Long Term Incentive Plan. The share capital of the Company now amounts to CHF 1,623,609.2 divided into 81,180,460 shares with a par value of CHF 0.02. Of the 81,180,460 shares 2,234,359 are now classified as treasury shares.

2.4 Shares and participation certificates

ARYZTA's capital is composed of registered shares only. As at 31 July 2009, ARYZTA has 81,180,460 fully paid up, registered shares (including 2,234,359 treasury shares) with a nominal value of CHF 0.02 each. Each share entered in the share register with voting rights entitles the holder to one vote at the General Meeting and all shares have equal dividend rights.

As part of the establishment of ARYZTA, former holders of IAWS Group plc shares and options received ARYZTA registered shares, delivered initially in the form of Capita Depository Interests and since replaced by CREST Depository Interests ('CDIs') (I).

As CDI holders are not the legal owners of the shares represented by the CDIs, they are not in a position to directly enforce or exercise rights like a shareholder. CDI holders, however, have an interest in the shares represented by the CDIs and ARYZTA is pursuing arrangements with Euroclear UK and Ireland to enable investors whose interests in ARYZTA shares are so represented to exercise their voting rights.

Investors who wish to be in a position to directly enforce or exercise their rights must have their interests entered in the share register in accordance with Article 7 of the Articles of Association and effectively hold their shares through a member of the Swiss SIS Settlement System.

ARYZTA has not issued any participation certificates (II).

2.5 Profit sharing certificates

ARYZTA has not issued any profit sharing certificates (II).

I) The CREST system, operated by Euroclear UK and Ireland is the system for the holding and settlement of transactions in uncertificated (UK, Irish and Channel Island) securities, ARYZTA shares are held in trust by Euroclear UK and Ireland for the benefit of CREST members who have been issued with dematerialised interests representing entitlements to ARYZTA registered shares in the form of CDIs.

II) Participation and profit sharing certificates are instruments which have similar features to shares but may differ with regard to their entitlement to dividend payments, voting rights, preferential rights to company assets or other similar rights.

Corporate Governance Report (continued)

2.6 Restrictions on transferability and nominee registrations

Article 7 of the Articles of Association deals with the Shareholders' Register and Transfer Restrictions.

Pursuant to Article 7 b) of the Articles of Association, persons acquiring registered shares are, on application, entered in the share register without limitation as shareholders with voting power, provided they comply with the disclosure requirement stipulated by the Federal Act on Stock Exchanges and Securities Trading (Stock Exchange Act) of 24 March 1995 and expressly declare that they have acquired the shares in their own name and for their own account.

Pursuant to Article 7 c) of the Articles of Association, nominee shareholders are entered in the share register with voting rights without further inquiry up to a maximum of 1.5% of the outstanding share capital available at the time. Above this 1.5% limit, registered shares held by nominees are entered in the share register with voting rights only if the nominee in question (at the application for registration or thereafter upon request by the Company) discloses the names, addresses and shareholdings of the persons for whose account the nominee holds 0.3% or more of the outstanding share capital available at that time and provided that the disclosure requirement stipulated by the Stock Exchange Act is complied with. The Board has the right to conclude agreements with nominees concerning their disclosure requirements.

Pursuant to Article 7 e) of the Articles of Association, legal entities, or partnerships, or other associations or joint ownership arrangements which are linked through capital ownership or voting rights, through common management or in like manner, as well as individuals, legal entities or partnerships which act in concert with intent to evade the entry restriction, are considered as one shareholder or nominee.

2.7 Convertible bonds, warrants and options

As of 31 July 2009, ARYZTA has not issued any convertible bonds, warrants or options.

3 Board of Directors

3.1 Members of the Board of Directors

The Board of ARYZTA consists of three executive directors and eight non-executive directors. All interests linked to each individual Director in this section correspond to the nationality of that Director, unless otherwise stated.

Corporate Governance Report (continued)

Denis Lucey (1937, Irish)
Chairman (since August 2008), and non-executive member
Diploma in Dairy Science from University College Cork
Denis Lucey has a background in the agricultural cooperative movement in Ireland. In 1982, he was appointed Chief Executive Officer of Mitchelstown Co-operative Agricultural Society Limited, a position he held until the merger of that co-operative with the Ballyclough Co-Operative Creamery Limited in 1990 and the formation of Dairygold Co-Operative Society Limited. He served as Chief Executive Officer of Dairygold Co-Operative Society Limited until March 2003. He joined the Board of IAWS Group plc as a non-executive director in September 2000, and was elected Chairman of the Board in 2005. He has served as Chairman of ARYZTA, since its admission to trading on the SIX Swiss Exchange and the Irish Stock Exchange in August of 2008. He is also currently Chairman of the Milk Quota Appeals Tribunal for the Irish Department of Agriculture, Fisheries and Foods. He is also a member of the Governing Body of Cork Institute of Technology.

Albert Abderhalden (1943, Swiss)
Non-executive member
Commercial Diploma
Albert Abderhalden joined Alfred Hiestand, when the company was a sole proprietorship in 1972. From 1984 to 1999, he was Managing Director of Hiestand Schweiz AG. From 1994 to 1998 he served as Chief Financial Officer of Hiestand Holding AG. From 1997 to 2003, he served as Vice-Chairman of Hiestand Holding AG, and from 2003 to 2007 he served as full-time Chairman of the Hiestand Board of Directors. During 2007 and 2008, he was a member of the Board of Directors of Hiestand Holding AG, before becoming a member of the ARYZTA Board of Directors in August 2008.

Denis Buckley (1945, Irish)
Non-executive member
Denis Buckley has been a full time farmer throughout his working life. His involvement in farming brought him into the agricultural cooperative movement in Ireland and he served on the board of Kerry Co-op from 1977 to 2003. Since 2003, he has served as Chairman of Kerry Group plc. He joined the Board of IAWS Group plc as a non-executive director in June 1997 and held office until the establishment of ARYZTA. He became a member of the ARYZTA Board of Directors in August 2008. He is also Chairman of One51 plc.

Corporate Governance Report (continued)

J. Brian Davy (1942, Irish)
Non-executive member
Bachelor of Commerce from University College Dublin
Brian Davy is Chairman of Davy, Ireland's leading provider of stockbroking, wealth management and financial advisory services, and the sponsor of ARYZTA on the Irish Stock Exchange. He graduated from University College Dublin with a Bachelor of Commerce Degree and has spent his entire working career in building up the business and executive team of Davy, where he has worked since 1965. He is a former director of the Irish Stock Exchange and Arnotts plc. He is a member of the Executive Committee of the (Irish) National Maternity Hospital Holles Street. He joined the Board of IAWS Group plc as a non-executive director in December 1995. He became a member of the ARYZTA Board of Directors in August 2008.

Noreen Hynes (1953, Irish)
Non-executive member
Bachelor of Commerce from National University of Ireland, Galway; Fellow of the Institute of Chartered Accountants in Ireland; Associate of the Institute of Taxation in Ireland; Member of the National Association of Estate Agents (Overseas)
Noreen Hynes joined Irish Distillers Group plc in 1981 and worked in various roles, including Internal Auditor and Financial Controller until 1991. From 1991 to 1995, she worked as Managing Director of Coal Distributors Limited and since then she has been engaged in the property and business advisory services sector. She joined the Board of IAWS Group plc in March 2004 and became a member of the ARYZTA Board of Directors in August 2008.

Hugo Kane (1959, Irish)
Chief Operating Officer and executive member
Certificate in Business Management from College of Commerce, Rathmines, Dublin
Hugo Kane joined Cuisine de France, a subsidiary of ARYZTA, in 1993 as Operations Director. He was appointed Managing Director of Cuisine de France in 2001, a position which he held until 2004.
In September 2004, he was appointed to the Board of Directors and Head of Food for IAWS Group plc. In 2007, he was appointed Chief Operating Officer for IAWS Group plc. He has been COO and a member of the Board of ARYZTA since its admission to trading. He is also fulfilling a leadership role in the ARYZTA Technology Initiative.

Corporate Governance Report (continued)

Owen Killian (1953, Irish)
Chief Executive Officer and executive member
Bachelor of Agricultural Science from University College Dublin
Owen Killian joined IAWS in 1977, and worked in various managerial functions until 1988. Upon the public flotation of the Company to form IAWS Group plc in 1988, he held various senior management functions. In October 1999, he was appointed to the Board of Directors of IAWS Group plc as COO, and from 2001 to 2003 he was Head of Food. In 2003 he was appointed CEO of IAWS Group plc. He has been CEO and a member of the Board of ARYZTA since its admission to trading. Owen Killian is also Chairman of Origin Enterprises plc, the Irish domiciled listed company, in which ARYZTA has a controlling 71.4% stake.

Patrick McEniff (1967, Irish)
Chief Financial Officer and executive member
Fellow of the Chartered Institute of Management Accountants; Master of Business Administration from Dublin City University
Patrick McEniff joined IAWS Group plc in 1989. In the period from 1989 to 1997, he worked as a financial controller in IAWS focusing on financial reporting and systems development. In 1997, he became Director of Finance in the Food Distribution business and Flour Milling businesses of IAWS Group plc. In 2000, he was appointed Finance Director in the Bakery Business of IAWS Group plc. In 2004, he became Finance Director of IAWS Group plc. In 2008, upon the formation of ARYZTA AG, he was also appointed as CFO and member of the Board of Directors. Patrick McEniff is also a member of the Board of Directors of Origin Enterprises plc, the Irish domiciled listed company, in which ARYZTA has a controlling stake of 71.4%.

William Murphy (1945, Irish)
Non-executive member
Bachelor of Commerce from University College Dublin
William Murphy began his career with the Irish Forestry Department in 1963. He worked with a number of companies before joining Avonmore Creameries Limited in 1977, becoming a member of its Board of Directors in 1989. He served as Deputy Managing Director of Glanbia plc (the successor to Avonmore Creameries Limited) from 2001 to 2005. He remains a non-executive Director of Glanbia plc. He became a member of the ARYZTA Board of Directors in August 2008. He is also Chairman of Grassland Fertilisers (Kilkenny) Ltd and Chairman of the National University of Ireland Maynooth (Kilkenny) Outreach Program.

Corporate Governance Report (continued)

Hans Sigrist (1940, Swiss)
Non-executive member
Commercial Diploma
Hans Sigrist worked as Managing Director of Würth Schweiz AG from 1974 to 2004, and has been Chairman of the Board of Directors since 1981. From 1981 to date, he has been a member of the Board of Management of Würth Group International. He is Executive Vice President of the Würth Executive Board, responsible for South East Asia, Australia and New Zealand. From 1997 to 2008, he was a member of the Board of Directors of Hiestand Holding AG. He became a member of the ARYZTA Board of Directors in August 2008. Hans Sigrist is also Chairman of the Board of Directors of Kisling AG.

Dr. J. Maurice Zufferey (1958, Swiss)
Non-executive member
PhD in History from the University of Zurich; Master of Law from University of Lausanne; Advanced Management Degree from the Wharton School at the University of Pennsylvania in Philadelphia
Maurice Zufferey worked as a banker with UBS from 1987 to 1998. From 1998 to 2001, he was CEO of Ecole Hôtelière de Lausanne. From 2001 to date, he has been an Executive Search Partner at Spencer Stuart. He is Co-Head of the Spencer Stuart Financial Services Practice for Europe, and Head of the Board & CEO Practice in Switzerland. From 2001 to 2008, he was a member of the Board of Directors of Hiestand Holding AG. He became a member of the ARYZTA Board of Directors in August 2008.

Pat Morrissey (1965, Irish)
Secretary to the Board
Group General Counsel and Company Secretary
Bachelor of Civil Law (UCD, NUI); Solicitor, Law Society of Ireland
From 1988 to 1998, Pat Morrissey spent his career with Irish law firm LK Shields, where he was admitted as a partner in 1995. In 2000, he joined IAWS Group plc as Group General Counsel and was appointed General Counsel and Company Secretary in 2005. He has served as Group General Counsel and Company Secretary of ARYZTA since its establishment. He is also Company Secretary of Origin Enterprises plc.

3.2 Other activities and functions

With the exception of Albert Abderhalden, who served as full-time Chairman of the Board of Directors of Hiestand Holding AG from 2003 to 2007, none of the non-executive members of the Board of Directors has fulfilled any operational management functions for companies of the ARYZTA Group in the three years immediately preceding the period under review.

Corporate Governance Report (continued)

Disclosure of related party transactions between ARYZTA and Board members can be found in note 33 of the ARYZTA Group Financial Statements 2009.

3.3 Elections and terms of office

The General Meeting has the competence to appoint and remove the members of the Board. Initial appointments to the Board of Directors for each Board member of ARYZTA were for a one year term, ending at the first General Meeting of ARYZTA. Thereafter, the term of office shall correspond to the maximum term legally allowed, but shall not exceed 3 years. The Board determines the first term of office of each Director in such a way that, each year, an equal number of Directors will be elected or re-elected at the General Meeting of ARYZTA and in such manner that all members will have been subject to re-election after a period of 3 years.

3.4 Internal organisational structure

3.4.1 Allocation of tasks within the Board of Directors

The Board has adopted Organisational Regulations that, inter alia, define the essential roles and responsibilities of the Board, the Chairman, the Committees of the Board and Executive Management. The office of Chairman together with membership of the Committees of the Board and the Chair thereof are, under the Organisational Regulations, determined annually by the Board following the General Meeting.

3.4.2 Tasks and areas of responsibility for each Committee of the Board of Directors

ARYZTA has an Audit Committee and a Nomination and Remuneration Committee. The powers and responsibilities of each Committee are set out in their respective Terms of Reference, as approved by the Board.

	Audit Committee	Nomination & Remuneration Committee
Denis Lucey (Chairman)		X
Owen Killian (CEO)		
Patrick McEniff (CFO)		
Hugo Kane (COO)		
Albert Abderhalden		
Denis Buckley		X
J. Brian Davy		X*
Noreen Hynes	X*	
William Murphy	X	
Hans Sigrist		
Dr. J. Maurice Zufferey	X	

X denotes that the Board Member is on the applicable Committee.
* denotes the Board Member who Chairs the applicable Committee.

Audit Committee

The Audit Committee comprises three non-executive directors, namely Noreen Hynes (Chairman), William Murphy and Dr. J. Maurice Zufferey, each of whom is considered by the Board to be independent. In the 2009 financial year, the Audit Committee met three times and the average duration of the meetings was approximately 5.5 hours.

Corporate Governance Report (continued)

The Audit Committee's role includes reviewing the Group and Company Financial Statements, the interim and full year results and the significant financial reporting judgements contained therein. The Audit Committee also reviews the Group's internal controls, and the scope and effectiveness of the Group's Internal Audit function. The Head of Internal Audit has access to the Audit Committee at all times and he and the Chief Financial Officer regularly attend meetings of the Audit Committee.

In 2008 the Audit Committee, operating under its terms of reference, discharged its responsibilities by reviewing:
- the Group's draft financial statements and interim results statement prior to Board approval and reviewing the external auditor's reports thereon;
- the appropriateness of the Group's accounting policies;
- the audit fee and non-audit fees payable to the Group's external auditor;
- the external auditor's plan for the audit of the Group's accounts, which included key areas of extended scope work, key risks to the accounts, confirmations of auditor independence and the proposed audit fee, and approving the terms of engagement for the audit;
- the output of the Group's risk assessment processes;
- the Internal Audit function's terms of reference, resources, its work programme and reports on its work during the year;
- the arrangements by which staff may in confidence, raise concerns about possible inconsistencies in matters of financial reporting or other matters.

Nomination and Remuneration Committee

In January 2009, the Board of Directors resolved to merge the then separate Nomination Committee and Remuneration Committee into a new unified Nomination and Remuneration Committee, which now comprises J. Brian Davy (Chairman), Denis Buckley and the Company Chairman, Denis Lucey (all non-executive directors).

The Nomination and Remuneration Committee is responsible for determining the remuneration of the executive and non-executive members of the Board, for recommending directors to the Board for appointment, and for the continuous review of senior management succession plans. In the 2009 financial year, the Nomination and Remuneration Committee met six times and the average duration of the meetings was approximately 1.5 hours.

The Group's remuneration policy for executive and non-executive directors and details of directors' remuneration are contained in note 10 of the ARYZTA Company Financial Statements 2009, in accordance with the Swiss Code of Obligations and the SIX Directive on Information Relating to Corporate Governance.

3.4.3 Work methods of the Board and its Committees

Eleven Board meetings were held during the year. The average duration of regular Board meetings is approximately 4.5 hours. In addition, the Board held a 2 day meeting during the year to consider ARYZTA Group strategy. At each meeting the Chair of the Committees report to the Board on their activities as necessary. Details of the work methods of the Committees are set out in Section 3.4.2.

Corporate Governance Report (continued)

3.5 Definition of areas of responsibility

The Board of Directors is the ultimate governing body. It has the power and competencies afforded by Swiss law (art. 761a of the Swiss Code of Obligation (CO)) including in particular:

I) to approve the strategic objectives, annual budget and capital allocations;
II) to appoint and remove the CEO;
III) to act as the ultimate supervisory authority.

The following fall within the exclusive competency of the Board of Directors:
- To ultimately direct the Company and issue the necessary directives;
- To determine the organisation;
- To structure the accounting, the internal control system, the financial control and the financial planning system as well as perform a risk assessment;
- To appoint and remove the persons entrusted with the management and the representation of the Company and to grant signatory power;
- To ultimately supervise the persons entrusted with the management, in particular with respect to compliance with the law and with the Articles of Association, regulations and directives;
- To prepare the business report, as well as the General Meeting and to implement its resolutions;
- To inform the judge in the event of over-indebtedness;
- To pass resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares;
- To pass resolutions confirming increases in share capital and the amendments to the Articles of Association entailed thereby;
- To examine compliance with the legal requirements regarding the appointment, election and the professional qualifications of the Auditors;
- To execute the agreements pursuant to art. 12, 36 and 70 of Swiss merger law.

The Board has delegated responsibility for the day to day management of the Group, through the Chief Executive Officer, to Executive Management.

3.6 Information and control instruments pertaining to Group Executive Management

Group Executive Management report in a regular and structured manner to the Board of Directors. The CEO and CFO report to the Board on a systematic basis. At each Board Meeting, the CEO informs the Board of the status of current business operations, significant developments and major business transactions. Likewise, the CFO reports on financial performance across the Group and key financial figures and parameters. In addition the COO and executives within the Group regularly deliver presentations to the Board.

The Board approves the formal Risk Assessment which is required by Article 663b of the Swiss Code of Obligations. The Board has approved the design, implementation and maintenance of the Internal Control System required under applicable law.

The ARYZTA Internal Audit function reports directly to the Audit Committee. Internal Audit may audit all Group activities and regularly meets with Group Executive Management. Internal Audit discuss audit plans with the Audit Committee on at least an annual basis, but may discuss them more frequently should circumstances require.

Corporate Governance Report (continued)

The external auditors, KPMG (auditors of the ARYZTA Company and Group Financial Statements), conduct their audit in compliance with Swiss Auditing Standards and International Standards on Auditing.

4 Group Executive Management

Group Executive Management consists of Owen Killian (Chief Executive Officer), Patrick McEniff (Chief Financial Officer), Hugo Kane (Chief Operating Officer), and Pat Morrissey (Group General Counsel and Secretary). Details of all Executive Management are provided in Section 3.1.

No member of the Group Executive Management holds management contracts for any company outside of the ARYZTA Group.

5 Compensation, shareholdings and loans

Please refer to note 10 of the ARYZTA AG Company Financial Statements for disclosures pertaining to Compensation, Shareholdings and loans, as well as the content and method of determining the compensation and share-ownership programmes.

6 Shareholders participation

6.1 Voting rights

Each ARYZTA share registered as a share conferring a voting right entitles the holder to one vote at a General Meeting. Proxies are entitled to attend shareholders' meetings and exercise all rights of the represented shareholders at such meetings.

As indicated previously in paragraph 2.4, ARYZTA is pursuing arrangements with Euroclear UK and Ireland to enable investors whose interests in ARYZTA are represented by CDIs to exercise their voting rights. Investors who wish to be in a position to directly enforce or exercise their rights must have their interests entered in the share register in accordance with Article 7 of the Articles of Association and effectively hold their shares through a member of the Swiss SIS Settlement System.

6.2 Statutory quorums

Pursuant to Article 14 of the Articles of Association, resolutions at the General Meeting calling for a quorum of at least two-thirds of the votes represented are required for:

- The cases listed in art. 704 para. 1 CO and in art.18 and 64 Merger Act;
- The easement or abolition of the restriction of the transferability of registered shares;
- The conversion of bearer shares into registered shares;
- Any change to the provisions of article 14 of the Articles of Association.

6.3 Convocation of General Meeting of the shareholders

General Meetings are convened by the Board of Directors and, if need be, by the Auditors. Notice of the General Meeting is given by publication in the Swiss Official Gazette of Commerce at least 20 days before the date of the meeting. The notice must state, inter alia, the day, time and place of the Meeting and the agenda.

Corporate Governance Report (continued)

6.4 Agenda
The Board states the items in the agenda. One or more registered shareholders which jointly represent at least ten percent of the share capital of the Company registered in the Commercial Register may request items to be included in the agenda. Such requests must be in writing, specifying the items and the proposals and be submitted to the Chairman at least 45 days before the date of the General Meeting.

6.5 Entry in the share register
The relevant date to determine the shareholders' right to participate in the General Meeting on the basis of the registrations appearing in the share register is set by the Board in the invitation to the General Meeting.

7 Change of control and defence measures

7.1. Obligation to make an offer
ARYZTA does not have a provision on opting out or opting up in the Articles of Association. Thus, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover offer set out in art. 32 of the Swiss Stock Exchange Act are applicable.

7.2. Change of control clauses
Benefits under the ARYZTA LTIP vest upon a change of control. Otherwise, the agreements and plans benefiting the members of the Board or the Group Executive Management are unaffected by a change of control. Further details regarding the benefits under the ARYZTA LTIP are set out in note 10 of the ARYZTA Company Financial Statements 2009.

8 Auditors

8.1. Duration of the mandate and term of office of the lead auditor
KPMG AG, Zurich, was elected as statutory auditor and group auditor upon the incorporation of the Company in 2008. The term of office is one year. Herbert Bussmann has been the lead auditor since KPMG AG's appointment in 2008.

8.2. Audit fees
The total auditing fees charged by the Group auditors in the financial year 2009 amounted to €2,200,000. €390,000 of these fees were charged to Origin Enterprises plc.

8.3. Additional fees
The fees for additional services rendered to ARYZTA Group invoiced in the financial year by the auditors, totalled €3,655,000, of which €3,196,000 was for taxation and legal and company secretarial services and €459,000 for corporate finance and transactional services. Of these fees €718,000 were charged to Origin Enterprises plc.

8.4. Information tools pertaining to the external audit
KPMG presents to the Audit Committee a detailed report on the conduct of the 2009 financial statements audit, the findings on significant financial accounting and reporting issues as well as the findings on the Group's internal control system (ICS).

Corporate Governance Report (continued)

In 2009, KPMG and the Group Head of Internal Audit participated in all three Audit Committee meetings. Other members of the Group Executive Management attended them as invited. In addition, the Head of Internal Audit regularly met with the Chairman of the Audit Committee for interim updates.

The Board of Directors annually reviews the selection of the auditors in order to propose their appointment to the General Meeting of ARYZTA. The Audit Committee assesses the effectiveness of the work of the auditors in accordance with Swiss law. The lead auditor rotates every seven years in accordance with Swiss law.

At each meeting of the Audit Committee, non audit related fees paid to KPMG year to date are reviewed to mitigate the risk of any potential impairment to KPMG's independence. KPMG monitors its independence throughout the year and confirms its independence to the Audit Committee annually.

9 Investor Communications Policy

Guiding principles

ARYZTA is committed to pursuing an open and consistent communication policy with shareholders, potential investors and other interested parties. The objective is to ensure that the perception of those parties about the historical record, current performance and future prospects of ARYZTA is in line with management's assessment of the current situation at ARYZTA. The guiding principles of this policy are that ARYZTA gives equal treatment to shareholders in equal situations, that any price sensitive information is published in a timely fashion and that the information is provided in a format that is as complete, simple, transparent and consistent as possible.

Methodology

ARYZTA publishes its first quarterly trading update, half-year results, nine-months' trading update and full-year results (including Annual Report) on the occasion of its quarterly announcement cycle (announcement dates on next page). These quarterly announcements are accompanied by a presentation which is broadcast live on internet and which anyone can choose to access, whether that person is a shareholder or not. These webcasts can be replayed at any time on the ARYZTA website (www.aryzta.com). An automatic alerting service is also provided through the website. This ensures that interested parties can sign up to the site to be alerted automatically to results and events announcements published on the website. ARYZTA also ensures that news releases are distributed to major wire and news services. These news releases are also made available in the News & Media section of the website immediately after release to the Stock Exchanges. In this way the Company utilises its website and ancilliary communications infrastructure to ensure a rapid and equitable distribution of information for all interested parties.

ARYZTA's Investor Relation's programme for institutional investors will be carried out in-line with the quarterly announcement cycle, with management time allocated accordingly and not on an ad-hoc basis. In order to strike a balance between the needs of managing a business and regular transparent communication with investors, investor meetings (i.e. Group meetings, one-to-one meetings and conference calls) will not be held on an ad-hoc basis. These will be organised following quarterly announcements, save as mentioned below. Investors wishing to meet the Group in the aftermath of such quarterly announcements should email the Group's Investor Relations coordinator (see details below). These investor communications focus either on recently announced financial results,

Corporate Governance Report (continued)

recent corporate activity or the longer term strategy of the Group. They do not serve the purpose of disclosing new information which might encourage an investment decision.

The Group accepts invitations to investor conferences. Attendance at conferences by the Group will be done on a planned and agreed basis in advance of its quarterly announcement cycle and published on its website. The company also communicates with analysts and stockbrokers who follow ARYZTA to facilitate third party research on the company. ARYZTA assumes no responsibility for any statements, expectations, or recommendations made by analysts and stockbrokers. The Group will communicate to investors at the time of any potentially price-sensitive event, such as significant acquisitions and divestments, joint venture agreements and alliances.

Investor relations contact details

ARYZTA AG
Talacker 41
8001 Zurich
Switzerland
Email: IRCoordinator@ARYZTA.com

Key dates to December 2010

Announcement of the 2009 annual results	28 September 2009
Issue of the 2009 annual report	5 October 2009
First quarter trading update	30 November 2009
Annual General Meeting	3 December 2009
Payment of dividend	10 December 2009
Announcement of half-year results 2010	15 March 2010
Nine month trading update	8 June 2010
Announcement of the 2010 annual results	27 September 2010
Issue of the 2010 annual report	5 October 2010
First quarter trading update	29 November 2010
Annual General Meeting 2010	2 December 2010

Annual Report and Accounts 2009

Group Risk Statement

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 Group has formal risk assessment processes in place through which risks and mitigating controls are evaluated. These processes are driven by business unit management, who are best placed to identify the significant ongoing and emerging risks facing the businesses. The outputs of these risk assessment processes are subject to various levels of review by management, and a consolidated Risk Map is reviewed by the ARYZTA Board of Directors on an annual basis. Risks identified and associated mitigating controls are also subject to audit as part of operational, financial and health and safety audit programmes.

The key risks facing the Group include the following:*

- As an international Group with substantial operations and interests outside the euro-zone, ARYZTA is subject to the risk of adverse movements in foreign currency exchange rates.
- The Group faces business risks associated with cash and collectables given the current curtailment of credit for all businesses.
- Operational risks facing the Group include issues associated with product contamination and general food scares affecting relevant products.
- A further operational risk to the Group, in common with most companies, is the risk of failure to address increasing compliance requirements particularly in the areas of health and safety, emissions and effluent control.
- The loss of a significant manufacturing/operational site through natural catastrophe or act of vandalism represents a risk that could, potentially, have a material impact on the Group.
- Similarly, a significant IT system failure could adversely impact on operations.
- The Group faces the challenge of fluctuations in commodity and energy costs.
- The Group faces pricing pressure from customers in the current economic climate.
- The Group faces the risk of impairment of its various brands, particularly through the move by customers towards "value" brands.
- 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.
- In the event that the Group breached a banking covenant it may have to renegotiate its facilities resulting in a higher cost of funds for the Group.
- A loss of a significant supplier as a result of the current economic turmoil could adversely impact ongoing operations of the business.
- The implementation of a future Group-wide ERP system will bring substantial investment, and a significant cost for a failed implementation.

* These risks are not in order of importance.

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Our Responsibility

ARYZTA is committed to building a successful and sustainable business for the long term. At the heart of this commitment is a focus on corporate responsibility. ARYZTA pursues a decentralised approach to corporate responsibility through its various businesses and the different markets within which it operates.

ARYZTA believes in building long-term relationships with its stakeholders, which include consumers, customers, employees and shareholders. The Group recognises its responsibilities as a member of the communities in which it operates, and where appropriate it encourages its businesses to play an active role within them. As well as providing employment opportunities, the Group aims to make positive contributions to its community, building goodwill and earning a positive reputation as a good employer, neighbour and corporate citizen.

With regard to business ethics, ARYZTA expects all commercial dealings by or on behalf of the Group to be conducted with integrity and respect for all parties, as well as in compliance with local and national legislation.

ARYZTA recognises that its continued success is dependent on the quality, commitment and behaviour of its people. It therefore provides clear policies and direction to the management teams of its operating businesses, and strives to achieve the highest standards in management practices. The Group provides equal opportunities for all in recruitment, selection, promotion, employee development, training and reward policies and procedures. ARYZTA also complies with applicable national laws and industry standards on working hours.

ARYZTA maintains comprehensive internal safety management procedures, including policy manuals, verification of regulatory compliance, risk assessments, individual site action plans, safety audits, training, formal accident investigation and the provision of occupational health services. It also maintains a strong focus on the use of key performance indicators, external auditing and achieving exacting external health and safety accreditation for its operations.

To ensure food and product safety, all of ARYZTA's food processing facilities operate under proprietary HACCP (Hazard Analysis and Critical Control Point) systems, or similar. These are reviewed and validated by qualified third parties. ARYZTA's businesses also contribute to various voluntary initiatives on food and product safety by industry associations such as the International Food Standard (IFS), the US Food and Drug Administration (USFDA), the British Retail Consortium (BRC), and the Fertiliser Industries Assurance Scheme (FIAS).

The Earth's ecosystems are both fragile and vulnerable, and the Group realises that protecting the environment is critical to the continued health of the planet. ARYZTA endeavours to comply with and surpass all relevant legislative requirements and industry standards and use the best practicable means to continually improve its environmental performance.

ARYZTA is engaged in a group-wide process to evaluate and reduce its carbon emissions. This incorporates a review of both production and distribution methods, to provide a basis for measuring its performance in reducing the Group's carbon footprint over time. The Group's businesses are also reviewing their water and energy consumption as part of this process, with the aim of increasing efficiencies and lowering the overall environmental impact.

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Group and Company Financial Statements 2009

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Statement of Director's Responsibilities
for the year ended 31 July 2009

The directors are responsible for preparing the Annual Report and the Group and Company Financial Statements, in accordance with applicable law and regulations. Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law, the directors are required to prepare the Group Financial Statements in accordance with International Financial Reporting Standards ('IFRSs') and the requirements of Swiss Law.

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

In preparing each of the Group 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 the 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 disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with IFRSs and the requirements of Swiss Law.

They are also responsible for taking such steps as are reasonably open 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

24 September 2009

Group Income Statement
for the year ended 31 July 2009

in Euro `000	Notes	**2009**	2008
Revenue	4	**3,212,270**	2,660,946
Cost of sales		**(2,344,377)**	(2,017,580)
Gross profit		**867,893**	643,366
Distribution expenses		**(415,047)**	(304,300)
Administration expenses		**(218,714)**	(161,760)
Operating profit before fair value adjustment, merger costs and other income and expenses		**234,132**	177,306
Fair value adjustment on investment properties	2	**(134,543)**	–
Merger costs	2	**(22,738)**	–
Other income/ (expenses)	2	**106**	198
Operating profit		**76,957**	177,504
Share of profit of associates and joint ventures	6	**17,525**	28,070
Profit before financing income and costs		**94,482**	205,574
Financing income	3	**7,055**	8,703
Financing costs	3	**(57,707)**	(46,333)
Profit before tax		**43,830**	167,944
Income tax	9	**(2,853)**	(25,467)
Profit for the year		**40,977**	142,477
Attributable as follows:			
Equity shareholders of the company		**54,010**	129,752
Minority interest	28	**(13,033)**	12,725
Profit for the year		**40,977**	142,477

Earnings per share for the year	Notes	**2009 Euro cent**	2008 Euro cent
Basic earnings per share	11	**68.87**	204.15
Diluted earnings per share	11	**68.69**	200.38

Group Statement of Recognised Income and Expense
for the year ended 31 July 2009

in Euro `000	Notes	2009	2008
Items of income and expense recognised directly in equity			
Foreign exchange translation effects			
– foreign currency net investments		**51,553**	(109,163)
– foreign currency borrowings		**(34,336)**	48,102
Deferred tax effect of capital gains tax rate change in Ireland		**(7,035)**	–
Share of associates' foreign exchange translation adjustment		**(192)**	1,491
Actuarial (loss) on Group defined benefit pension plans		**(3,913)**	(19,577)
Deferred tax effect of actuarial loss		**817**	2,371
Share of associates' actuarial (loss)/gain on defined benefit plan		**(1,576)**	2,455
Share of associates' deferred tax on actuarial (loss)/gain		**442**	(692)
Effective portion of changes in fair value of cash flow hedge		**(2,727)**	5,014
Fair value of cash flow hedges transferred to income statement		**(6,992)**	(5,186)
Deferred tax effect of cash flow hedges		**1,314**	189
Share of joint ventures gains on cash flow hedges		**848**	92
Share of joint ventures deferred tax relating to cash flow hedges		**(144)**	(11)
Revaluation of previously held investment in Hiestand		**35,077**	–
Revaluation of previously held investment in Odlums		–	17,960
Net income/ (expense) recognised directly in equity		**33,136**	(56,955)
Profit for the year		**40,977**	142,477
Total recognised income for the year	27	**74,113**	85,522
Attributable as follows:			
Equity shareholders of the company		**93,522**	74,556
Minority interest	28	**(19,409)**	10,966
Total recognised income for the year		**74,113**	**85,522**

Group Balance Sheet
as at 31 July 2009

in Euro `000	Notes	2009	2008
Assets			
Non current assets			
Property, plant and equipment	12	**664,532**	482,991
Investment properties	13	**62,975**	192,418
Goodwill and intangible assets	14	**1,498,430**	835,827
Investments in associates and joint ventures	15	**139,351**	178,131
Deferred tax assets	24	**27,053**	18,911
Total non current assets		**2,392,341**	1,708,278
Current assets			
Inventory	16	**192,646**	234,107
Trade and other receivables	17	**406,774**	367,649
Derivative financial instruments	22	**599**	2,709
Cash and cash equivalents	20	**294,536**	150,093
Total current assets		**894,555**	754,558
Total assets		**3,286,896**	2,462,836

Group Balance Sheet (continued)
as at 31 July 2009

in Euro `000	Notes	2009	2008
Equity			
Called up share capital	26	**1,005**	39,275
Share premium	27	**518,006**	59,734
Retained earnings and other reserves	27	**801,345**	686,259
Total equity attributable to equity shareholders of the company		**1,320,356**	785,268
Minority interest	28	**47,612**	61,482
Total equity		**1,367,968**	846,750
Liabilities			
Non current liabilities			
Interest bearing loans and borrowings	21	**927,252**	693,285
Employee benefits	25	**28,544**	25,556
Deferred income from government grants	23	**18,941**	3,906
Other payables	18	**1,025**	406
Deferred tax liabilities	24	**203,527**	149,224
Derivative financial instruments	22	**3,244**	600
Deferred consideration	19	**41,259**	37,705
Total non current liabilities		**1,223,792**	910,682
Current liabilities			
Interest bearing loans and borrowings	21	**26,540**	45,123
Trade and other payables	18	**614,291**	586,297
Corporation tax payable		**40,650**	40,486
Derivative financial instruments	22	**9,832**	5,524
Deferred consideration	19	**3,823**	27,974
Total current liabilities		**695,136**	705,404
Total liabilities		**1,918,928**	1,616,086
Total equity and liabilities		**3,286,896**	2,462,836

Group Cash Flow Statement
for the year ended 31 July 2009

in Euro `000	Notes	2009	2008
Cash flows from operating activities			
Profit for year		**40,977**	142,477
Income tax	9	**2,853**	25,467
Financing income	3	**(7,055)**	(8,703)
Financing costs	3	**57,707**	46,333
Share of profit of associates and joint ventures	6	**(17,525)**	(28,070)
Fair value adjustment on investment properties, merger costs and other expenses	2	**157,175**	(198)
Depreciation of property, plant and equipment	12	**62,195**	35,882
Amortisation of intangible assets	14	**46,277**	18,997
Amortisation of government grants	23	**(2,026)**	(327)
Employee share-based payment charge	8	**3,743**	11,886
Other		**(22)**	(2,796)
Cash flow from operating activities before changes in working capital		**344,299**	240,948
Decrease/(increase) in inventory		**70,296**	(81,115)
Decrease/(increase) in trade and other receivables		**28,840**	(59,080)
(Decrease)/increase in trade and other payables		**(72,127)**	154,094
Cash generated from operating activities		**371,308**	254,847
Interest paid, net		**(51,574)**	(34,500)
Income tax paid		**(33,396)**	(18,314)
Net cash flow from operating activities		**286,338**	202,033

Group Cash Flow Statement (continued)
for the year ended 31 July 2009

in Euro `000	Notes	2009	2008
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**2,973**	920
Purchase of property, plant and equipment			
– ongoing		**(22,762)**	(15,247)
– new investments		**(56,229)**	(121,060)
Grants received	23	**2,377**	–
Purchase of investment properties		**(775)**	(12,945)
Acquisition of subsidiaries and businesses, net of cash acquired	30	**(80,546)**	(105,060)
Purchase of intangible assets		**(10,705)**	(8,916)
Sale of intangible assets	2.2	**6,837**	–
Dividends received		**23,004**	17,643
Investments in associates and joint venture	15	**(26,184)**	(15,632)
Deferred consideration paid	19	**(27,384)**	(1,671)
Other		–	(135)
Net cash flow from investing activities		**(189,394)**	(262,103)
Cash flows from financing activities			
Net proceeds from issue of share capital		**(626)**	3,834
Drawdown of loan capital		**68,242**	144,725
Capital element of finance lease liabilities		**(1,300)**	(1,096)
Dividends paid		–	(20,902)
Net cash flow from financing activities		**66,316**	126,561
Net increase in cash and cash equivalents		**163,260**	66,491
Translation adjustment		**(875)**	(8,236)
Cash and cash equivalents at start of year		**106,759**	48,504
Net cash and cash equivalents at end of year	20	**269,144**	106,759

Group Statement of Accounting Policies
for the year ended 31 July 2009

Organisation

ARYZTA (the 'Company') is a company domiciled and incorporated in Switzerland. The Group's financial statements for the year ended 31 July 2009 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as the 'Group') and show the Group's interest in associates and joint ventures using the equity method of accounting.

The individual and Group financial statements of the Company were authorised for issue by the directors on 24 September 2009.

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

The IFRS applied by the Group in the preparation of these financial statements are those that were effective for accounting periods beginning on or after 31 July 2008. The following standards and interpretations, issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'), are effective for the first time in the current financial year and have been adopted by the Group with no significant impact on its consolidated results or financial position:

- IFRIC 12 – Service Concession Arrangements
- IFRIC 13 – Customer Loyalty Programmes
- IFRIC 14 – IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction
- Reclassification of Financial Assets – Amendments to IAS 39 – Financial Instruments: Recognition and Measurement and IFRS 7 – Financial Instruments: Disclosures

The following new standards and interpretations, issued by the IASB or IFRIC, have not yet become effective. The Group has not applied early adoption in relation to them.

Standard / Interpretation	Effective date	Planned implementation by ARYZTA
IAS 1 (Revised) – Presentation of financial statements	1 January 2009	Reporting year 2010
IAS 27 (Revised) – Consolidated and separate financial statements	1 July 2009	Reporting year 2010
Amendment to IAS 38 – Intangible assets	1 January 2009	Reporting year 2010
Amendment to IFRS 2 – Share-based payments	1 January 2009	Reporting year 2010
IFRS 3 (Revised) – Business combinations	1 July 2009	Reporting year 2010
IFRS 8 – Operating segments	1 January 2009	Reporting year 2010
IFRIC 16 – Hedges of a net investment in a foreign operation	1 October 2008	Reporting year 2010
IFRIC 15 – Agreements for the construction of real estate	1 January 2009	Reporting year 2010
IAS 23 (Revised) – Borrowing Costs	1 January 2009	Reporting year 2010
Amendment to IAS 32 – Financial Instruments: Presentation	1 January 2009	Reporting year 2010
Amendment to IFRS 1 – First Time Adoption of International Financial Reporting Standards	1 January 2009	Reporting year 2010

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

The Group has undertaken an initial assessment of the potential impact of these standards and interpretations on its consolidated results and financial position. Based on this initial assessment the Group does not currently believe the adoption of these remaining standards or interpretations would have a significant impact on the consolidated results or financial position of the Group.

Basis of preparation

The Group financial statements are prepared on a historical cost basis except that the following assets and liabilities are stated at their fair value: equity investments held at fair value through profit or loss, investment properties, and derivative financial instruments. The financial statements are presented in Euro, rounded to the nearest thousand, unless otherwise stated, which is the functional currency of a majority of the Group's operations.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

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.

Further information on judgements and accounting estimates is set out in note 36 to these Group Financial Statements.

Basis of consolidation

The Group Financial Statements reflect the consolidation of the results, assets and liabilities of the parent undertaking and all of its subsidiaries, together with the Group's share of profits/losses of associates and joint ventures. Where a subsidiary, associate or joint venture is acquired or disposed of during the financial period, the Group financial statements include the attributable results from, or to, the effective date when control passes, or in the case of associates when significant influence is obtained.

Subsidiary undertakings

Subsidiary undertakings are those entities over which the Group has the power to control the operating and financial policies so as to obtain economic benefit from their activities. The amounts included in these financial statements in respect of the subsidiaries are taken from their latest financial statements prepared up to the period end. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Associates and joint ventures

Associates are those entities in which the Group has a significant influence over, but not control of, the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Joint ventures are those entities over whose

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

operating and financial policies the Group exercises control jointly, under a contractual agreement, with one or more parties. Investments in joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, the Group's share of the post-acquisition profits or losses of its associates and joint ventures is recognised in the income statement. The income statement reflects, in profit before tax, the Group's share of profit after tax of its associates and joint ventures in accordance with IAS 28, Investments in Associates, and IAS 31, Interests in Joint Ventures. The Group's interest in their net assets is included as investments in associates and joint ventures in the Group balance sheet at an amount representing the Group's share of the fair value of the identifiable net assets at acquisition plus the Group's share of post acquisition retained income and expenses less dividends received. The Group's investment in associates and joint ventures includes goodwill on acquisition. The amounts included in these financial statements in respect of the post acquisition profits or losses of associates and 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 period end. Where necessary for consolidation, the accounting policies of associates and joint ventures have been changed to ensure consistency with the policies adopted by the Group.

Transactions eliminated on consolidation
Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the Group financial statements. Unrealised gains and income and expenses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they do not provide evidence of impairment.

Comparative information
The merger of IAWS Group ('IAWS') and Hiestand Holding AG ('Hiestand') has been treated as a reverse acquisition. In accordance with IFRS 3 Business Combinations, IAWS was identified as the acquirer in the business combination transaction. Therefore, the comparative information relates to the financial statements of IAWS, which have been prepared under IFRS. See note 30 to these consolidated financial statements for further details.

Revenue recognition
Revenue represents the fair value of the sale of goods and services supplied to third parties, after deducting trade discounts, volume rebates, and exclusive of value added tax. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Income from services supplied is recognised in proportion to the stage of completion at the balance sheet date. Financing income is recognised on an accrual basis, taking into consideration the sums lent and the actual interest rate applied.

Segmental reporting
A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

a particular economic environment (geographic segment), which is subject to risks and returns different from those of other segments.

The Group's primary format for segmental reporting is business segments and the secondary format is geographical segments. The risks and returns of the Group's operations are primarily determined by the different products that the Group sells rather than the geographical location of the Group's operations.

Following the merger of IAWS and Hiestand in the current period, the Group has revised its previous three business segments which formed the primary format for segmental reporting to include Food Developing Markets with businesses principally in Japan, Malaysia and Australia. The Group's business segments are now Food Europe, Food North America, Food Developing Markets and Origin. The Group's principal geographical segments are Europe, North America and Developing Markets.

Food Europe has leading market positions in the speciality bakery market in Switzerland, Germany, the UK, Ireland and France. In Europe, ARYZTA has a mixture of business to business and consumer brands, including; Hiestand, Cuisine de France, Delice de France and Coup de Pates. Food Europe has a diversified customer base including convenience retail, gas stations, multiple retail, restaurants, catering, hotels and leisure.

Food North America has leading market positions in freshly baked cookies and artisan bread with two principle brands, namely Otis Spunkmeyer and La Brea Bakery. Food North America has a diversified customer base within the foodservice and retail channels.

Food Developing Markets is an embryonic business in Japan, Malaysia and Australia.

Origin is an agri-nutrition and food group. The agri-nutrition business is focused primarily in Ireland, the UK and Poland with activities in the supply of animal feeds, fertiliser and integrated agronomy services. Origin also operates ambient food and cereal milling businesses in Ireland.

Segment assets and liabilities consist of property, plant and equipment, goodwill and intangible assets and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated assets and liabilities principally include current and deferred income tax assets and liabilities together with financial assets and liabilities.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible, the attributable expenditure can be reliably measured, and the Group has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

Employee benefits

Pension obligations

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as the related employee service is received. The Group's net obligation in respect of defined benefit pension plans is calculated, separately for each plan, by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Actuarial gains and losses are recognised in the statement of recognised income and expense. Current and past service costs, interest on plan liabilities and expected return on assets are recognised in the income statement.

Equity settled compensation

As defined in IFRS 2, Share-based Payment, the fair value of equity instruments granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the equity instrument. The fair value of the equity instruments granted is measured using an approved model as appropriate, taking into account the terms and conditions under which the equity instruments were granted. The plans and share option scheme are each subject to a non-market vesting condition and, therefore, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised in equity. Current income tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. If the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, it is not recognised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recovered. Deferred in-

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

come tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currency

Transactions in foreign currencies are translated to the appropriate functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Euro at the foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Euro at the actual rates when the transactions occurred. Foreign exchange differences arising on translation of the net assets of a foreign operation are recognised directly in equity, in a translation reserve.

Exchange gains or losses on long term intra-group loans and on foreign currency borrowings, used to finance or provide a hedge against Group equity investments in non-euro denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future or are expected to provide an effective hedge of the net investment. Any differences that have arisen since 1 August 2004, the date of transition to IFRS, are recognised in the currency translation reserve and are recycled through the income statement on the repayment of the intra-group loan or on disposal of the related business.

The principle Euro foreign exchange currency rates used by the Group for the preparation of these financial statements are as follows:

Currency	Average 2009	Closing 2009	Average 2008	Closing 2008
CHF	1.5310	1.5247	1.6276	1.6247
USD	1.3643	1.4252	1.4855	1.5729
CAD	1.5932	1.5372	1.4962	1.5946
GBP	0.8615	0.8545	0.7435	0.7911

Dividends

Dividends are recognised in the period in which they are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure including repairs and maintenance costs is recognised in the income statement as an expense as incurred.

Depreciation is calculated to write off the cost less estimated residual value of property, plant and equipment, other than freehold land and assets under construction, on a straight line basis, by reference to the following estimated useful lives:

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

Buildings	25 to 50	years
Plant and machinery	3 to 15	years
Motor vehicles	3 to 7.5	years

The residual value of assets, if significant, and the useful life of assets is reassessed annually.

Gains and losses on disposals of property, plant and equipment are recognised on the completion of sale. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are included in operating profit.

Investment properties
Investment property, principally comprising land, is held for capital appreciation. Investment property is stated at fair value. The fair value is based on market value, being the estimated amount for which a property could be exchanged in an arms length transaction. Any gain or loss arising from a change in fair value is recognised in the income statement. When property is transferred to investment property following a change in use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised in equity if it is a gain. Upon disposal of the property, the gain would be transferred to retained earnings. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, would be recognised immediately in the income statement.

Leased assets
Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest bearing loans and borrowings. The interest element of the payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under the finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight line basis over the lease term.

Goodwill
All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost or deemed cost less any accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment.

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

Intangible assets

Intangible assets acquired as part of a business combination are valued at their fair value at the date of acquisition. These generally include brand and customer related intangible assets. Computer software that is not an integral part of an item of computer hardware is also classified as an intangible asset.

Where intangible assets are separately acquired they are capitalised at cost. Intangible assets with finite lives are amortised over the period of their expected useful lives in equal annual instalments as follows;

Customer relationship	4 to 20	years
Brands	13 to 30	years
Patents and other	4 to 5	years
Computer related intangibles	3 to 5	years

All intangible assets are stated at cost less accumulated amortisation and impairment losses which are incurred. Cost comprises purchase price and other applicable directly attributable costs.

Impairment

The carrying amounts of the Group's assets, other than inventories (which are carried at the lower of cost and net realisable value), deferred tax assets (which are recognised based on recoverability), and those financial instruments which are carried at fair value, are reviewed to determine whether there is an indication of impairment when an event or transaction indicates that there may be. If any such indication exists, an impairment test is carried out and the asset is written down to its recoverable amount. Goodwill, intangible assets with indefinite lives, and intangible assets not yet available for use are tested for impairment annually.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventory

Inventory is stated at the lower of cost on a first in, first out basis and net realisable value. Cost includes all expenditure, which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Financial assets and liabilities

Trade and other receivables

Trade and other receivables are initially measured at fair value and are thereafter measured at amortised cost using the effective interest method less any provision for impairment. A provision for impairment is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Short term bank deposits

Short term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as loans and receivables within current assets and stated at amortised cost in the balance sheet.

Other financial investments

Other financial investments are recognised at the fair value of the consideration given inclusive of any acquisition charges arising. Subsequent gain or loss arising from a change in fair value is recognised in the income statement.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derivatives

Forward currency contracts and interest rate swaps are marked to market using quoted market values.

All derivatives are initially recorded at fair value on the date the contract is entered into and subsequently, at reporting dates, remeasured to their fair value. The gain or loss arising on remeasurement is recognised in the income statement except where the instrument is a designated hedging instrument.

Derivative financial instruments are used to manage the Group's exposure to foreign currency risk, interest rate risk and commodity price risk through the use of forward currency contracts, interest rate swaps and futures contracts. These derivatives are generally designated as cash flow hedges in accordance with IAS 39. The Group does not enter into speculative derivative transactions.

Group Statement of Accounting Policies (continued)
for the year ended 31 July 2009

Cash flow hedges
Subject to the satisfaction of certain criteria, relating to the documentation of the risk, objectives and strategy for the hedging transaction and the ongoing measurement of its effectiveness, cash flow hedges are accounted for under hedge accounting rules. In such cases, any unrealised gain or loss arising on the effective portion of the derivative instrument is recognised in the cash flow hedging reserve, a separate component of equity. Unrealised gains or losses on any ineffective portion of the derivative are recognised in the income statement. When the hedged transaction occurs the related gains or losses in the hedging reserve are transferred to the income statement.

Interest bearing loans and borrowings
For interest bearing loans and borrowings with a contractual repricing date of less than six months, the nominal amount is considered to approximate fair value for disclosure purposes. For loans with a repricing date of greater than six months, the fair value is calculated based on the expected future principal and interest cash flows, discounted at appropriate current market interest rates.

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost, using an effective interest rate method.

Finance lease liabilities
Fair value for disclosure purposes is based on the present value of future cash flows discounted at appropriate current market rates.

Government grants
Grants that compensate the Group for the cost of an asset are shown as deferred income and amortised in the Group income statement by instalments on a basis consistent with the depreciation policy of the relevant assets.

Other grants are credited to the income statement to offset the matching expenditure.

Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Notes to the Group Financial Statements
for the year ended 31 July 2009

1 Segment information

1.1 Analysis by business segment

I) Segment revenue and result in Euro `000	Food Europe 2009	Food Europe 2008	Food North America 2009	Food North America 2008	Food Developing Markets 2009	Food Developing Markets 2008	Origin 2009	Origin 2008	Unallocated* 2009	Unallocated* 2008	Total Group 2009	Total Group 2008
Segment revenue	**1,137,230**	708,806	**555,110**	453,301	**20,414**	–	**1,499,516**	1,498,839	**–**	–	**3,212,270**	2,660,946
Operating profit before non-recurring items	**101,893**	65,649	**57,771**	43,128	**2,060**	–	**72,408**	68,529	**–**	–	**234,132**	177,306
Non-recurring items	**(22,738)**	(2,262)	**–**	(534)	**–**	–	**(134,437)**	–	**–**	2,994	**(157,175)**	198
Operating profit	**79,155**	63,387	**57,771**	42,594	**2,060**	–	**(62,029)**	68,529	**–**	2,994	**76,957**	177,504
Share of profit of associates and joint ventures	**–**	10,615	**13,808**	15,203	**–**	–	**3,717**	2,252	**–**	–	**17,525**	28,070
Profit before financing costs	**79,155**	74,002	**71,579**	57,797	**2,060**	–	**(58,312)**	70,781	**–**	2,994	**94,482**	205,574

* In 2008 the Group did not allocate the gain on curtailment associated with the transfer of members to the defined contribution plan.
There are no significant intercompany revenues between the Group's food business segments. There were €8,321,000 (2008: €5,403,000) in intra group revenue between the Origin and food segments of the Group.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

II) Segment assets in Euro `000	Food Europe 2009	Food Europe 2008	Food North America 2009	Food North America 2008	Food Developing Markets 2009	Food Developing Markets 2008	Origin 2009	Origin 2008	Total Group 2009	Total Group 2008
Segment assets excluding investments in associates and joint ventures	**1,566,132**	701,008	**691,875**	633,275	**10,256**	–	**557,094**	778,709	**2,825,357**	2,112,992
Investments in associates and joint ventures	**–**	87,230	**55,720**	58,057	**–**	–	**83,631**	32,844	**139,351**	178,131
Segment assets	**1,566,132**	788,238	**747,595**	691,332	**10,256**	–	**640,725**	811,553	**2,964,708**	2,291,123

	2009	2008
Reconciliation to total assets as reported in Group balance sheet		
Derivative financial instruments	**599**	2,709
Cash and cash equivalents	**294,536**	150,093
Deferred tax assets	**27,053**	18,911
Total assets as reported in Group balance sheet	**3,286,896**	2,462,836

III) Segment liabilities in Euro `000	Food Europe 2009	Food Europe 2008	Food North America 2009	Food North America 2008	Food Developing Markets 2009	Food Developing Markets 2008	Origin 2009	Origin 2008	Total Group 2009	Total Group 2008
Segment liabilities	**274,289**	217,137	**109,594**	99,386	**6,325**	–	**317,675**	365,321	**707,883**	681,844

	2009	2008
Reconciliation to total liabilities as reported in Group balance sheet		
Interest bearing loans and borrowings	**953,792**	738,408
Derivative financial instruments	**13,076**	6,124
Current and deferred tax liabilities	**244,177**	189,710
Total liabilities as reported in the Group balance sheet	**1,918,928**	1,616,086

IV) Other segment information in Euro `000	Food Europe 2009	Food Europe 2008	Food North America 2009	Food North America 2008	Food Developing Markets 2009	Food Developing Markets 2008	Origin 2009	Origin 2008	Total Group 2009	Total Group 2008
Depreciation	**40,928**	15,226	**13,177**	11,596	**523**	–	**7,567**	9,060	**62,195**	35,882
Amortisation of intangible assets	**33,210**	7,863	**9,710**	8,737	**63**	–	**3,294**	2,397	**46,277**	18,997
Fair value adjustment	**–**	–	**–**	–	**–**	–	**134,543**	–	**134,543**	–
Capital expenditure – property, plant and equipment	**66,063**	114,861	**11,331**	19,201	**615**	–	**5,854**	9,033	**83,863**	143,095
Capital expenditure – computer related intangibles	**7,050**	1,158	**2,827**	562	**43**	–	**668**	74	**10,588**	1,794
Capital expenditure – brand related intangibles	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–
Capital expenditure – other intangibles	**1,086**	7,122	**–**	–	**–**	–	**–**	–	**1,086**	7,122
Total capital expenditure	**74,199**	123,141	**14,158**	19,763	**658**	–	**6,522**	9,107	**95,537**	152,011

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

1.2 Analysis by geographical segment

	Europe		North America		Developing Markets		Total Group	
in Euro `000	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Segment revenue	**2,636,746**	2,207,645	**555,110**	453,301	**20,414**	–	**3,212,270**	2,660,946
Segment assets	**2,206,857**	1,599,791	**747,595**	691,332	**10,256**	–	**2,964,708**	2,291,123
Capital expenditure	**80,721**	132,248	**14,158**	19,763	**658**	–	**95,537**	152,011

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

2 Fair value adjustments, merger costs and other income and expenses

in Euro `000	Note	2009	2008
Fair value adjustment			
Fair value adjustment to investment properties	2.1	**134,543**	–
Merger costs			
Share based payments	2.3	**20,517**	–
Bank facilities	2.4	**2,221**	–
		22,738	–
Other expenses/ (income)			
Gain on disposal of operations	2.2	**(5,562)**	–
Gain on sale of property, plant and equipment		**(1,189)**	–
Costs associated with the closure of the Cork flour mill		**6,645**	–
Pension curtailment (gain)	2.5	**–**	(2,994)
Loss on disposal and termination of operations	2.6	**–**	2,796
		(106)	(198)
Total		**157,175**	(198)

2.1 Investment properties – fair value adjustment

Investment property held by Origin Enterprises, plc (the Group's 71.4% owned subsidiary and separately listed company) principally comprises 32 acres (13 hectares) of development land located close to the centre of Ireland's second largest city, Cork, in its South Docklands area. The area has long been associated with Origin's port activities. More recently the Group has been considering an overall redevelopment of the area and in 2007 (the year of the Origin IPO) revalued and transferred the property to investment property.

Since the prior year, the Irish property market has deteriorated due to unprecedented combinations of negative economic factors affecting the Irish economy. The deteriorating market conditions have had a particular impact on the values of Irish land and development properties, which have seen a significant fall in value in recent times. The prior year fair value would have included a significant value attributed to the redevelopment opportunity of this land which has been substantially reduced in the current year.

In accordance with its accounting policy of carrying investment property at fair value, the Group commissioned Savills, independent qualified valuation experts, to conduct a valuation of the Group's investment properties in June 2009. The valuation was on the basis of market value and complies with the requirements of the Valuation and Appraisal Standards issued under the auspices of the Society of Chartered Surveyors. For this purpose, market value was defined by the independent valuation experts as the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

The respective fair value was therefore estimated based on considerations regarding the Irish economy, the local property market, the property related development plan and its challenges, planning permissions received to date and a property analysis (strengths and

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

weaknesses, trends and saleability) rather than based on other factors or assumptions. In particular, the valuation expert reflected the impact of the lack of liquidity in the market and based his assessment on the assumption that no forced sale is required, as it may be very difficult to achieve a successful sale of these assets in the short term. The valuation expert also referred to the valuation uncertainty which may lead to a heightened price volatility due to the combination of the above mentioned factors that are contributing to a very difficult trading environment in the property market.

Against the background of current conditions in the Irish property market, and the general economic environment in Ireland, this resulted in a revaluation loss to the carrying value of investment properties of €134,543,000.

2.2 Gain on disposal of operations

On 26 September 2008, the Group disposed of the non core US based McCanns Oatmeal brand and related goodwill for a net cash consideration of €6,837,000.

On 3 February 2009, the Group transferred its 100% shareholding in United Fish Industries Limited and United Fish Industries (UK) Limited together with a cash consideration of €16,000,000 for a 50% shareholding in the enlarged Welcon Invest AS ("Welcon") business. The net assets of the business transferred on 3 February 2009 amounted to €19,822,000. The Group's 50% shareholding in Welcon is treated as a joint venture and is accounted for using the equity method of accounting in accordance with IAS 31 as and from 3 February 2009.

A gain of €5,562,000 arose on these transactions.

2.3 Merger costs - share based payment

The merger between IAWS and Hiestand triggered the vesting of all previously granted IAWS share awards. This resulted in an accelerated share based payment charge of €20,517,000 of which €18,115,000 related to equity settled schemes and €2,402,000 related to cash settled schemes, for which the up front cash payments were made in previous periods. A related deferred tax credit of €218,000 has been reflected within the taxation charge. Net of deferred tax the amount is €20,299,000.

2.4 Merger costs - banking facilities

As a result of creating ARYZTA, new banking facilities were negotiated by the enlarged Group. This resulted in the extinguishment of redundant IAWS facilities whose related unamortised facility costs of €2,221,000 were expensed to the income statement.

2.5 Pension curtailment gain

During the year ended 31 July 2008, a curtailment gain of €2,994,000 was recorded in relation to the restructuring of the IAWS Group Defined Benefit Pension Plan.

2.6 Loss on disposal and termination of operations

During the year ended 31 July 2008, Food Europe and North America businesses recorded costs of €2,796,000 in relation to the restructuring of manufacturing and distribution operations.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

3 Financing income and costs

in Euro `000	2009	2008
Financing income		
Interest income	**(1,924)**	(3,982)
Defined benefit plan expected return on plan assets (note 25)	**(5,131)**	(4,721)
Total financing (income) recognised in income statement	**(7,055)**	(8,703)
Financing costs		
Interest payable on bank loans and overdrafts	**49,061**	39,960
Interest payable under finance leases	**270**	186
Defined benefit plan: interest cost on plan liabilities (note 25)	**5,850**	4,105
Financing charge on deferred consideration (note 19)	**2,526**	2,082
Total financing costs recognised in income statement	**57,707**	46,333
Effective portion of changes in fair value of interest rate swaps*	**11,972**	(121)
Fair value of interest rate swaps transferred to income statement*	**(862)**	(901)
Total financing expense/(income) recognised directly in equity	**11,110**	(1,022)

* No unrealised gains or losses on any ineffective portion of derivatives have been recognised in the income statement.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

4 Other information

Group revenue categories

in Euro `000	2009	2008
Sale of products	**3,175,223**	2,627,075
Rendering of services	**37,047**	33,871
	3,212,270	2,660,946

Group operating profit was arrived at after charging/(crediting) the following amounts

in Euro `000	2009	2008
Depreciation of property, plant and equipment		
– owned assets	**55,154**	29,570
– leased assets	**7,041**	6,312
	62,195	35,882
Amortisation of intangible assets	**46,277**	18,997
Amortisation of government grants	**(2,026)**	(327)
Operating lease rentals		
– plant and machinery	**5,843**	7,457
– other	**25,176**	17,884
Research and development expenditure	**5,307**	13,970
Auditor's remuneration for audit services	**2,200**	1,377
Auditor's remuneration for non-audit services	**3,655**	2,528

5 Directors' emoluments and interests

Directors' interests are disclosed in the Corporate Governance Report on pages 21 to 36 inclusive in this Annual Report, and emoluments are disclosed in note 10 of the ARYZTA Company Financial Statements 2009.

6 Group share of associates and joint ventures profit after tax

Joint ventures

in Euro `000	2009	2008
Group share of:		
Revenue	**89,419**	52,818
Profit after tax	**16,193**	15,203

Associates

in Euro `000		
Group share of:		
Revenue	**122,496**	275,796
Profit after tax	**1,332**	12,867

Share of profit of associates and joint ventures	**17,525**	28,070

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

7 Employment

The average number of persons employed by the Group during the year was as follows	2009	2008
Sales and distribution	**3,780**	2,644
Production	**4,382**	2,550
Management and administration	**1,182**	800
	9,344	5,994

Aggregate employment costs of the Group are analysed as follows in Euro `000	2009	2008
Wages and salaries	**363,255**	224,075
Social welfare costs	**35,497**	30,535
Pension costs (note 25)		
– defined benefit plans – statement of recognised income and expense	**(3,913)**	(19,577)
– defined benefit plans – income statement	**3,400**	(2,313)
– defined contribution plans	**2,060**	4,016
Share-based payment (note 8)	**21,858**	11,886
	422,157	248,622

8 Share-based payments

The Group has outstanding grants of equity instruments under the following plans and schemes:

– The ARYZTA Long Term Incentive Plan ("ARYZTA LTIP");
– The 2006 Origin Enterprises Long Term Incentive Plan (the Origin Plan).

As set out in note 2.3 of these Group Financial Statements, the merger between IAWS and Hiestand triggered the vesting of all previously granted IAWS share awards. This resulted in an accelerated share based payment charge of €20,517,000 of which €18,115,000 related to equity settled schemes and €2,402,000 related to cash settled schemes, for which the up front cash payments were made in previous periods.

The equity settled schemes which vested were granted under the following plans and schemes:

– The 1997 Share Option Scheme
– The Employee Equity Participation Scheme (IAWS Long Term Incentive Plan 2006)
– The Executive Co-Investment Scheme (IAWS Long Term Incentive Plan 2006)

The total expense reported in the Group income statement in the period in relation to equity settled share based payments is €21,858,000 (2008: €11,886,000), including the accelerated share based payment charge upon the merger of IAWS and Hiestand of €18,115,000, as detailed in note 2.3 of these Group Financial Statements.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

8.1 ARYZTA LTIP

Impact on income statement

in Euro `000	2009	2008
Issued in FY 2009	**2,827**	–
	2,827	–

Details of equity entitlements issued under the ARYZTA LTIP	Weighted conversion price in Euro 2009	Number of equity entitlements 2009
Outstanding at beginning of year	**–**	–
Issued during the year I)	**0.01**	1,035,000
Outstanding at the end of year	**0.01**	1,035,000
Vested at end of year	**–**	–

I) During the year, employees were granted 1,035,000 equity entitlements in the Company. All equity entitlements granted have a life of ten years.

Analysis of closing balance – outstanding at the end of the year	Conversion price	Number of equity entitlements 2009	Actual remaining life (years) 2009
Equity entitlements by conversion price	0.01	**1,035,000**	9
Total outstanding as at 31 July	0.01	**1,035,000**	9

The general terms and conditions applicable to the equity instruments granted under the ARYZTA LTIP are described in note 10 of the ARYZTA Company Financial Statements 2009.

The equity instruments granted under the ARYZTA LTIP are equity-settled share-based payments as defined in IFRS 2, Share-based Payment.

The weighted average fair value assigned to equity entitlements issued under the ARYZTA LTIP represents the full value of an ordinary share on the date of grant adjusted for the lost dividends between date of issue and vesting date.

None of these equity entitlements have vested at the end of the year.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

8.2 The Origin Long Term Incentive Plan (the "Origin Plan")

Origin Plan - Ordinary Share awards

Under the terms of the Origin Plan, 4,682,134 Ordinary Shares were issued to senior executives during the year ended 31 July 2007. As the consideration paid for these shares equalled their fair value, no additional share based compensation charge was recorded under IFRS 2, Share-based Payment. To retain the Ordinary Shares issued under the terms of the Origin Plan, the senior executives must remain with Origin Enterprises plc for five years and financial and business targets must be achieved. If a senior executive leaves before the five year period or the financial and business targets are not achieved, the Ordinary Shares issued under the terms of the Origin Plan may be reacquired by Origin at the lower of the amount paid for the shares and the then fair market value of the shares.

Origin Plan - awards of other equity entitlements

Under the terms of the Origin Plan, senior executive employees are also issued equity entitlements of €0.01 in Origin Enterprises plc at par value which will be converted on a one to one basis into Ordinary Shares in Origin after the expiration of 5 years. The conversion will occur only if specified EPS targets are achieved and the employee remains in employment.

Impact on income statement

in Euro `000	**2009**	2008
Issued in FY 2007	**615**	615
Issued in FY 2008	**301**	94
	916	709

Details of equity entitlements granted under the long term incentive plan	**Weighted conversion price 2009** in Euro	**Number of equity entitlements 2009**	Weighted conversion price 2008 in Euro	Number of equity entitlements 2008
Equity entitlements outstanding at beginning of year	**0.01**	**5,555,270**	0.01	5,140,770
Issued during the year	–	–	0.01	414,500
Equity entitlements outstanding at end of year	**0.01**	**5,555,270**	0.01	5,555,270
Vested at end of year	–	–	–	–

The equity entitlements issued under the Origin plan are equity settled share based payments as defined in IFRS 2, Share-based Payment.

The weighted average fair value assigned to equity entitlements issued under the Origin Plan represents the fair value of an ordinary share on the date of grant adjusted for the lost dividends between date of issue and vesting date.

None of these equity entitlements have vested at the end of the year.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

8.3 The 1997 Share Option Scheme

The merger of IAWS and Hiestand on 21 August 2008 triggered the vesting of all previously granted options under this scheme.

The measurement requirements of IFRS 2 had been implemented in respect of share options that were granted after 7 November 2002 under this scheme, that had not vested at the date of transition of the Company to IFRS (1 August 2005).

Impact on income statement

in Euro `000	**2009**	2008
Issued in FY 2006	**3,530**	2,185
	3,530	2,185

Details of options granted under the share option scheme	**Weighted conversion price 2009** in Euro	**Number of equity entitlements 2009**	Weighted conversion price 2008 in Euro	Number of equity entitlements options 2008
Options outstanding at beginning of year	**12.07**	**3,669,300**	11.35	4,540,250
Lapsed during the year	–	–	9.98	(437,000)
Exercised during the year	–	–	6.60	(433,950)
Vested on merger I)	**12.07**	**(3,669,300)**	–	–
Options outstanding at end of year	–	–	12.07	3,669,300
Exercisable at end of year	–	–	8.21	1,281,800

I) As set out in note 2.3 of these Group Financial Statements, the merger between IAWS and Hiestand in August 2008 triggered the vesting of all previously granted share awards under the 1997 Share Option Scheme.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

8.4 The Employee Equity Participation Scheme ("EEPS")

The merger of IAWS and Hiestand on 21 August 2008 triggered the vesting of all previously granted equity entitlements under this scheme.

The measurement requirements of IFRS 2 had been implemented in respect of the equity entitlements granted under this scheme.

Impact on income statement

in Euro `000	2009	2008
Issued in FY 2007	**1,161**	1,161
Issued in FY 2008	**2,495**	1,247
	3,656	2,408

Details of options granted under the share option scheme	**Weighted conversion price 2009** in Euro	**Number of equity entitlements 2009**	Weighted conversion price 2008 in Euro	Number of equity entitlements 2008
Options outstanding at beginning of year	**15.65**	**2,230,000**	17.10	970,000
Issued during the year	–	–	14.35	1,260,000
Vested on merger I)	**15.65**	**(2,230,000)**		
Options outstanding at end of year	–	–	15.65	2,230,000
Exercisable at end of year	–	–	–	–

I) As set out in note 2.3 of these Group Financial Statements, the merger between IAWS and Hiestand in August 2008 triggered the vesting of all previously granted EEPS equity entitlements.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

8.5 The Executive Co-Investment Scheme ('ECIS' or 'Matching Scheme')

The merger of IAWS and Hiestand on 21 August 2008 triggered the vesting of all previously granted equity entitlements under this scheme.

The measurement requirements of IFRS 2 had been implemented in respect of the equity entitlements granted under this scheme.

Impact on income statement

in Euro `000	2009	2008
Issued in FY 2008	**2,239**	2,239
Issued in FY 2009	**8,690**	4,345
	10,929	6,584

Details of options granted under the share option scheme	Weighted conversion price 2009 in Euro	Number of equity entitlements 2009	Weighted conversion price 2008 in Euro	Number of equity entitlements 2008
Options outstanding at beginning of year	**0.30**	**1,350,000**	0.30	405,000
Issued during the year	**–**	**–**	0.30	945,000
Vested on merger I)	**0.30**	**(1,350,000)**	–	–
Options outstanding at end of year	–	–	0.30	1,350,000
Exercisable at end of year	–	–	–	–

I) As set out in note 2.3 of these Group Financial Statements, the merger between IAWS and Hiestand in August 2008 triggered the vesting of all previously granted ECIS equity entitlements.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

9 Income tax

Current tax

in Euro `000	2009	2008
Current tax on profit for the year	**29,715**	27,781
Adjustments in respect of prior years	**(3,085)**	695
Less: manufacturing relief	–	(609)
Total current tax charge	**26,630**	27,867
Deferred tax:		
Origination and reversal of timing differences I)	**(26,457)**	(634)
Effect of tax rate change	**2,442**	(1,868)
Adjustments in respect of prior years	**238**	102
Total deferred tax (credit)	**(23,777)**	(2,400)
Income tax expense	**2,853**	25,467

Reconciliation of average effective tax rate to applicable tax rate

in Euro `000	2009	2008
Profit before tax	**43,830**	167,944
Less share of profits of associates and joint ventures	**(17,525)**	(28,070)
	26,305	139,874
Income tax on profits for the year at 21.2% (2008: 12.5%) II)	**5,577**	17,484
Expenses not deductible for tax purposes	**6,635**	2,757
Higher rates of tax on other income	**350**	914
(Lower)/higher rates of tax on earnings in other jurisdictions	**(9,787)**	6,340
Adjustments in respect of prior years	**(2,848)**	797
Manufacturing relief	**–**	(609)
Unutilised tax losses	**594**	16
Other items III)	**2,332**	(2,232)
Income tax expense	**2,853**	25,467

Movement recognised directly in equity	2009	2008
Effect of capital gains tax rate change in Ireland	**7,035**	–
Relating to Group employee benefit plans actuarial losses	**(817)**	(2,371)
Derivative financial instruments	**(1,314)**	(189)
	4,904	(2,560)

I) Includes impact of the fair value adjustment on investment properties.

II) 21.2% is the standard rate of income tax applicable to trading profits in Zurich, Switzerland. In 2008, 12.5% was the standard rate of income tax applicable to trading profits in Ireland.

III) Other items primarily reflect a once off deferred tax cost in respect of the increase in the Irish capital gains tax rate during the year. The 2008 credit primarily arises in respect of a once off deferred tax benefit associated with a reduction of the US State tax rate on the Group's US activities.

10 Dividends

At the 3 December 2009 General Meeting, shareholders will be invited to approve a proposed dividend of CHF 0.5324 (Euro equivalent €0.3520) per share to be paid to shareholders after the balance sheet date. No dividend was paid during the period (2008: no dividend).

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

11 Earnings per share

On 21 August 2008, the merger of IAWS and Hiestand was completed. Following the merger, the IAWS shareholders received 0.5 shares of ARYZTA for each IAWS share. The basic and diluted earnings per share presented below for the year ended 31 July 2008 has been adjusted to reflect this change in the number of shares.

Basic earnings per share	**2009** in Euro `000	2008 in Euro `000
Profit for year attributable to equity shareholders	**54,010**	129,752
Weighted average number of ordinary shares	`000	`000
Issued ordinary shares at 1 August	**63,669**	63,453
Effect of shares issued during the year	**14,758**	104
Weighted average number of ordinary shares for the year	**78,427**	63,557
Basic earnings per share	**68.87 cent**	204.15 cent

Diluted earnings per share	**2009** in Euro `000	2008 in Euro `000
Profit for year attributable to equity shareholders	**54,010**	129,752
Effect on minority interest share of profits due to dilutive effect of Origin equity entitlements I)	–	(1,075)
Diluted profit for financial year attributable to equity shareholders	**54,010**	128,677
Weighted average number of ordinary shares (diluted)	`000	`000
Weighted average number of ordinary shares used in basic calculation	**78,427**	63,557
Effect of equity instruments with a dilutive effect	**200**	661
Weighted average number of ordinary shares (diluted) for the year	**78,627**	64,218
Diluted earnings per share	**68.69 cent**	200.38 cent

I) This dilutive adjustment reflects the dilutive impact of equity entitlements granted to Origin senior management under the Origin Plan as detailed in note 8.2 of these Group Financial Statements. These equity entitlements dilute the Group's share of Origin profits available as part of its diluted earnings per share calculation.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

12 Property, plant and equipment

31 July 2009 in Euro `000	Land and buildings	Plant and machinery	Motor vehicles	Assets under construction	Total
Cost					
At 1 August 2008	180,963	395,577	12,247	154,488	743,275
Additions	4,345	35,512	1,983	42,023	83,863
Transfer from assets under construction	120,357	76,154	–	(196,511)	–
Arising on business combination (note 30)	91,181	85,429	12,727	–	189,337
Disposals	(10,538)	(63,378)	(4,539)	–	(78,455)
Translation adjustments	(11,762)	8	(1,829)	–	(13,583)
At 31 July 2009	**374,546**	**529,302**	**20,589**	**–**	**924,437**
Accumulated depreciation					
At 1 August 2008	37,342	214,479	8,463	–	260,284
Depreciation charge for year	9,580	47,782	4,833	–	62,195
Disposals	(2,767)	(49,621)	(3,800)	–	(56,188)
Translation adjustments	(2,298)	(3,309)	(779)	–	(6,386)
At 31 July 2009	**41,857**	**209,331**	**8,717**	**–**	**259,905**
Net book amounts					
At 31 July 2009	**332,689**	**319,971**	**11,872**	**–**	**664,532**
At 31 July 2008	143,621	181,098	3,784	154,488	482,991

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

31 July 2008

in Euro `000	Land and buildings	Plant and machinery	Motor vehicles	Assets under construction	Total
Cost					
At 1 August 2007	150,863	358,851	3,389	52,634	565,737
Additions	3,521	37,337	383	101,854	143,095
Arising on business combination (note 30)	35,971	45,737	9,699	–	91,407
Disposals	(439)	(6,876)	(932)	–	(8,247)
Translation adjustments	(8,953)	(39,472)	(292)	–	(48,717)
At 31 July 2008	**180,963**	**395,577**	**12,247**	**154,488**	**743,275**
Accumulated depreciation					
At 1 August 2007	27,191	179,394	2,659	–	209,244
Depreciation charge for year	4,575	30,226	1,081	–	35,882
Arising on business combination (note 30)	7,382	30,536	5,805	–	43,723
Disposals	(225)	(6,381)	(744)	–	(7,350)
Translation adjustments	(1,581)	(19,296)	(338)	–	(21,215)
At 31 July 2008	**37,342**	**214,479**	**8,463**	**–**	**260,284**
Net book amounts					
At 31 July 2008	**143,621**	**181,098**	**3,784**	**154,488**	**482,991**
At 31 July 2007	123,672	179,457	730	52,634	356,493

Assets held under finance leases

The net book value in respect of assets held under finance leases and accordingly capitalised in property, plant and equipment is as follows:

in Euro `000	Buildings	Plant and equipment	Motor vehicles	Total
At 31 July 2009	**8,728**	**2,959**	**942**	**12,629**
At 31 July 2008	10,414	1,830	1,548	13,792

Future purchase commitments at 31 July for property, plant and equipment

in Euro `000	**2009**	2008
Contracted but not provided for in the financial statements	**7,474**	46,028
Authorised by the directors but not contracted for	**8,687**	5,215
Total	**16,161**	51,243

Notes to the Group Financial Statements (continued)
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13 Investment properties

in Euro `000	2009	2008
Balance at beginning of year	**192,418**	165,473
Fair value adjustment	**(134,543)**	–
Arising on business combination (note 30)	**3,747**	14,000
Development costs capitalised	**1,339**	12,945
Translation adjustment	**14**	–
Balance at end of year	**62,975**	192,418

Investment property principally comprises development land located in Ireland in areas destined for future development and regeneration. Rental income from these properties is negligible from a Group perspective and is not disclosed separately.

Development costs capitalised relates to various works carried out on development land held as investment properties.

Investment property held by Origin Enterprises, plc (the Group's 71.4% owned subsidiary and separately listed company) principally comprises 32 acres (13 hectares) of development land located close to the centre of Ireland's second largest city, Cork, in its South Docklands area. The area has long been associated with Origin's port activities. More recently the Group has been considering an overall redevelopment of the area and in 2007 (the year of the Origin IPO) revalued and transferred the property to investment property.

Since the prior year, the Irish property market has deteriorated due to unprecedented combinations of negative economic factors affecting the Irish economy. The deteriorating market conditions have particularly impacted the values of Irish land and development properties, which have seen a significant fall in value in recent times.The prior year fair value would have included a significant value attributed to the redevelopment opportunity of this land which has been substantially reduced in the current year.

In accordance with its accounting policy of carrying investment property at fair value, the Group commissioned Savills, independent qualified valuation experts, to conduct a valuation of the Group's investment properties in June 2009. The valuation was on the basis of market value and complies with the requirements of the Valuation and Appraisal Standards issued under the auspices of the Society of Chartered Surveyors. For this purpose market value was defined by the independent valuation experts as the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion.

The respective fair value was therefore estimated based on considerations regarding the Irish economy, the local property market, the property related development plan and its challenges, planning permissions received to date and a property analysis (strengths and weaknesses, trends and saleability) rather than based on other factors or assumptions. In particular, the valuation expert reflected the impact of the lack of liquidity in the market and based his assessment on the assumption that no forced sale is required as it may be very difficult to achieve a successful sale of these assets in the short term. The valuation expert also referred to the valuation uncertainty which may lead to a heightened price

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

volatility due to the combination of the above mentioned factors that are contributing to a very difficult trading environment in the property market.

Against the background of current conditions in the Irish property market, and the general economic environment in Ireland, this resulted in a revaluation loss to the carrying value of investment properties of €134,543,000.

14 Goodwill and intangible assets

31 July 2009 in Euro `000	Goodwill	Customer relationships	Brands	Computer related	Patents and other	Total
Cost						
At 1 August 2008	558,634	160,747	136,848	30,530	7,874	894,633
Arising on business combination (note 30)	360,031	160,227	114,741	1,208	–	636,207
Additions	–	–	–	10,588	1,086	11,674
Disposals	(1,520)	(2,400)	(2,400)	(2,984)	–	(9,304)
Other	376	–	–	–	–	376
Translation adjustments	51,893	10,189	5,980	485	(56)	68,491
At 31 July 2009	**969,414**	**328,763**	**255,169**	**39,827**	**8,904**	**1,602,077**
Accumulated amortisation						
At 1 August 2008	–	18,694	17,052	22,973	87	58,806
Amortisation	–	27,519	14,364	3,974	420	46,277
Disposals	–	(80)	(160)	(2,895)	–	(3,135)
Translation adjustments	–	722	278	704	(5)	1,699
At 31 July 2009	**–**	**46,855**	**31,534**	**24,756**	**502**	**103,647**
Net book amounts						
At 31 July 2009	**969,414**	**281,908**	**223,635**	**15,071**	**8,402**	**1,498,430**
At 31 July 2008	558,634	142,053	119,796	7,557	7,787	835,827

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

31 July 2008 in Euro `000	Goodwill	Customer relationships	Brands	Computer related	Patents and other	Total
Cost						
At 1 August 2007	531,340	137,389	127,738	31,429	–	827,896
Arising on business combination (note 30)	79,746	38,012	18,651	1,533	800	138,742
Additions	–	–	–	1,794	7,122	8,916
Disposals	–	–	–	(1,098)	–	(1,098)
Other	(361)	–	–	–	–	(361)
Translation adjustments	(52,091)	(14,654)	(9,541)	(3,128)	(48)	(79,462)
At 31 July 2008	**558,634**	**160,747**	**136,848**	**30,530**	**7,874**	**894,633**
Accumulated amortisation						
At 1 August 2008	–	10,181	11,358	21,876	–	43,415
Arising on business combination (note 30)	–	–	–	1,127	–	1,127
Amortisation	–	9,383	6,334	3,187	93	18,997
Disposals	–	–	–	(1,074)	–	(1,074)
Translation adjustments	–	(870)	(640)	(2,143)	(6)	(3,659)
At 31 July 2008	**–**	**18,694**	**17,052**	**22,973**	**87**	**58,806**
Net book amounts						
At 31 July 2008	**558,634**	**142,053**	**119,796**	**7,557**	**7,787**	**835,827**
At 31 July 2007	531,340	127,208	116,380	9,553	–	784,481

Notes to the Group Financial Statements (continued)
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Impairment testing on goodwill

Goodwill acquired through business combinations has been allocated at acquisition to the appropriate cash generating units that are expected to benefit from the business combination. The carrying amount of goodwill allocated to cash generating units across the Group is summarised as follows:

in Euro `000	Discount rate 2009	Projection period	Growth rate	2009	2008
Hiestand Holding AG	**10.1%**	**4 years**	**2%**	**365,046**	–
Otis Spunkmeyer Inc.	**10.4%**	**4 years**	**2%**	**265,461**	240,534
Groupe Hubert	**13.0%**	**4 years**	**2%**	**111,822**	90,884
Masstock Group Holdings Limited	**11.9%**	**4 years**	**2%**	**49,521**	50,574
La Brea Bakery	**10.4%**	**4 years**	**2%**	**51,170**	46,490
Other I)	–	–	–	**126,394**	130,152
				969,414	558,634
Goodwill arising on investments in joint venture and associates				**21,980**	41,235

I) Other is comprised of goodwill in a number of cash generating units which are individually insignificant.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. No impairment losses have been recognised in respect of the Group's cash generating units in the years ended 31 July 2009 and 31 July 2008.

The recoverable amounts of cash generating units are based on value in use calculations. Those calculations use cash flow projections based on expected future operating results and cash flows. The cash flow projections are based on current operating results of the individual cash generating units and an assumption regarding future organic growth. For the purposes of the calculation of value in use, the cash flows are projected over a 4 year period with additional cash flows in subsequent years calculated using a terminal value methodology, unless a shorter period is appropriate to the circumstances of a particular cash generating unit. The cash flows are discounted using appropriate risk adjusted discount rates as disclosed in the table above averaging 11.2% (2008: 12.0%), reflecting the risk associated with the individual future cash flows and the risk free rate. Any significant adverse change in the expected future operational results and cash flows may result in the value in use being less than the carrying amount of a cash-generating unit and would require that the carrying amount of the cash-generating unit be impaired and stated at the greater of the value in use or the recoverable amount of the business unit. However the results of the impairment testing undertaken at 31 July 2009 provide sufficient headroom such that any reasonable realistic movement in any of the underlying assumptions would not give rise to an impairment charge.

Key assumptions include management's estimates of future profitability and replacement capital expenditure requirements.

The term of the discounted cashflow model is a significant factor in determining the fair value of the cash-generating units. The term has been arrived at taking account of the Group's strong financial position, its established history of earnings growth and cash flow generation and its proven ability to pursue and integrate value enhancing acquisitions. The goodwill included within the carrying amount of investments in associates and joint ventures is subject to annual impairment testing on a similar basis to the goodwill arising on the Group's subsidiaries.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

15 Investments in associates and joint ventures

31 July 2009 in Euro `000	Note	Share of associates net assets	Share of joint ventures net assets	Total
At 1 August 2008		120,074	58,057	178,131
Share of profits after tax		1,332	16,193	17,525
Additions	15.1	7,013	45,991	53,004
Associate becoming a subsidiary	15.2	(87,266)	–	(87,266)
Dividends received		(1,986)	(21,018)	(23,004)
Gains recognised directly through equity		(1,326)	704	(622)
Translation adjustments		(1,010)	2,593	1,583
At 31 July 2009		**36,831**	**102,520**	**139,351**

31 July 2008 in Euro `000	Note	Share of associates net assets	Share of joint ventures net assets	Total
At 1 August 2007		104,297	64,708	169,005
Share of profits after tax		12,867	15,203	28,070
Additions	15.3	15,632	–	15,639
Associate becoming a subsidiary	15.4	(10,450)	–	(10,450)
Dividends received		(4,149)	(16,041)	(20,190)
Gains recognised directly through equity		3,254	81	3,335
Translation adjustments		(1,377)	(5,894)	(7,278)
At 31 July 2008		**120,074**	**58,057**	**178,131**

15.1 2009 additions

On 3 February 2009, the Group transferred its 100% shareholding in United Fish Industries and United Fish Industries (UK) together with cash consideration of €16,000,000 for a 50% shareholding in the enlarged Welcon business. The net assets of the business transferred on 3 February 2009 amounted to € 19,822,000 and the Group's shareholding is treated as a joint venture and is accounted for using the equity method of accounting. A breakdown of the carrying amount is presented in the following table:

in Euro `000	Total
Net assets transferred	19,822
Cash consideration	16,000
Transaction costs paid	2,146
Gain arising on transfer	5,562
Other	2,461
Total	45,991

The cash consideration of € 16,000,000 together with transaction costs paid of € 2,146,000 and the cash element of the net assets transferred of € 1,025,000 resulted in a total cash flow impact from this transaction of € 19,171,000.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

During 2009 Origin increased its shareholding in Continental Farmers Group plc, a large scale producer of high value agriculture crops operating in Poland and the Ukraine from 20% to 36.9% for a cash consideration of €7,013,000.

The total cash flow impact of the two additions above is €26,184,000.

15.2 2009 associate becoming a subsidiary

On 1 August 2008, the Group's ownership in Hiestand Holding AG was increased from 32% to 64%. As a result and from that date Hiestand has been accounted for as a subsidiary undertaking and not as an associate undertaking. The remaining 36% holding was subsequently absorbed by ARYZTA by means of a statutory merger under Swiss Law as disclosed in note 30 to these Group Financial Statements.

15.3 2008 additions

In June 2008 the Group acquired a 20% interest in Continental Farmers Group plc ("Continental Farmers"), a large scale producer of high value agriculture crops operating in Poland and the Ukraine. Continental Farmers primary objective is to significantly extend its farming business in the Ukraine and the funds invested by the Group will be used to achieve this.

In June 2008, the Group acquired 2,500,000 preference shares in BHH Limited (holding company for John Thompson & Sons) for £2,500,000.

15.4 2008 associate becoming a subsidiary

During the prior year, the Group completed the acquisition of the remaining 50% interest in the Odlum Group ("Odlums") that it did not previously own. As a result, Odlums is now accounted for as a subsidiary undertaking and not as an associate undertaking. Further disclosures in relation to this acquisition are set out in note 30.

15.5 Associate and joint venture reporting period

The amounts included in these Group Financial Statements in respect of the income and expenses of associates and 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. The joint ventures, Cillryan's Bakery Limited and Welcon AS, both have a 31 December year end.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

The investment in associates and joint ventures is analysed as follows:

31 July 2009 in Euro `000	Associates	Joint ventures	Total
Non current assets	25,871	82,786	108,657
Current assets	29,003	46,730	75,733
Non current liabilities	(5,583)	(21,410)	(26,993)
Current liabilities	(12,840)	(27,186)	(40,026)
Net assets	**36,451**	**80,920**	**117,371**
Goodwill	380	21,600	21,980
At 31 July 2009	**36,831**	**102,520**	**139,351**

31 July 2008 in Euro `000			
Non current assets	102,181	48,923	151,104
Current assets	63,079	16,372	79,451
Non current liabilities	(34,313)	(3,578)	(37,891)
Current liabilities	(46,281)	(9,487)	(55,768)
Net assets	**84,666**	**52,230**	**136,896**
Goodwill	35,408	5,827	41,235
At 31 July 2008	**120,074**	**58,057**	**178,131**

16 Inventory

in Euro `000	**2009**	2008
Raw materials	**64,557**	85,827
Finished goods	**119,928**	145,334
Consumable stores	**8,161**	2,946
Total inventory	**192,646**	234,107

A total expense of €2,393,000 (2008: €2,906,680) was recognised in the income statement arising from write down of inventory.

17 Trade and other receivables

in Euro `000	**2009**	2008
Current		
Trade receivables	**352,595**	296,496
Trade receivables due from associates	**216**	2,503
VAT recoverable	**6,536**	11,137
Prepayments and accrued income	**22,864**	36,906
Other receivables	**24,563**	20,607
	406,774	367,649

A total expense of €4,536,000 (2008: €2,817,000) was recognised in the income statement arising from impairment of trade receivables.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

18 Trade and other payables

in Euro `000	2009	2008
Non current		
Other payables	**1,025**	406
Current		
Trade payables	**335,008**	316,560
Trade payables due to associates and joint ventures	**2,984**	610
Accruals and other payables I)	**260,319**	256,439
Income tax and social welfare	**9,907**	5,194
Value added tax	**6,073**	7,494
	614,291	586,297

(I) Accruals and other payables consist in the majority of balances due for goods and services received not yet invoiced.

19 Deferred consideration

Provisions comprise the net present value of the amounts expected to be payable in respect of deferred consideration arising on business combinations. Residual deferred consideration is due entirely within 5 years and is payable subject to the achievement of earnings based targets.

in Euro `000	2009	2008
Balance at 1 August	**65,679**	73,063
Arising on business combination (note 30)	**3,800**	–
Discounting charge	**2,526**	2,082
Payments of deferred consideration	**(27,384)**	(1,671)
Translation adjustment	**461**	(7,795)
Balance at 31 July	**45,082**	65,679
Classified as:		
Current	**3,823**	27,974
Non-current	**41,259**	37,705
	45,082	65,679

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

20 Cash and cash equivalents

As set out further in note 21 of these Group Financial Statements, the Group operates two distinct debt funding structures which are segregated in line with its segmental and corporate reporting structures. One Group funding structure finances the Food segments of the Group ('Food') as a whole and the second funding structure finances the Origin segment and its related subsidiaries ('Origin').

In accordance with IAS 7, Cash Flow Statements, cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are included within current interest bearing loans and borrowings in the Group balance sheet.

in Euro `000	2009	2008
Food cash at bank and in hand	**204,586**	74,861
Origin cash at bank and in hand	**89,950**	75,232
Total cash at bank and in hand	**294,536**	150,093
Food bank overdraft	**(15,276)**	(43,109)
Origin bank overdraft	**(10,116)**	(225)
Bank overdrafts (note 21)	**(25,392)**	(43,334)
Included in the Group cash flow statement	**269,144**	106,759

Cash at bank and in hand earns interest at floating rates based on daily deposit bank rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Notes to the Group Financial Statements (continued)
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21 Interest bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortised cost.

The Group operates two distinct debt funding structures which are segregated in line with its segmental and corporate reporting structures. The Group's 71.4% subsidiary, Origin Enterprises plc has a separate funding structure which is financed without recourse to ARYZTA AG or its Europe, North America and Developing Market Food business segment subsidiaries.

Each of the Food and Origin funding structures have been independently negotiated by the Group. There are no cross guarantees or recourse obligations between the Food and Origin segments of the Group in respect of their separate funding facilities. As a result these two parts of the Group effectively act as separate independent parties from a third party borrowing perspective.

in Euro `000	**2009**	2008
Included in non-current liabilities		
Food loans	**692,622**	442,112
Origin loans	**231,870**	248,301
Total bank loans	**924,492**	690,413
Finance leases	**2,760**	2,872
Non current interest bearing loans and borrowings	**927,252**	693,285
Included in current liabilities		
Bank overdrafts	**25,392**	43,334
Finance leases	**1,148**	1,789
Current interest bearing loans and borrowings	**26,540**	45,123
Total bank loans and overdrafts	**949,884**	733,747
Total finance leases	**3,908**	4,661

Analysis of net debt in Euro `000	**1 August 2008**	**Cashflow**	**Arising on business combination**	**Non cash movements**	**Translation adjustment**	**31 July 2009**
Cash	150,093	145,486	–	–	(1,043)	294,536
Overdrafts	(43,334)	17,774	–	–	168	(25,392)
Cash and cash equivalents	**106,759**	**163,260**	**–**	**–**	**(875)**	**269,144**
Loans	(690,413)	(68,242)	(128,633)	(2,868)	(34,336)	(924,492)
Finance leases	(4,661)	1,300	(659)	–	112	(3,908)
Net debt	**(588,315)**	**96,318**	**(129,292)**	**(2,868)**	**(35,099)**	**(659,256)**

Split of net debt in Euro `000	**1 August 2008**	**Cashflow**	**Arising on business combination**	**Non cash movements**	**Translation adjustment**	**31 July 2009**
Food net debt	(413,190)	79,029	(126,272)	(2,868)	(42,203)	(505,504)
Origin net debt	(175,125)	17,289	(3,020)	–	7,104	(153,752)
Net debt	**(588,315)**	**96,318**	**(129,292)**	**(2,868)**	**(35,099)**	**(659,256)**

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

The terms of outstanding loans are as follows:

2009	Currency	Year of maturity	Face value in Euro `000	Carrying amount in Euro `000
Food loans				
Unsecured ARYZTA loan facility	EUR	2013	379,738	376,661
Unsecured private placement				
Series A	USD	2014	105,248	105,248
Series B	USD	2017	175,414	175,414
Series C	USD	2019	35,083	35,083
Other	EUR	2011	217	217
Origin loans				
Facility A	EUR	2012	115,000	113,207
Facility D	EUR	2012	16,000	16,000
Facility E	GBP	2012	43,622	43,622
Facility G	GBP	2012	9,040	9,040
Facility G	EUR	2012	50,000	50,000
			929,362	**924,492**

2008	Currency	Year of maturity	Face value in Euro `000	Carrying amount in Euro `000
Food loans				
Unsecured IAWS loan facility	EUR	2011	157,957	155,735
Unsecured private placement				
Series A	USD	2014	95,365	95,365
Series B	USD	2017	158,942	158,942
Series C	USD	2019	31,788	31,788
Other	EUR	2011	282	282
Origin loans				
Facility A	EUR	2012	115,000	115,000
Facility B	EUR	2012	10,987	10,987
Facility C	EUR	2010	50,000	50,000
Facility E	GBP	2010	47,118	47,118
Facility F	GBP	2010	25,196	25,196
			692,635	**690,413**

At 31 July 2009, the weighted average effective interest rate in respect of the Group's interest bearing liabilities was 4.18% (2008: 5.27%)

Repayment schedule – loans and overdrafts

in Euro `000	2009	2008
Less than one year	**25,392**	43,334
Between one and five years	**713,995**	404,317
After five years	**210,497**	286,096
Loans and overdrafts	**949,884**	733,747

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Repayment schedule – finance leases in Euro `000	Minimum lease payments 2009	Interest 2009	Present value of payments 2009	Minimum lease payments 2008	Interest 2008	Present value of payments 2008
Less than one year	**1,258**	**110**	**1,148**	1,854	186	1,788
Between one and five years	**3,191**	**431**	**2,760**	3,203	366	2,802
After five years	**–**	**–**	**–**	71	1	71
Total	**4,449**	**541**	**3,908**	5,128	553	4,661

Guarantees

As set out previously in this note, the Group operates two separate funding structures. All Group borrowings within the Food funding structures are secured by guarantees from ARYZTA and cross guarantees from various companies within the Food Group.

All Group borrowings within the Origin structure are guaranteed by Origin Enterprises plc with fixed and floating charges over the Origin Group assets totalling €736,000,000. The Origin borrowings do not have recourse to ARYZTA or any Group subsidiaries outside of the Origin Group.

22 Financial instruments and financial risk

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows;

in Euro `000	Fair value through income statement 2009	Hedge instruments 2009	Loans and receivables 2009	Liabilities at amortised cost 2009	Total carrying amount 2009	Fair value 2009
Trade and other receivables	–	–	383,910	–	383,910	383,910
Cash and cash equivalents	–	–	294,536	–	294,536	294,536
Derivative financial assets	–	599	–	–	599	599
Total financial assets	**–**	**599**	**678,446**	**–**	**679,045**	**679,045**
Trade and other payables	–	–	–	(615,316)	(615,316)	(615,316)
Bank overdrafts	–	–	–	(25,392)	(25,392)	(25,392)
Bank borrowings	–	–	–	(924,492)	(924,492)	(981,611)
Finance lease liabilities	–	–	–	(3,908)	(3,908)	(3,908)
Derivative financial liabilities	–	(13,076)	–	–	(13,076)	(13,076)
Total financial liabilities	**–**	**(13,076)**	**–**	**(1,569,108)**	**(1,582,184)**	**(1,639,303)**

in Euro `000	Fair value through income statement 2008	Hedge instruments 2008	Loans and receivables 2008	Liabilities at amortised cost 2008	Total carrying amount 2008	Fair value 2008
Trade and other receivables	–	–	330,743	–	330,743	330,743
Cash and cash equivalents	–	–	150,093	–	150,093	150,093
Derivative financial assets	–	2,709	–	–	2,709	2,709
Total financial assets	**–**	**2,709**	**480,836**	**–**	**483,545**	**483,545**
Trade and other payables	–	–	–	(586,703)	(586,703)	(586,703)
Bank overdrafts	–	–	–	(43,334)	(43,334)	(43,334)
Bank borrowings	–	–	–	(690,413)	(690,413)	(731,943)
Finance lease liabilities	–	–	–	(4,661)	(4,661)	(4,661)
Derivative financial liabilities	(100)	(6,024)	–	–	(6,124)	(6,124)
Total financial liabilities	**(100)**	**(6,024)**	**–**	**(1,325,111)**	**(1,331,235)**	**(1,372,765)**

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Estimation of fair values
Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding table.

Trade and other receivables / payables
For receivables and payables with a remaining life of less than six months or demand balances, the carrying value less impairment provision, where appropriate, is deemed to reflect fair value. All other receivables and payables are discounted to fair value on initial recognition and in relation to subsequent fair value.

Cash and cash equivalents including short-term bank deposits
For short term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the nominal amount is deemed to reflect fair value.

Derivatives (forward currency contracts and interest rate swaps)
Forward currency contracts are marked to market using quoted forward exchange rates at the balance sheet date. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

Interest bearing loans and borrowings
For interest bearing loans and borrowings with a contractual repricing date of less than six months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than six months, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at interest rates effective at the balance sheet date.

Finance lease liabilities
Fair value is based on the present value of future cash flows discounted at market rates at the balance sheet date.

Risk exposures
Group risk management
Risk management is a fundamental element of the Group's business practice on all levels and encompasses different types of risks. This overall Group risk management process includes the performance of a risk assessment that is described in more detail in note 7 of the Company Financial Statements 2009. Financial risk management specifically is described in further detail below.

Financial risk management
The Group's international operations expose it to different financial risks that include;
– credit risks,
– liquidity risks,
– foreign exchange rate risks,
– interest rate risks and
– commodity price risks.

The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Credit risk

Exposure to credit risk

Credit risk arises from credit to customers arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk by dependence on individual customers or geographically.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customer's track record and historic default rates. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored. Impairment provisions are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off directly against the trade receivable.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

Cash and short term bank deposits

Cash and short term bank deposits are invested with institutions with the highest short term credit rating with limits on amounts held with individual banks or institutions at any one time. For banks and financial institutions, only independently rated banks with a minimum rating of "A1/P1" are accepted.

Exposure to credit risk

The carrying amount of financial assets, net of impairment provisions, represents the Group's maximum credit exposure. The maximum exposure to credit risk at year end was as follows:

in Euro `000	**Carrying amount 2009**	Carrying amount 2008
Trade and other receivables	**383,910**	330,743
Cash and cash equivalents	**294,536**	150,093
Derivative financial assets	**599**	2,709
	679,045	483,545

Notes to the Group Financial Statements (continued)
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The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

in Euro `000	Carrying amount 2009	Carrying amount 2008
Europe	**301,155**	255,468
North America	**45,619**	40,908
Developing Markets	**5,821**	–
Other	**–**	120
	352,595	296,496

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

in Euro `000	Carrying amount 2009	Carrying amount 2008
ARYZTA food	**171,493**	115,005
Origin food businesses	**33,264**	37,884
Origin agribusiness	**147,838**	143,607
	352,595	296,496

The aging of trade receivables at the reporting date was:

in Euro `000	Gross 2009	Impairment 2009	Gross 2008	Impairment 2008
Not past due	**269,318**	**2,079**	232,014	–
Past due 0-30 days	**70,112**	**1,170**	47,585	–
Past due 31-120 days	**21,852**	**5,438**	22,889	6,367
Past due more than 121 days	**4,909**	**4,909**	7,436	7,061
Total	**366,191**	**13,596**	309,924	13,428

All other receivables are due in less than 6 months and are deemed to be fully recoverable.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Analysis of movement in impairment provisions in respect of trade receivables was as follows:

in Euro `000	2009	2008
Balance at 1 August	**13,428**	6,850
Acquired	**691**	3,761
Charge / (release) to income statement	**(523)**	2,817
Balance at 31 July	**13,596**	13,428

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's objective is to maintain a balance between flexibility and continuity of funding. The Group's policy is that not more than 40% of total bank borrowing facilities should mature in any proceeding twelve month period. 97% of the Group's total borrowings at the year end will mature between two and ten years.

The Food Group has syndicated loan facilities totalling €795,000,000 as well as a US$450,000,000 private placement facility. Short-term flexibility is achieved through the availability of overdraft facilities totalling €68,892,000.

Origin has syndicated loan facilities totalling €450,000,000. Short-term flexibility is achieved through the availability of overdraft facilities totalling €49,195,000.

The following are the contractual maturities of financial liabilities including estimated interest payments:

2009 in Euro `000	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Fixed rate bank loans	(315,939)	(448,990)	(9,195)	(9,195)	(18,390)	(160,420)	(251,790)
Variable rate bank loans	(608,553)	(617,873)	(4,256)	–	(217)	(613,400)	–
Finance lease liabilities	(3,908)	(4,449)	(950)	(308)	(2,232)	(959)	–
Bank overdrafts	(25,392)	(25,392)	(25,392)	–	–	–	–
Trade and other payables	(615,316)	(615,316)	(597,274)	(17,017)	–	(1,025)	–
Derivative financial instruments							
Interest rate swaps used for hedging	(9,355)	(9,355)	(3,071)	(3,068)	(2,897)	(319)	–
Currency forward contracts used for hedging							
- Inflows		65,342	44,299	19,215	1,828	–	–
- Outflows	(3,122)	(68,464)	(46,495)	(20,148)	(1,821)	–	–
	(1,581,585)	**(1,724,497)**	**(642,334)**	**(30,521)**	**(23,729)**	**(776,123)**	**(251,790)**

Notes to the Group Financial Statements (continued)
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2008 in Euro `000	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Fixed rate bank loans	(286,377)	(415,159)	(8,332)	(8,332)	(16,663)	(49,990)	(331,842)
Variable rate bank loans	(404,036)	(413,370)	(9,053)	–	(281)	(404,036)	–
Finance lease liabilities	(4,661)	(5,128)	(963)	(891)	(1,422)	(1,781)	(71)
Bank overdrafts	(43,334)	(43,334)	(43,334)	–	–	–	–
Trade and other payables	(586,703)	(586,703)	(571,095)	(15,202)	–	(406)	–
Derivative financial instruments							
Interest rate swaps used for hedging	1,755	1,755	434	470	586	265	–
Currency forward contracts used for hedging							
- Inflows	–	122,710	85,937	30,184	6,589	–	–
- Outflows	(5,070)	(127,780)	(88,652)	(31,953)	(7,175)	–	–
Non designated as cash flow hedges	(100)	(100)	(100)	–	–	–	–
	(1,328,526)	**(1,467,109)**	**(635,158)**	**(25,724)**	**(18,366)**	**(455,948)**	**(331,913)**

Accounting for derivatives and hedging activities

The fair value of derivative financial assets and liabilities at the balance sheet date is set out in the following table:

in Euro `000	**Assets 2009**	**Liabilities 2009**	Assets 2008	Liabilities 2008
Cash flow hedges				
Currency forward contracts	**599**	**3,721**	954	6,024
Interest rate swaps	–	**9,355**	1,755	–
Not designated as hedges	–	–	–	100
At 31 July	**599**	**13,076**	2,709	6,124

Cash flow hedges

Cash flow hedges are those of highly probable forecasted future income or expenses. In order to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument and demonstrate, at inception, that the hedge relationship will be highly effective on an ongoing basis. The hedge relationship must be tested for effectiveness on subsequent reporting dates.

There is no significant difference between the timing of the cash flows and the income statement effect of cash flow hedges.

Not designated as hedges

The prior year balance relates to an agreement entered into by the Group with the Co-founder of Cuisine de France, Ronan McNamee, under which he had been granted a call option to take ownership of a Group subsidiary which currently owns facilities and land at Tallaght. The option was terminated with no additional costs associated.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Market risk
Market risk is the risk that changes in market prices and indices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments.

Foreign exchange risk
In addition to the Group's operations carried out in euro-zone economies, it also has significant operations in the UK, Switzerland and North America. As a result the Group balance sheet is exposed to currency fluctuations including, in particular, sterling, US dollar and Swiss franc movements. The Group manages its balance sheet having regard to the currency exposures arising from its assets being denominated in a wide range of currencies.

Net investment hedges
As part of its approach towards mitigating its exposure to foreign currency risk the Group will, when required, fund foreign currency assets in the currency of the related assets. These relationships are typically designated by the Group as net investment hedges of foreign currency exposures on net investments in foreign operations using the borrowings as the hedging instrument. These hedge designations allow the Group to mitigate the risk of foreign currency exposures on the carrying amount of net assets in foreign operations in its Group Financial Statements.

The borrowings designated in net investment hedge relationships are measured at fair value with the effective portion of the change in value of the borrowings being recognised directly through equity in the foreign currency translation reserve. Any ineffectiveness arising on such hedging relationships is recognised immediately in the income statement.

Currency swaps
The Group also hedges a portion of its currency exposure through the use of currency swaps. Transactional exposures arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Group requires its operating units to use forward currency contracts to eliminate the currency exposures on certain foreign currency purchases. The forward currency contracts must be in the same currency as the hedged item.

Notes to the Group Financial Statements (continued)
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The following table details the Group's exposure to foreign currency risk at the balance sheet date.

2009

in Euro `000	GBP	USD	CAD	CHF	EUR	Other	Total
Trade receivables	1,480	2	1,686	702	31,336	6,356	41,562
Other receivables	–	14	77	61	3,064	189	3,405
Bank	548	(5,412)	2,001	877	8,426	388	6,828
Trade payables	(6,556)	(8,780)	(701)	(191)	(23,727)	(2,114)	(42,069)
Other payables	(1,959)	(1,719)	(504)	(10,087)	(26,265)	(2,614)	(43,148)
Derivative financial instruments	(2,469)	(1,403)	–	(1,851)	(616)	–	(6,339)
At 31 July 2009	**(8,956)**	**(17,298)**	**2,559**	**(10,489)**	**(7,782)**	**2,205**	**(39,761)**

The following table details the Group's exposure to foreign currency risk at 31 July 2008.

2008

in Euro `000	GBP	USD	CAD	CHF	EUR	Other	Total
Trade receivables	2,584	1,273	1,775	630	–	325	6,587
Other receivables	166	–	148	117	–	–	431
Bank	10,791	1,648	15	–	27	–	12,481
Trade payables	(2,845)	(10,224)	(100)	(203)	(8,640)	(3,345)	(25,357)
Other payables	(4,955)	(476)	(476)	(212)	(9,259)	(4,770)	(20,148)
Derivative financial instruments	(928)	(3,138)	–	–	221	–	(3,845)
At 31 July 2008	**4,813**	**(10,917)**	**1,362**	**332**	**(17,651)**	**(7,790)**	**(29,851)**

Currency sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 July 2009 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

2009 in Euro `000	10% strengthening profit and loss	10% strengthening equity	10% weakening profit and loss	10% weakening equity
GBP	590	6,076	(721)	(7,426)
USD	1,445	128	(1,766)	(156)
CAD	256	–	(512)	–
CHF	(864)	(4,384)	1,728	8,899
At 31 July 2009	**1,427**	**1,820**	**(1,271)**	**1,317**

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

2008 in Euro `000	10% strengthening profit and loss	10% strengthening equity	10% weakening profit and loss	10% weakening equity
GBP	(522)	6,787	638	(8,295)
USD	707	76	(864)	(93)
CAD	(124)	677	151	(827)
CHF	(30)	9,320	37	(11,391)
At 31 July 2008	**31**	**16,860**	**(38)**	**(20,606)**

Interest rate risk

The Group's debt bears both floating and fixed rates of interest as per the original contracts. The Group's policy is to maintain between 40% and 70% of overall Group average annual borrowings at fixed rates. This is achieved through the issuing of fixed rate debt or the use of interest rate swaps. At 31 July the interest rate profile of the Group's interest bearing financial instruments was as follows:

in Euro `000	**Carrying amount 2009**	Carrying amount 2008
Fixed rate instruments		
Bank borrowings	**(315,939)**	(286,377)
Finance lease liabilities	**(3,908)**	(4,661)
	(319,847)	(291,038)
Variable rate instruments		
Cash and cash equivalents	**294,536**	150,093
Bank overdrafts	**(25,392)**	(43,334)
Bank borrowings	**(608,553)**	(404,036)
Total interest bearing financial instruments	**(659,256)**	(588,315)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points in interest rates at the reporting date would have had the effect as shown below on the income statement and equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

2009 in Euro `000	Principal amount	Impact of 50 Bp increase on income statement	Impact of 50 Bp increase on equity
Variable rate instruments	(608,553)	(3,043)	–
Bank overdrafts	(25,392)	(127)	–
Interest rate swaps	(308,249)	–	1,541
Cash flow sensitivity (net)	**(942,194)**	**(3,170)**	**1,541**

2008 in Euro `000	Principal amount	Impact of 50 Bp increase on income statement	Impact of 50 Bp increase on equity
Variable rate instruments	(404,036)	(2,020)	–
Bank overdrafts	(43,334)	(217)	–
Interest rate swaps	(106,883)	–	534
Cash flow sensitivity (net)	**(554,253)**	**(2,237)**	**534**

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Commodity price risk

The Group purchases and sells certain commodities for the purposes of receipt or delivery and uses derivative contracts to protect itself from movements in prices other than exchange differences. These contracts are classified as ‘own use’ contracts, as they were entered into and continue to be held for the purpose of the receipt or delivery of the non financial item, in accordance with the business unit’s expected purchase, sale or usage requirements. ‘Own use’ contracts are outside the scope of IAS 39, Financial Instruments: Recognition and Measurement, and are accounted for on an accruals basis. Where a commodity contract is not entered into or does not continue to be held to meet the Group’s own purchase, sale or usage requirements, it is treated as a derivative financial instrument, and the recognition and measurement requirements of IAS 39, Financial Instruments: Recognition and Measurement, are applied.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

23 Deferred income from government grants

in Euro `000	2009	2008
At 1 August	**3,906**	2,929
Arising on business combination (note 30)	**14,657**	1,453
Received in the period	**2,377**	–
Translation adjustment	**27**	(21)
Repayment of government grants	**–**	(128)
	20,967	4,233
Amortised in Group income statement	**(2,026)**	(327)
At 31 July	**18,941**	3,906

Government grants received in the period are principally in relation to compensation for the funding of capital investments.

24 Deferred tax

The deductible and taxable temporary differences at the balance sheet date in respect of which deferred tax has been recognised are analysed as follows:

in Euro `000	2009	2008
Deferred tax assets (deductible temporary differences)		
Pension related	**3,814**	3,697
Employee compensation	**2,120**	2,865
Financing related	**4,032**	3,470
Property, plant and equipment	**2,732**	331
Intangible assets	**104**	–
Other deductible temporary differences	**14,251**	8,548
Total	**27,053**	18,911
Deferred tax liabilities (taxable temporary differences)		
Pension related	**(204)**	(183)
Employee compensation	**(83)**	–
Financing related	**(1,391)**	–
Property, plant and equipment	**(54,257)**	(39,956)
Investment properties	**(7,262)**	(28,302)
Intangible assets	**(133,062)**	(80,780)
Other	**(7,268)**	(3)
Total	**(203,527)**	(149,224)

Unrecognised deferred taxes

Unrecognised deferred tax assets	**2,577**	1,230

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Movement in temporary differences, during the year, were as follows:

2009 in Euro `000	Property, plant & equipment	Investment properties	Intangible assets	Employee compensation	Pension related	Financing related	Other	Total
At 1 August 2008	(39,625)	(28,302)	(80,780)	2,865	3,514	3,470	8,545	(130,313)
Recognised in group income statement	(7,154)	30,166	11,180	(932)	282	(1,113)	(8,652)	23,777
Recognised in group statement of recognised income and expense	(121)	(6,914)	–	–	817	1,314	–	(4,904)
Arising on business combination (note 30)	(5,821)	(2,201)	(60,513)	(86)	96	(1,283)	9,463	(60,345)
Arising on disposal	2,217	–	–	–	(893)	–	(89)	1,235
Foreign exchange and other	(1,021)	(11)	(2,845)	190	(206)	253	(2,284)	(5,924)
At 31 July 2009	**(51,525)**	**(7,262)**	**(132,958)**	**2,037**	**3,610**	**2,641**	**6,983**	**(176,474)**

2008 in Euro `000	Property, plant & equipment	Investment properties	Intangible assets	Employee compensation	Pension related	Financing related	Other	Total
At 1 August 2007	(30,726)	(25,502)	(90,155)	2,405	1,542	3,156	6,928	(132,352)
Recognised in group income statement	(6,805)	–	6,905	458	(504)	356	1,990	2,400
Recognised in group statement of recognised income and expense	–	–	–	–	2,371	189	–	2,560
Arising on business combination	(2,831)	(2,800)	(7,696)	–	296	–	36	(12,995)
Foreign exchange and other	737	–	10,166	2	(191)	(231)	(409)	10,074
At 31 July 2008	**(39,625)**	**(28,302)**	**(80,780)**	**2,865**	**3,514**	**3,470**	**8,545**	**(130,313)**

25 Retirement benefit obligations

The Group operates a number of pension plans, comprising three defined benefit plans and a number of defined contribution plans, with assets held in separate trustee-administered funds.

The Group's principal defined benefit plan (the "Plan") was restructured in the year ended 31 July 2007. Prior to this IAWS Group Limited (formerly IAWS Group, plc) was the principal employer of the Plan. A number of the Origin Enterprises plc ("Origin") businesses participated in this Plan. Following the formation of Origin, a restructuring of this Plan was approved. On completion of the restructuring, Origin replaced IAWS Group Limited (formerly IAWS Group, plc) as principal employer, such that the Plan now only includes active members employed by Origin and the current deferred members of the Plan. As part of the Plan restructuring, the Trustees purchased annuities for the Plan's existing pensioners. This extinguished the Group's liability in the Plan relating to those pensioners. All non-Origin members were transferred to a new defined contribution plan during the prior year.

Outside of this principle Origin employee defined benefit plan, the Group operates two smaller defined benefit plans within its Food business segments.

Notes to the Group Financial Statements (continued)
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Under IAS 19, Employee Benefits, the total deficit in the Group's defined benefit plans, including the main plan, for which as outlined above, Origin is the principle employer, at 31 July 2009 was €25,236,000 (2008: €23,365,000).

The pension charge recorded in the income statement for the year in respect of the Group's defined benefit plans was €3,400,000 (2008: credit of €2,313,000) and a cost of €2,060,000 (2008: €4,016,000) was recorded in respect of the Group's defined contribution plans.
Employee benefits included in the Group balance sheet comprises the following:

in Euro `000	**2009**	2008
Deficit in ARYZTA Food defined benefit plans	**2,183**	677
Deficit in Origin defined benefit plans	**23,053**	22,688
Other (a)	**3,308**	2,191
Total	**28,544**	25,556

(a) In 1989, a provision was made to meet pension fund deficiencies in subsidiaries acquired, mostly relating to unfunded pensions. The residual actuarial deficit is being paid over the remaining lifetime of the pensioners.

The valuation of the defined benefit plans used for the purposes of the following disclosures are those of the most recent actuarial valuations to 31 July 2009 by an independent, qualified actuary. The valuations have been performed using the projected unit credit method.

The main assumptions used by the actuary, averaged across the plans, were as follows:

	2009	2008
Rate of increase in salaries	**2.37%**	4.18%
Rate of increases in pensions in payment and deferred benefits	**2.26%**	2.70%
Discount rate in plan liabilities	**5.15%**	5.74%
Inflation rate	**2.26%**	2.70%

Assumptions regarding future mortality experience are set based on advice from published statistics and experience. The average life expectancy in years of a pensioner retiring at age 65 is as follows:

	2009	2008
Male	**21.8**	21.8
Female	**24.8**	23.7

The expected and applied long term rate of return on the assets of the plans were:

	2009	2008
Equities	**8.75%**	7.82%
Bonds	**4.11%**	4.77%
Property	**6.98%**	6.99%
Other	**3.27%**	3.96%

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Net pension liability

in Euro `000	2009	2008	2007	2006
Fair value of plan assets:				
Equities	**34,896**	38,579	39,751	60,811
Bonds	**14,886**	16,785	3,354	19,039
Property	**5,086**	6,743	6,285	5,345
Other	**40,191**	972	279	4,132
Total fair value of assets	**95,059**	63,079	49,669	89,327
Present value of plan liabilities	**(120,295)**	(86,444)	(56,128)	(95,893)
Deficit in the plans	**(25,236)**	(23,365)	(6,459)	(6,566)
Related deferred tax asset	**3,610**	3,514	1,542	1,537
Net pension liability	**(21,626)**	(19,851)	(4,917)	(5,029)

Movement in the fair value of plan assets

in Euro `000	2009	2008
Fair value of plan assets at 1 August	**63,079**	49,669
Expected return on plan assets	**5,131**	4,721
Employer contributions	**4,182**	2,065
Employee contributions	**2,015**	588
Arising on business combination	**36,310**	36,860
Foreign exchange	**7**	(2,124)
Benefit payments	**(5,546)**	(9,830)
Experience adjustment on plan assets	**(10,119)**	(18,870)
Fair value of plan assets at 31 July	**95,059**	63,079

Movement in the present value of plan obligations

in Euro `000	2009	2008
Value of plan obligations at 1 August	**(86,444)**	(56,128)
Current service cost	**(2,681)**	(1,297)
Interest on plan obligations	**(5,850)**	(4,105)
Employee contributions	**(2,015)**	(588)
Arising on business combination	**(35,623)**	(41,078)
Benefit payments	**5,546**	9,830
Experience adjustment on plan liabilities	**6,206**	(707)
Translation adjustments	**566**	2,810
Other	**–**	1,825
Curtailment gain relating to transfer of members to defined contribution plan	**–**	2,994
Present value of plan obligations at 31 July	**(120,295)**	(86,444)

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Movement in net liability recognised in the balance sheet

in Euro `000	2009	2008
Net liability in plans at 1 August	**(23,365)**	(6,459)
Current service cost	**(2,681)**	(1,297)
Contributions	**4,182**	2,065
Other finance (expense)/income	**(719)**	616
Actuarial (loss)/gain	**(3,913)**	(19,577)
Arising on acquisition	**687**	(4,218)
Curtailment gain relating to the transfer of members to defined contribution plan	**–**	2,994
Other	**–**	1,825
Foreign exchange translation	**573**	686
Net liability in plans at 31 July	**(25,236)**	(23,365)

Analysis of defined benefit expense recognised in the Group income statement

in Euro `000	2009	2008
Current service cost	**2,681**	1,297
Curtailment gain relating to transfer of members to defined contribution plan	**–**	(2,994)
Non financing (income)/expense recognised in Group income statement	**2,681**	(1,697)
Expected return on plan assets	**(5,131)**	(4,721)
Interest cost on plan liabilities	**5,850**	4,105
Included in financing costs, net	**719**	(616)
Net (credit)/charge to Group income statement	**3,400**	(2,313)
Actual return/(loss) on pension plan assets	**(4,987)**	(14,149)

Defined benefit pension expense recognised in the Group statement of recognised income and expense

in Euro `000	2009	2008
Actual loss less expected return on plan assets	**(10,119)**	(18,870)
Experience gains/(losses) on plan liabilities	**3,177**	(1,714)
Changes in demographic and financial assumptions	**3,029**	1,007
Actuarial (loss)/gain	**(3,913)**	(19,577)
Deferred tax effect of actuarial (loss)/gain	**817**	2,371
Actuarial (loss)/gain recognised in Statement of recognised income and expense	**(3,096)**	(17,206)

Notes to the Group Financial Statements (continued)
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History of experience gains and losses:	2009	2008	2007	2006
Difference between expected and actual return on plan assets				
- Amount (in €`000)	**(10,119)**	(18,870)	4,991	(1,305)
- % of plan assets	**(10.64)%**	(29.91)%	10.0%	(1.5)%
Experience losses on plan obligations				
- Amount (in €`000)	**3,177**	(1,714)	(538)	(1,066)
- % of plan obligations	**2.64%**	(1.98)%	(1.0)%	(1.1)%
Total actuarial (gain)/loss recognised in statement of total recognised income and expenses				
- Amount (in €`000)	**(3,913)**	(19,577)	9,060	4,811
- % of plan liabilities	**(15.51)%**	(22.65)%	16.1%	5.2%

26 Share capital

Registered shares of CHF 0.02 each (2008: € 0.30 each) - authorised, issued and fully paid	**2009 `000**	**2009 in Euro `000**	2008 `000	2008 in Euro `000
At 1 August	**127,339**	**38,201**	126,905	38,071
Issue of shares prior to reverse acquisition (€ 0.30)	**12,700**	**3,810**	–	–
Effect of reverse acquisition	**(61,099)**	**(41,036)**	–	–
Opening issued share capital of ARYZTA (CHF 0.02) I)	**78,940**	**975**		
Issue of registered shares post reverse acquisition (CHF 0.02) II)	**2,240**	**30**	–	–
Issued on exercise of options	–	–	434	130
Total	**81,180**	**1,005**	127,339	38,201

(I) After the merger with Hiestand the issued share capital of ARYZTA consisted of 78,940,460 registered shares with a nominal value of CHF 0.02 each fully paid up. Shareholders are entitled to dividend as declared. The ARYZTA shares rank pari passu in all respects with each other. The share capital for the comparative periods is that of IAWS Group Limited.

(II) On 2 December 2008, the issued shares were increased to 81,180,460 registered shares by the issue of 2,240,000 registered shares of nominal value of CHF 0.02 each in the capital of ARYZTA pursuant to a share subscription on behalf of ARY LTIP Trustee Limited.

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Treasury shares of CHF 0.02 each - allotted, called up and fully paid I)	**2009** **`000**	**2009** **in Euro `000**
At 1 August	–	–
Issue of shares	**2,240**	**30**
Movement on treasury shares	**(6)**	–
Total	**2,234**	**30**

Deferred Convertible Ordinary Shares of € 0.30 each - authorised, issued and fully paid	**2009** **`000**	**2009** **in Euro `000**	2008 `000	2008 in Euro `000
At 1 August	**3,580**	**1,074**	1,375	103
Effect of reverse acquisition	**(3,580)**	**(1,074)**		
Issued during the year	–	–	2,205	662
Final call on deferred convertibles issued in 2008	–	–	–	309
Total	–	–	3,580	1,074

(I) On 2 December 2008, the issued shares were increased to 81,180,460 registered shares by the issue of 2,240,000 registered shares of nominal value of CHF 0.02 each in the capital of ARYZTA pursuant to a share subscription on behalf of ARY LTIP Trustee Limited.

ARY LTIP Trustee Limited is a wholly owned subsidiary of ARYZTA formed for the purposes of holding shares subject to the ARYZTA Long Term Incentive Plan 2008 (“LTIP”) and ARY LTIP Trustee Limited holds these shares in treasury, pending satisfaction of the applicable terms of the LTIP.

Notes to the Group Financial Statements (continued)
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27 Statement of changes in shareholders' equity

31 July 2009 in Euro `000	Share capital	Share premium	Treasury shares	Cash flow hedge reserve	Revaluation reserve	Share based payment reserve	Foreign currency translation reserve	Retained earnings	Total shareholders equity	Minority interest	Total
At 1 August 2008	**39,275**	**59,734**	**–**	**(510)**	**127,446**	**19,986**	**(60,035)**	**599,372**	**785,268**	**61,482**	**846,750**
Issue of shares, net of costs	3,810	182,631	–	–	–	–	–	–	186,441	–	186,441
Effect of reverse acquisition	(42,110)	275,641	–	–	–	–	–	–	233,531	–	233,531
Issue of treasury shares	30	–	(30)	–	–	–	–	–	–	–	–
Foreign exchange translation	–	–	–	–	–	–	19,025	–	19,025	(1,808)	17,217
Share of associates foreign exchange translation reserve	–	–	–	–	–	–	(137)	–	(137)	(55)	(192)
Transfer to retained earnings	–	–	–	–	(92,338)	–	–	92,338	–	–	–
Share based payments	–	–	–	–	–	21,594	–	–	21,594	264	21,858
Share based payment reserve released on cancellation of schemes	–	–	–	–	–	(37,449)	–	37,449	–	–	–
Group defined benefit plans	–	–	–	–	–	–	–	(2,507)	(2,507)	(1,406)	(3,913)
Deferred tax on defined benefit pension plans	–	–	–	–	–	–	–	584	584	233	817
Share of associates defined benefit plans	–	–	–	–	–	–	–	(1,576)	(1,576)	–	(1,576)
Share of associates deferred tax on defined benefit plans	–	–	–	–	–	–	–	442	442	–	442
Effective portion of changes in fair value of cash flow hedges	–	–	–	(1,189)	–	–	–	–	(1,189)	(1,538)	(2,727)
Fair value of cash flow hedges transferred to income statement	–	–	–	(6,992)	–	–	–	–	(6,992)	–	(6,992)
Deferred tax on cash flow hedges and other	–	–	–	1,105	–	–	–	(5,024)	(3,919)	(1,802)	(5,721)
Share of joint venture gains relating to cash flow hedges	–	–	–	848	–	–	–	–	848	–	848
Share of joint venture deferred tax relating to cash flow hedges	–	–	–	(144)	–	–	–	–	(144)	–	(144)
Profit for the year	–	–	–	–	–	–	–	54,010	54,010	(13,033)	40,977
Net revaluation of previously held interest in associate	–	–	–	–	–	–	–	35,077	35,077	–	35,077
Arising on business combination	–	–	–	–	–	–	–	–	–	8,092	8,092
Repurchase/disposal of minority interests	–	–	–	–	–	–	–	–	–	(2,817)	(2,817)
At 31 July 2009	**1,005**	**518,006**	**(30)**	**(6,882)**	**35,108**	**4,131**	**(41,147)**	**810,165**	**1,320,356**	**47,612**	**1,367,968**

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31 July 2008 in Euro `000	Share capital	Share premium	Cash flow hedge reserve	Revalua-tion reserve	Share based payment reserve	Foreign currency transla-tion reserve	Retained earnings	Total sharehol-ders equity	Minority interest	Total
At 1 August 2007	**38,174**	**57,001**	**(470)**	**114,627**	**9,015**	**(3,084)**	**500,834**	**716,097**	**50,631**	**766,728**
Foreign exchange translation	–	–	–	–	–	(58,442)	–	(58,442)	(2,619)	(61,061)
Share of associates' foreign exchange translation reserve	–	–	–	–	–	1,491	–	1,491	–	1,491
Group defined benefit pension plans	–	–	–	–	–		(14,001)	(14,001)	(5,576)	(19,577)
Deferred tax on defined benefit pension plans	–	–	–	–	–		1,692	1,692	679	2,371
Share of associate defined benefit plan	–	–	–	–	–		1,791	1,791	664	2,455
Share of associates' deferred tax on defined benefit pension plan	–	–	–	–	–		(506)	(506)	(186)	(692)
Effective portion of changes in fair value of cashflow hedges	–		4,856	–	–	–	–	4,856	158	5,014
Fair value of cashflow hedges transferred to income statement	–		(5,186)	–	–	–	–	(5,186)	–	(5,186)
Deferred tax relating to cash flow hedges	–		209	–	–	–	–	209	(20)	189
Share of joint venture gains relating to cash flow hedges	–		92	–	–	–	–	92	–	92
Share of joint venture deferred tax relating to cash flow hedges	–		(11)	–	–	–	–	(11)	–	(11)
Revaluation of previously held investment in Odlums	–	–	–	12,819	–	–	–	12,819	5,141	17,960
Profit for the year	–	–	–	–	–	–	129,752	129,752	12,725	142,477
Issue of ordinary shares	130	2,733	–	–	–	–	–	2,863	–	2,863
Issue of deferred convertible ordinary shares	971	–	–	–	–	–	–	971	–	971
Share–based payments	–	–	–	–	11,683	–	–	11,683	203	11,886
Share based payments reserve released on reserves	–	–	–	–	(712)	–	712	–	–	–
Dividends paid	–	–	–	–	–	–	(20,902)	(20,902)	–	(20,902)
Other	–	–	–	–	–	–	–	–	(318)	(318)
At 31 July 2008	**39,275**	**59,734**	**(510)**	**127,446**	**19,986**	**(60,035)**	**599,372**	**785,268**	**61,482**	**846,750**

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Share-based payment reserve
This reserve comprises amounts credited to reserves in connection with equity awards less the effect of any exercises of such awards.

Cash flow hedge reserve
The cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Foreign currency translation reserve
The translation reserve comprises all foreign exchange differences from 1 August 2004, arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the balance sheet date, net of hedging.

Revaluation reserve
The revaluation reserve relates to revaluation surpluses arising on revaluations of investment property and previously held interest in an associate.

Capital management
The capital managed by the Group consists of the Group equity of € 1,367,968,000. The Group has set the following goals for the management of its capital:
- To maintain prudent net debt (as set out in note 21 of these Group Financial Statements) to EBITDA* and interest cover (EBITDA* to interest) ratios to support a prudent capital base and ensure a long term sustainable business.
- To achieve a return for investors in excess of the Group's weighted average cost of capital.
- To apply a dividend policy which takes into account the Group's financial performance and position, the Group's future outlook and other relevant factors including tax and other legal considerations.

As set out in note 21 of these Group Financial Statements, the Group operates two distinct debt funding structures. The Group's 71.4% subsidiary and separately listed company, Origin Enterprises plc, has separate funding structures, which are financed without recourse to ARYZTA AG. Origin Enterprises plc net debt amounted to €153,752,000 at 31 July 2009. The consolidated net debt of the Group excluding Origin's non-recourse debt amounted to €505,504,000 and relates to the ARYZTA Food segments of the Group.

The Group employs two ratio targets to monitor equity and to be compliant with its banking covenants:
- The Food segment's net debt (as set out in note 21) to EBITDA* ratio is below 3.5x - the ratio is 1.77x at 31 July 2009
- The Food segment's and interest cover (EBITDA* to interest) is above 4x - the ratio is 8.55x at 31 July 2009.

These ratios are reported to the Board of Directors at regular intervals through internal financial reporting.

* Calculated based on banking covenant definition of EBITDA. This is the Food Group EBITDA for the year ended 31 July 2009 including EBITDA from its joint venture, adjusted for non cash share based incentive charge in the year and for the pro forma full year contribution of Food Group acquisitions.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

The proposed payout ratio to shareholders for the Group's financial year to 31 July 2009 is 15% of fully diluted underlying earnings per share. Underlying earnings per share excludes intangible amortisation and the impact of merger costs and fair value adjustments on investment properties as detailed in note 2.1, 2.3 and 2.4 of these Group Financial Statements. The payout will be in the form of a dividend. The payout ratio and form of payout proposed by the Board will be reviewed on an annual basis and is subject to the decision of the General Meeting of the shareholders.

28 Minority interest

in Euro `000	2009	2008
Balance at 1 August	**61,482**	50,631
Share of (loss)/ profit for the year	**(13,033)**	12,725
Arising on business combination	**8,092**	–
Share of income and expenses recognised directly in equity	**(6,376)**	(1,759)
Share of share based payment charge	**264**	203
Disposals	**(1,522)**	–
Repurchase of minority interest	**(1,295)**	–
Other	–	(318)
Balance at 31 July	**47,612**	61,482

During the year ended 31 July 2008, the Group repurchased a minority interest held in a subsidiary of the Food Europe business.

29 Commitments under operating leases

Non-cancellable operating lease rentals are payable as set out below. These amounts represent minimum future lease payments, in aggregate, that the Group is required to make under existing lease agreements.

in Euro `000	2009	2008
Operating leases which expire:		
Within one year	**18,216**	9,165
In two to five years	**59,733**	33,468
After more than five years	**47,777**	23,017
Balance at 31 July	**125,726**	65,650

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

30 Acquisitions

During the year the Group completed the acquisitions of Hiestand Holding AG, Fresca SAS and a number of smaller acquisitions mainly in the Origin agri-business, the principal ones being CSC Crop Protection Limited and GB Seeds Limited.

Hiestand acquisition

IAWS' relationship with Hiestand began in 2003 when IAWS acquired its 22% shareholding in Hiestand, a gourmet bakery business with manufacturing and distribution facilities principally in Switzerland and Germany as well as Eastern Europe and Asia.

IAWS' initial 22% shareholding was increased to 32% in the financial year 2006. On 7 June 2008, IAWS entered into an agreement to purchase Lion Capital's 32% shareholding in Hiestand which would bring IAWS' total shareholding in Hiestand to 64%. This transaction was completed on 1 August 2008 and since this date Hiestand has been consolidated.

The investment was accounted for using the equity method up to the end of July 2008. The carrying amount as at 31 July 2008 was €87,266,000. At the date of acquisition any changes in the carrying amount of the investment recognised in the past were reversed. Secondly, the changes in fair values that occurred since the original shareholdings were obtained were recognised based on the respective interests held. Both items in the total amount of €35,077,000 were recognised against equity.

On 9 June 2008, the IAWS Board and the Hiestand Board announced the proposed merger of IAWS and Hiestand with a view to creating the global leader in speciality bakery. Following the merger on 21 August 2008, ARYZTA became the holding company of the enlarged Group.

Fresca acquisition

On 7 February 2009, the Group completed the acquisition of Fresca SAS. Fresca is a French based food distribution business concentrated on the Greater Paris region and serving principally the local catering and restaurant markets.

Other acquisitions

During the current year Origin completed a number of bolt-on acquisitions in the United Kingdom. The principal transactions were the acquisition of CSC Crop Protection Limited in April 2009 and GB Seeds Limited in June 2009. These acquisitions improve the strategic position of Origin's integrated agronomy services business. The Group also acquired holdings in a Food Europe distribution business. The results of these other acquisitions were not material to the Group.

The goodwill arising on the principal Hiestand and Fresca business combinations is attributable to the skills and talent of the acquired businesses' work force and the synergies expected to be achieved from integrating the companies into the Group's existing business.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Details of net assets acquired and goodwill arising from the business combinations during the year are set out below;

2009 in Euro `000	Acquiree's carrying amount	Fair value adjustments	Fair value	Hiestand	Fresca	Other
Net assets acquired:						
Property, plant and equipment	165,313	24,024	189,337	183,474	1,070	4,793
Investment property	3,297	450	3,747	3,747	–	–
Goodwill	106,408	(106,408)	–	–	–	–
Intangible assets	42,595	233,581	276,176	256,786	9,300	10,090
Inventory	38,121	(23)	38,098	27,005	2,166	8,927
Trade and other receivables	101,392	(1,293)	100,099	83,564	7,061	9,474
Trade and other payables	(91,895)	(15,615)	(107,510)	(84,265)	(7,487)	(15,758)
Debt acquired	(128,633)	–	(128,633)	(126,238)	–	(2,395)
Finance leases	(659)	–	(659)	–	–	(659)
Deferred tax	(20,885)	(39,460)	(60,345)	(54,343)	(3,254)	(2,748)
Deferred government grants	–	(14,657)	(14,657)	(14,657)	–	–
Defined benefit and other pension obligations	(1,194)	(1,489)	(2,683)	(2,128)	(207)	(348)
Corporation tax	(9,855)	1,055	(8,800)	(9,606)	395	411
Net assets acquired before minority interest			**284,170**	**263,339**	**9,044**	**11,787**
Minority interest			(8,092)	(8,092)	–	–
Net assets acquired after minority interest			**276,078**	**255,247**	**9,044**	**11,787**
Goodwill arising on acquisition			360,031	335,811	20,929	3,291
Consideration			**636,109**	**591,058**	**29,973**	**15,078**
Satisfied by:						
Equity consideration:						
Fair value of shares exchanged for 32% Lion Capitals holding (see 30.1)			187,960	187,960	–	–
Equity based consideration for remaining 36% interest in Hiestand Holding AG (see 30.2)			233,531	233,531	–	–
Total equity consideration			421,491	421,491	–	–
Cash consideration			70,119	30,000	25,488	14,631
Transaction costs			33,907	30,514	2,887	506
Deemed consideration of previously held 32% interest (see 30.3)			121,854	121,854	–	–
Deferred consideration			3,800	–	3,800	–
Cash acquired			(15,062)	(12,801)	(2,202)	(59)
Consideration			**636,109**	**591,058**	**29,973**	**15,078**

There have been no material revisions of the provisional fair value adjustments since the initial values were established at the time of each acquisition.

For the identification and estimation of the fair value of the acquired intangibles of Hiestand, ARYZTA was assisted by an independent accounting firm. The identified intangibles include the fair value of contract related intangibles, brands and the customer relationships. To value the contract related intangibles and brands, the relief-from-royality methodology (income approach method) has been applied. The excess earnings method (income approach method) was the basis for the fair value valuation of customer relationships.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Net cash outflow on acquisitions during the period amounted to €80,546,000 and is composed as follows:

in Euro `000	Hiestand	Fresca	Other	Total
Cash consideration	30,000	25,488	14,631	**70,119**
Transaction costs paid	23,740	287	479	**24,506**
Cash acquired	(12,801)	(2,202)	(59)	**(15,062)**
Cash spend on purchase of minority interests*	–	–	983	**983**
Cash spend per cash flow statement	40,939	23,573	16,034	**80,546**

* Goodwill arising on the acquisition of minority interest was €376,000.

The impact of the business combinations during the year on the income statement of the Group is set out in the following table;

in Euro `000	Hiestand	Fresca	Other
Revenue	509,935	17,556	29,891
Operating profit	61,050	655	4,503

If the acquisitions had occurred on 1 August 2008, management estimates that consolidated revenue would have been €3,264,171,000 and consoldiated operating profit for the period would have been €76,238,000. In determining these amounts management has assumed that the fair value adjustments that arose on the dates of the acquisition would have been the same if the acquisitions occurred on 1 August 2008.

30.1 Fair value of shares exchanged

This amount is represented by the issuance of 12,700,000 IAWS shares issued at a market value of €14.80, being the opening quoted price of IAWS shares on 31 July 2008.

30.2 Equity based compensation

This is the fair value of the equity consideration as defined by IFRS 3, Business Combinations, for use in reverse acquisition accounting. The fair value is calculated by determining the number of IAWS shares which would need to have been issued to non-IAWS shareholders of Hiestand to give them the same stake in IAWS Group Limited as they will have in ARYZTA going forward.

This would be satisfied by the issuance of 13,737,143 IAWS shares to the non-IAWS shareholders of Hiestand at a market value of €17.00 being the opening quoted price of IAWS shares on 21 August 2008, the date of the merger. The fair value of €233,531,000 so calculated is presented in equity.

Also included in equity is an adjustment that was required to show the share capital of ARYZTA in the consolidated balance sheet rather than that of IAWS. This step in the acquisition accounting is effectively a reclassification.

The net impact of both these steps is an increase in equity of €233,531,000.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

30.3 Deemed consideration

The deemed consideration of the previously held 32% interest in Hiestand is comprised of the current fair value of IAWS's original 32% share in the net assets of Hiestand of €85,607,000 and the current fair value of the goodwill arising thereon of €36,247,000.

2008 acquisitions

On 30 August 2007, Origin completed the acquisition of the remaining 50% interest in the Odlum Group, not previously owned.

On 1 February 2008, Origin completed the acquisition of 100% of Masstock Group Holdings Limited ("Masstock"). Masstock, with operations in the United Kingdom and Poland, is the leading provider of specialist agronomy services directly to arable and grassland farm enterprises.

During the prior year, the Food Europe segment also purchased two additional businesses, the results of which are not individually material to the Group.

Details of the net assets acquired and goodwill arising from all the business combinations are as follows:

2008 in Euro `000	Acquiree's carrying amount	Fair value adjustments	Fair value	Masstock	Odlums	Other
Net assets acquired:						
Property, plant and equipment	48,351	(667)	47,684	14,095	25,256	8,333
Investment property	–	14,000	14,000	–	14,000	–
Intangible assets	5,176	52,693	57,869	14,718	28,900	14,251
Inventory	29,924	(855)	29,069	18,456	8,377	2,236
Trade and other receivables	81,029	(586)	80,443	52,992	20,524	6,927
Trade and other payables	(67,218)	(893)	(68,111)	(53,926)	(8,602)	(5,583)
Debt acquired	(67,548)	–	(67,548)	(36,776)	(27,085)	(3,687)
Finance leases	(3,097)	–	(3,097)	(2,144)	–	(953)
Deferred tax	(233)	(12,762)	(12,995)	(3,276)	(7,604)	(2,115)
Deferred government grants	(1,453)	–	(1,453)	–	(248)	(1,205)
Defined benefit pension obligations	(4,218)	–	(4,218)	(1,794)	(2,424)	–
Corporation tax	(53)	(576)	(629)	90	(156)	(563)
Net assets acquired			**71,014**	**2,435**	**50,938**	**17,641**
Goodwill arising on acquisition			79,746	53,804	10,019	15,923
Consideration			**150,760**	**56,239**	**60,957**	**33,564**
Satisfied by:						
Cash consideration including acquisition expenses of (€2,705,000)			104,272	42,037	35,350	26,885
Contingent consideration			23,157	12,987	–	10,170
Cash acquired			(5,080)	1,215	(2,804)	(3,491)
Fair value of previously held 50% interest			28,411	–	28,411	–
Consideration			150,760	56,239	60,957	33,564

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Post acquisition revenues and operating profit relating to these acquisitions amounted to €395,562,000 and €18,319,000, respectively. Masstock contributed revenue of €300,613,000 and operating profit of €12,104,000. Odlums contributed revenue of €77,355,000 and operating profit of €4,797,000.

If the acquisitions had occurred on 1 August 2007, management estimates that consolidated revenue would have been €2,888,597,000 and consolidated operating profit for the period would have been €177,550,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the dates of acquisition would have been the same if the acquisition occurred on 1 August 2007.

The goodwill recognised on the acquisitions is attributable to the skills and technical talent of the acquired business's work force, and the synergies expected to be achieved from integrating the company into the Group's existing business.

31 Contingent liabilities

	2009 in Euro `000	2008 in Euro `000
a) Government grants repayable if grant conditions are not met	**5,458**	7,724

b) The Group has guaranteed the liabilities of certain of its subsidiaries. The Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

c) The Group and its subsidiaries have given composite guarantee and indemnity to secure obligations of fellow subsidiary undertakings on all sums due: €1,245,000,000 in respect of bank loans, advances and overdrafts, $450,000,000 in respect of the Group's US dollar private placement.

d) Origin, the Group's 71.4% owned subsidiary has guaranteed contractual trade payments amounting to €19,139,000 (2008: €14,783,000) by way of letters of credit.

32 Current litigation

A former Hiestand shareholder has taken legal action against the company asserting, in essence, entitlement under the merger to a price for its Hiestand shares equal to the price IAWS Group paid Lion Capital for its former Hiestand shares under their contract. While such an action is permitted under Swiss Law (based on Article 105 of the Swiss Merger Act), it does not affect the implementation of the merger. The Group considers the case to be without merit. A complete defence to the claim, based on the law and the facts, is being vigorously pursued.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

33 Related party transactions

In the normal course of business, the Group undertakes arm's length transactions with its associates, joint ventures and other related parties. A summary of transactions with these related parties, which relate primarily to transactions with associates and joint ventures during the year, are as follows:

	2009 in Euro `000	2008 in Euro `000
Sale of goods	**65,673**	63,246
Purchase of goods	**(7,586)**	(7,807)
Provision of services	**1,841**	876
Receiving of services	**(989)**	(4,624)

The trading balances owing to the Group from related parties were €923,000 (2008: €2,511,000) and the trading balances owing from the Group to these related parties were €850,000 (2008: €4,852,000).

Compensation of key management

For the purposes of the disclosure requirements of IAS 24, Related Party Disclosures, the term "key management personnel" (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group) comprises the Board of Directors and the Group Executive Management (as set out on page 26 of the annual report), which manages the business and affairs of the Group.

A summary of the compensation to key management is as follows:

	2009 in Euro `000	2008 in Euro `000
Short term employee benefits	**4,928**	5,920
Post employment benefits	**312**	251
Share based payments	**2,134**	403
Total key management compensation	**7,374**	6,574

Further detailed disclosure in relation to the compensation entitlements of the Board of Directors and executive management is provided in note 10 of the ARYZTA Company Financial Statements 2009.

Other related party transactions

The Group is not aware of any other transactions between the Group and related parties with the exception of J. Brian Davy. During the year Davy, an Irish based stockbroking wealth management and financial advisory firm, of which J. Brian Davy is Chairman, provided advisory services in relation to the merger between IAWS and Hiestand. The total invoiced value of these services was €1,750,000.

34 Post balance sheet events

There have been no significant events, outside the ordinary course of business, affecting the Group since 31 July 2009.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

35 Risk assessment required by Swiss law

The Group has set out a general risk statement on page 37 of this report. In addition the risk statement required under the Swiss Code of Obligation is set out in note 7 of the ARYZTA Company Financial Statements 2009.

36 Accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Note	Name
Note 8	Share Based Payments
Note 13	Investment Properties
Note 14	Goodwill and Intangible Assets - Measurement of the Recoverable Amounts of CGU's
Note 19	Deferred consideration
Note 22	Financial instruments and financial risk
Note 24	Deferred Tax
Note 25	Retirement Benefit Obligations
Note 30	Acquisitions

Impairment testing of assets, particularly of goodwill, involves estimating the future cash flows for a cash generating unit and an appropriate discount rate to determine a recoverable value. The estimation of employee benefit costs requires the use of actuaries and the determination of appropriate assumptions such as discount rates and expected future rates of return as set out in note 25.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

37 Significant subsidiaries

A list of all of the Group's principal subsidiary undertakings as at 31 July 2009 is provided in the table below.

Name	Nature of business	Currency	Share capital millions	Group % share	Registered office
(a) ***Food subsidiaries - Ireland***					
Cuisine de France Limited	Food manufacturing and distribution	EUR	0.635	100	3
IAWS Management Services Limited	Management	EUR	0.00005	100	1
IAWS Technology and Global Services Limited	Research and development	EUR	0.152	100	1
Gallagher's Bakery Limited	Food manufacturing and distribution	EUR	0.034	100	1
(b) ***Food subsidiaries - United Kingdom***					
Cuisine de France (UK) Limited	Food distribution	GBP	0.250	100	6
Delice de France, plc	Food manufacturing and distribution	GBP	0.250	100	10
(c) ***Food subsidiaries - Mainland Europe***					
IAWS France SA	Food distribution	EUR	28.750	100	7
Hiestand Schweiz AG I)	Food	CHF	3.500	100	13
Hiestand International AG I)	Food	CHF	0.200	100	13
HiCoPain AG	Food	CHF	20.000	60	17
Hiestand Beteiligungsholding GmbH & Co KG I)	Food	EUR	0.026	100	5
(d) ***Food subsidiaries - United States of America***					
Cuisine de France, Inc.	Bread distribution	USD	0.002	100	8
La Brea Bakery Holdings, Inc.	Bread manufacturing and food distribution	USD	0.007	100	9
Otis Spunkmeyer, Inc.	Baked good manufacturing and distribution	USD	0.00001	100	14
(e) ***Food joint venture***					
CillRyan's Bakery Limited	Bread manufacturing and distribution	CAD	21.105	50	1
(f) ***Origin subsidiaries - Ireland***					
Origin Enterprises plc	Holding company	EUR	1.386	71.4	1
Goulding Chemicals Limited	Fertiliser blending and distribution	EUR	6.349	71.4	1
R. & H. Hall Limited	Grain and feed trading	EUR	6.865	71.4	1
Shamrock Foods Limited	Food distribution	EUR	0.0001	71.4	1
Odlum Group	Flour milling	EUR	4.493	71.4	12
(g) ***Origin subsidiaries - United Kingdom***					
Origin Fertilisers (UK) Limited	Fertiliser blending and distribution	GBP	0.550	71.4	2
Masstock Group Holdings Limited	Specialist agronomy services	GBP	0.010	71.4	15
(h) ***Origin associates and joint venture***					
Welcon Invest AS I)	Fish processing	NOK	12.000	35.7	11
BHH Limited	Provender millers	STG	5.020	35.7	4
Continental Farmer's Group Plc	High value agricultural crop production	EUR	0.652	26.4	16

(I) During the year Hiestand Schweiz AG, Hiestand International AG and Hiestand Beteiligungsholding GmbH & Co KG were added to the list of significant subsidaries. Welcon Invest AS was added as a new joint venture with Origin.

Notes to the Group Financial Statements (continued)
for the year ended 31 July 2009

Registered Offices:

1. 151 Thomas Street, Dublin 8, Ireland.
2. Orchard Road, Royston, Hertfordshire SG8 5HW, England.
3. Grangecastle Business Park, New Nangor Road, Clondalkin, Dublin 22, Ireland.
4. 35/39 York Road, Belfast BT15 3GW, Northern Ireland.
5. Kolpingstrasse 1-3, 97447 Gerolzhofen, Germany.
6. Unit 4, Blaris Industrial Estate, Old Hillsborough Road, Lisburn, Co. Antrim, BT27 5QB, Northern, Ireland.
7. Boulevard de Beaubourg, B.P. 22 - Emerainville, 7713 Marne-La-Vallée, Cedex 2, France.
8. 203 North La Salle Street, Suite 1800, Park Ridge, Chicago, Illinois, United States of America.
9. 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States of America.
10. Rubastic Road, Southall, Middlesex UB2 5LL, England.
11. 6718 Deknepollen, Norway
12. Alexandra Road, Dublin 1, Ireland.
13. Ifangstrasse 9-11, 8952 Schlieren-Zurich, Switzerland.
14. 14490 Catalina Street, San Leandro, CA94577, United States of America.
15. Andoversford, Cheltenham, Gloucestershire, GL54 4LZ, England
16. Athol Street, Douglas, IMI 1LB, Isle of Man.
17. Industriepark, 6252 Dagmersellen, Switzerland

The country of registration is also the principal location of activities in each case.

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting

As statutory auditor, we have audited the accompanying consolidated financial statements of ARYZTA AG, which comprise the income statement, statement of recognised income and expense, balance sheet, cash flow statement and notes on pages 42 to 115 for the year ended 31 July 2009.

Board of Directors' Responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards as well as International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 July 2009 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Report of the Statutory Auditor on the Consolidated Financial Statements to the General Meeting (continued)

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Over-sight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Herbert Bussmann	Roman Wenk
Licensed Audit Expert	Licensed Audit Expert
Auditor in Charge	

Zurich, 24 September 2009

Company Income Statement
for the 19 month period ended 31 July 2009

in CHF `000	Total 2009
Income	
Revenues from licences and management fees	**31,121**
Financial income	**17,231**
Dividend income	**34,093**
Total income	**82,445**
Expenses	
Depreciation and amortisation	**(78,264)**
Personnel expenses	**(5,126)**
Financial expenses	**(21,395)**
Other operating expenses	**(34,797)**
Service fees	**(4,751)**
Total expenses	**(144,333)**
Loss before taxes	**(61,888)**
Taxes	(3,972)
Net loss after taxes	**(65,860)**

Company Balance Sheet
as at 31 July 2009

in CHF `000	Total 2009
Assets	
Non-current assets	
Property, plant and equipment	**1,085**
Intangible assets	**170,242**
Financial assets	
- investments	**1,318,954**
- loans to group companies	**157,580**
Total non-current assets	**1,647,861**
Current assets	
Cash and cash equivalents	**5,779**
Trading accounts receivable from third parties	**563**
Other receivables	
- from third parties	**1,679**
- from group companies	**23,694**
Total current assets	**31,715**
Total assets	**1,679,576**

Company Balance Sheet (continued) as at 31 July 2009

in CHF `000	Total 2009
Equity	
Called up share capital	**1,624**
Share premium	**1,065,653**
Reserves for own shares	**75,167**
Net loss for the year	**(65,860)**
Total equity	**1,076,584**
Liabilities	
Non-current liabilities	
Provisions	**5,630**
Intercompany non-current liabilities	**572,047**
Total non-current liabilities	**577,677**
Current liabilities	
Trade accounts payable	**843**
Accrued expenses and deferred income	**12,444**
Other accounts payable	
- to third parties	**141**
- to group companies	**11,887**
Total current liabilities	**25,315**
Total liabilities	**602,992**
Total equity and liabilities	**1,679,576**

Notes to the Company Financial Statements

1 Accounting dates
The Company's accounting period runs from 1 January 2008 to 31 July 2009.

2 Loans, guarantees and pledges in favour of third parties
The Company is party to cross guarantees on ARYZTA AG Group borrowings.

As of 21 August 2008, the Swiss ARYZTA entities formed a VAT subgroup and, hence, every company participating in the subgroup is liable for VAT payables of the other subgroup participants.

3 Fire insurance value of property, plant and equipment
The values of property, plant and equipment as per the fire insurance policy have been disclosed.

	2009 in CHF `000
Fire insurance value of property, plant and equipment	1,500

4 Details of investments

Company, domicile		Share capital millions	Percentage 2009
Hiestand Schweiz AG, Schlieren (CH)	CHF	3.500	100
Hiestand International AG, Schlieren (CH)	CHF	0.200	100
Hiestand Beteiligungsholding GmbH & Co. KG, Gerolzhofen (DE) (i)	EUR	0.026	100
Hiestand Polska SP. z.o.o., Grodzisk Mazowiecki (PL)	PLN	60.637	100
Hiestand Austria GmbH, Wiener Neudorf (AT)	EUR	0.036	100
Hiestand Japan Co., Ltd, Tokyo (JP)	JPY	185.000	100
Hiestand Malaysia SDN BHD, Bandar Baru Bangi (MY)	MYR	2.400	100
Hiestand Services AG, Lupfig (CH)	CHF	0.200	100
Hiestand Holdings (Switzerland) AG, Lupfig (CH)	CHF	0.100	100
IAWS Group Ltd, Dublin (IE)	EUR	43.085	100

(i) The amount disclosed represents limited liability capital.

Notes to the Company Financial Statements
(continued)

5 Authorised or conditional capital increase

	2009	2009
Authorised	`000	in CHF `000
Shares of CHF 0.02 each	**109,130**	**2,183**

	2009	2009
	`000	in CHF `000
Shares of CHF 0.02 each (2008: €0.30 each) - Authorised, issued and fully paid		
On incorporation	**100**	**2**
Issued during the period	**81,080**	**1,622**
As at 31 July 2009	**81,180**	**1,624**

On 21 August 2008, after the merger of ARYZTA AG with Hiestand Holding AG, the issued share capital of ARYZTA consisted of 78,940,460 ordinary shares with a nominal value of CHF 0.02 each fully paid up. On 2 December 2008, the issued share capital was increased to 81,180,460 by the issue of 2,240,000 registered shares of nominal value of CHF 0.02 each in the capital of ARYZTA pursuant to a share subscription on behalf of ARY LTIP Trustee Limited.

ARY LTIP Trustee Limited is a wholly owned subsidiary of ARYZTA formed for the purposes of holding shares subject to the ARYZTA Long Term Incentive Plan 2008 (“LTIP”) and ARY LTIP Trustee Limited will hold these shares in treasury pending satisfaction of the applicable terms of the LTIP.

Shareholders are entitled to dividends as declared. The ARYZTA shares rank pari passu in all respects with each other

6 Treasury shares owned by the company or one of its subsidiaries

On 2 December 2008, the Company increased its share capital to 81,180,460 by the issue of 2,240,000 registered shares of nominal value of CHF 0.02 each in the capital of ARYZTA. These 2,240,000 registered shares were issued to a subsidiary of ARYZTA, ARY LTIP Trustee Limited, as treasury shares for use in connection with the ARYZTA Long Term Incentive Plan.

ARY LTIP Trustee Limited was formed for the purposes of holding shares, subject to the ARYZTA Long Term Incentive Plan (‘LTIP’) and ARY LTIP Trustee Limited will hold these shares in treasury pending satisfaction of the applicable terms of the LTIP.

	2009	2009
	`000	in CHF `000
On incorporation	-	-
Issue of shares	**2,240**	**75,357**
Movement on Treasury shares	**(6)**	**(190)**
As at 31 July 2009	**2,234**	**75,167**

Notes to the Company Financial Statements
(continued)

7 Risk assessment

ARYZTA AG, Zurich, as the ultimate parent company of the ARYZTA Group, is fully integrated into the group wide internal risk assessment process.

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 Group has formal risk assessment processes in place through which risks and mitigating controls are evaluated. These processes are driven by management of the businesses, who are best placed to identify the significant ongoing and emerging risks facing their businesses. The outputs of these risk assessment processes are subject to various levels of review by management, and a consolidated Risk Map is reviewed by the ARYZTA Board of Directors on an annual basis. Risks identified and associated mitigating controls are also subject to audit as part of operational, financial and health and safety audit programmes.

8 Participations

As at 31 July 2009 the Company has been notified of the following shareholdings which amount to 5% or more of the Company's issued ordinary share capital:

	Number of shares	% of registered shares
Fidelity International Limited *	4,255,814	**5.24%**
Invesco Limited	4,102,193	**5.05%**
Fidelity Management and Research LLC ("FMR LLC") *	3,825,000	**4.71%**

* Fidelity International Limited and FMR LLC are two separate investment companies, but under common control, as part of the Fidelity group of investment companies.

Any significant shareholder notifications during the year and since the 31 July 2009 are available on the Group's website www.aryzta.com.

9 Pension fund liability

The pension fund liability was CHF 140,000 at 31 July 2009.

10 Compensation disclosure

Remuneration policy

The Nomination and Remuneration Committee of the Board (the "NRC") is responsible for determining the remuneration of executive and non-executive members of the Board and for approving the remuneration of other members of senior management.

The Group's policy on executive remuneration recognises that employment and remuneration conditions for senior executives must reward and motivate senior executives to perform in the best interests of the shareholders, while striking an appropriate balance between long-term and short-term goals.

Notes to the Company Financial Statements
(continued)

Executives are remunerated in line with the level of their authority and responsibility within the Group. The elements of the remuneration package for Executive Management, all of which are reviewed annually by the NRC comprise: (i) basic salary and benefits (including retirement benefits), (ii) short-term performance related bonus (measured by reference to performance in the financial year) and (iii) long-term incentives.

Executive directors' basic salary and benefits
Basic salary of executive directors is reviewed annually with regard to personal performance, Group performance and competitive market practice. Employment related benefits consist principally of a car allowance and pension. Pension benefits are determined solely in relation to basic salary.

Performance related bonus
The short term performance related bonus is contingent on a range of performance related factors and in no case in the year exceeded 100% of basic salary.

ARYZTA Long Term Incentive Plan
The ARYZTA Long Term Incentive Plan ("LTIP") is designed to incentivise executives for driving the achievement of superior financial targets measured over the long term (three financial years) and to align their interests with the shareholders through the promotion and encouragement of share ownership. The LTIP allows a mix of tools to be employed to this end. During the year, the Company made awards under the Matching Scheme LTIP. Participants with Matching Scheme Awards have the prospect of receiving up to 3 shares for each recognised qualifying interest held throughout the performance period. Vesting is determined by reference to underlying fully diluted EPS growth. Compound growth in EPS in any three consecutive financial years ending after 31 July 2008 must, in each case, exceed 10%, with vesting accruing as per the following table:

EPS Growth	Multiple (re Qualifying Investment Shares)
15% or more	3
>12.5% < 15%	2
10% to 12.4%	1
< 10%	0

Awards under the Matching Scheme are subject to additional conditions including notably: (a) the requirement to hold recognised qualifying interests throughout the performance period and (b) the requirement that ARYZTA's return on invested capital over the performance period is not less than its weighted average cost of capital.

Notes to the Company Financial Statements
(continued)

The costs of the Matching Awards under the LTIP is charged to the income statement of ARY LTIP over the vesting period of three financial years. The total estimated charge over the vesting period is CHF 24,998,000, of which CHF 18,115,000 relates to Executive Management. The remaining charge of CHF 6,883,000 relates to awards granted to members of Group management. The fair value assigned to these equity instruments represent the full value of an ordinary share on the date of grant adjusted for lost dividends between the date of issue and vesting date.

Non-executive Board members are paid a yearly fee which reflects the time commitment and responsibilities of the role. Additional compensation is payable for service on a Board Committee (including the Chair thereof). The level of fees is kept under review by reference to comparable external figures. Non-executive Board members are not eligible for performance-related payments and do not participate in the Group's long term incentive plan.

Notes to the Company Financial Statements (continued)

Compensation to members of the Board of Directors for the fiscal year 2009

in CHF `000	Direct payments
Denis Lucey	323
Albert Abderhalden	77
Denis Buckley	96
J Brian Davy	112
Noreen Hynes	112
Hugo Kane	77
Owen Killian	77
Patrick McEniff	77
William Murphy	97
Hans Sigrist	77
Dr J Maurice Zufferey	84
Beatrice Dardis*	90
Wolfgang Werle*	30
Paul Wilkinson*	98
Lyndon Lea*	–
Andreas Casutt**	–
Philipp Haas**	–
Total	**1,427**

* B. Dardis and P. Wilkinson resigned from the Board on 28 July 2009, W. Werle resigned from the Board on 29 December 2008 and L. Lea resigned from the Board on 31 October 2008.

** A. Casutt and P. Haas, partners of the law firm Nieder Kraft & Frey, acted as transaction advisors and served as members of the Board upon the formation of ARYZTA and prior to admission to trading on the SIX Swiss Exchange and Irish Stock Exchange commencing on the 22 August 2008. They were not compensated in their role as members of the Board of ARYZTA up to their date of retirement from the Board on 21 August 2009.

With the exception of Andreas Casutt and Philipp Haas who were appointed upon formation of ARYZTA, and Denis Lucey, Owen Killian and Patrick McEniff who were appointed on 6 June 2008 all other Directors were appointed to the ARYZTA Board upon the admission of ARYZTA to trading on the SIX Swiss Exchange and Irish Stock Exchange on 22 August 2008.

Depending on when they commenced their service with the Group, the compensation paid to the members of the Board of Directors covers the period from either 1 August 2008 or the date of their appointment to the Board of Directors of ARYZTA to 31 July 2009.

Compensation to members of the Executive Management for the fiscal year 2009

in CHF `000	Total Executive Management	Owen Killian
Basic salaries	3,188	1,277
Variable compensation	2,920	1,277
Benefits in kind	240	83
Pension contributions	478	191
Executive Incentive Plan	3,267	1,307
Total compensation paid to members of ARYZTA Executive Management	**10,093**	**4,135**

Notes to the Company Financial Statements
(continued)

The highest total compensation in the reporting period was received by Owen Killian, and his total remuneration is disclosed separately above. Executive Management, as per the ARYZTA Group's Corporate Governance Report at page 21, consists of Owen Killian (CEO), Patrick McEniff (CFO), Hugo Kane (COO), and Pat Morrissey (Group General Counsel and Company Secretary).

The compensation to members of the Executive Management disclosed, includes compensation for their roles as members of the Board of ARYZTA for the period from 1 August 2008 to 31 July 2009 and in the case of Owen Killian, Patrick McEniff and Pat Morrissey their service as officers of Origin Enterprises plc (respectively, Chairman, non-executive Director and Company Secretary).

Directors' and Executive Management's share interests

The directors and Company Secretary who held office at 31 July 2009 had no interests, other than those shown below, in the ordinary shares in, or loan stock of, the Company or other Group undertakings. Beneficial interests at 31 July 2009 were as follows:

Shares in ARYZTA at CHF 0.02 each	No. of shares 2009
Denis Lucey	1,250
Albert Abderhalden	313,788
Denis Buckley	2,250
J Brian Davy	58,186
Noreen Hynes	1,000
Hugo Kane	280,978
Owen Killian	523,731
Patrick McEniff	321,506
William Murphy	6,171
Hans Sigrist	14,000
Dr J Maurice Zufferey	396
Company Secretary	
Pat Morrissey	93,251
Total	**1,616,507**

Notes to the Company Financial Statements
(continued)

Details of the interests of Owen Killian, Patrick McEniff, Hugo Kane, and Pat Morrissey in share entitlements under the Matching Scheme are set out below. There have been no changes in the interests as shown on the previous page between 31 July 2009 and 24 September 2009.

Directors' and Executive Management's interest in equity instruments

Matching Scheme

	1)	2)	3)	4)
Directors				
Owen Killian	300,000	300,000	31 July 2011	6 April 2019
Patrick McEniff	180,000	180,000	31 July 2011	6 April 2019
Hugo Kane	180,000	180,000	31 July 2011	6 April 2019
Company Secretary				
Pat Morrissey	90,000	90,000	31 July 2011	6 April 2019
Total	**750,000**	**750,000**		

1) Maximum number of shares available based on Matching Scheme Awards made during the year
2) Maximum number of shares available based on Matching Scheme Awards made during the year and held at 31 July 2009
3) Earliest date by which qualifying conditions can be met
4) Latest date by which qualifying conditions must be met

Company Appropriation of Available Earnings

Appropriation of available earnings

The Board of Directors will propose to the General Meeting of Shareholders the following appropriation of earnings:

in CHF `000	2009
Transfer from share premium to unrestricted reserves	**1,065,329**
Net loss for the year	**(65,860)**
Available earnings	**999,469**
Payment of a dividend in the amount of	**42,031**
To be carried forward	**957,438**
Total	**999,469**

Report of the Statutory Auditor on the Financial Statements to the General Meeting

As statutory auditor, we have audited the accompanying financial statements of ARYZTA AG, which comprise the income statement, balance sheet and notes on pages 118 to 128 for the period from 1 January 2008 to 31 July 2009.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the period from 1 January 2008 to 31 July 2009 comply with Swiss law and the company's articles of incorporation.

Report of the Statutory Auditor on the Financial Statements to the General Meeting (continued)

Report on Other Legal Requirements
We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Herbert Bussmann Licensed Audit Expert Auditor in Charge	Roman Wenk Licensed Audit Expert

Zurich, 24 September 2009

Annual Report and Accounts 2009

Food Group Financial Statements

Page

Basis of Preparation

These unaudited Food Group Financial Statements comprise designated individual legal entities which are consolidated as subsidiaries of ARYZTA AG and show the Food Group's interest in associates and joint ventures of ARYZTA AG using the equity method, and which do not form part of Origin Enterprises, plc.

The accompanying financial statements comprise the Income Statement, Statement of Recognised Income and Expense, Balance Sheet and Cash Flow Statement ("the Food Group Financial Statements") of the Food Group for the year ended 31 July 2009 with 31 July 2008 comparatives.

The Directors have prepared the Food Group Financial Statements by applying accounting policies consistent with those applied by ARYZTA AG and extracting the differences between the audited financial statements of ARYZTA AG and the audited financial statements of Origin Enterprises, plc after reflecting appropriate adjustments deemed necessary to prepare the Food Group Financial Statements. The investment in Origin is carried at historic cost.

The comparative information comprises designated individual statutory entities which were consolidated as subsidiaries, associates or joint ventures of IAWS Group Limited (formerly IAWS Group plc), and did not form part of Origin Enterprises, plc.

The ARYZTA AG and Origin Enterprises, plc Group Financial Statements have been reported on by the ARYZTA AG auditor without qualification.

Food Group Income Statement
for the year ended 31 July 2009

	Total 2009 unaudited	Total 2008 unaudited
Revenue	**1,712,754**	1,156,704
Cost of sales	**(1,026,643)**	(682,548)
Gross profit	**686,111**	474,156
Distribution expenses	**(360,112)**	(263,429)
Administration expenses	**(164,275)**	(101,950)
Operating profit before merger and other expenses	**161,724**	108,777
Merger and other expenses	**(22,738)**	198
Operating profit	**138,986**	108,975
Share of profit of joint venture	**13,808**	25,818
Profit before financing income and costs	**152,794**	134,793
Financing income	**1,785**	3,416
Financing costs	**(35,084)**	(26,474)
Profit before tax	**119,495**	111,735
Income tax expense	**(21,827)**	(13,720)
Profit for the year	**97,668**	98,015
Attributable as follows:		
Equity shareholders	**94,633**	97,825
Minority interest	**3,035**	190
Profit for the year	**97,668**	98,015

Food Group Statement of Recognised Income and Expense
for the year ended 31 July 2009

	2009 unaudited	2008 unaudited
Items of income and expense recognised directly in equity		
Foreign exchange translation effects		
- foreign currency net investments	**66,597**	(97,970)
- foreign currency borrowings	**(42,995)**	46,823
Actuarial (loss)/gain on Group defined benefit pension schemes net of deferred tax	**(115)**	8
Effective portion of changes in fair value of cash flow hedge	**(2,727)**	(1,272)
Fair value of cash flow hedges transferred to income statement	**(1,610)**	547
Deferred tax effect of cash flow hedges	**583**	260
Share of joint venture's gains/(losses) on cash flow hedges	**848**	92
Share of joint venture's deferred tax relating to cash flow hedges	**(144)**	(11)
Revaluation of previously held investment in Hiestand	**35,077**	–
Net income/(expense) recognised directly in equity	**55,514**	(51,523)
Profit for the financial year	**97,668**	98,015
Total recognised income for the year	**153,182**	**46,492**
Attributable as follows:		
Equity shareholders	**150,147**	46,302
Minority interest	**3,035**	190
Total recognised income and expense for the year	**153,182**	**46,492**

Food Group Balance Sheet
as at 31 July 2009

	2009 unaudited	2008 unaudited
ASSETS		
Non current assets		
Property, plant and equipment	**577,772**	376,892
Investment property	**3,761**	–
Goodwill and intangible assets	**1,382,431**	719,460
Investments in associates and joint venture	**55,720**	145,287
Other investments	**51,045**	51,045
Deferred tax assets	**21,754**	14,260
Total non current assets	**2,092,483**	**1,306,944**
Current assets		
Amounts owed by Origin Enterprises plc	**1,629**	1,227
Inventory	**96,381**	73,438
Trade and other receivables	**207,918**	164,495
Derivative financial instruments	**534**	751
Cash and cash equivalents	**204,586**	74,861
Total current assets	**511,048**	314,772
TOTAL ASSETS	**2,603,531**	**1,621,716**

Food Group Balance Sheet (continued)
as at 31 July 2009

	2009 unaudited	2008 unaudited
EQUITY		
Called up share capital	**1,005**	39,275
Share premium	**518,006**	59,734
Retained earnings and other reserves	**745,302**	574,554
Total equity attributable to equity shareholders of parent	**1,264,313**	673,563
Minority interest	**10,721**	855
TOTAL EQUITY	**1,275,034**	674,418
LIABILITIES		
Interest bearing loans and borrowings	**694,511**	444,013
Employee benefits	**5,108**	2,485
Deferred income from government grants	**16,465**	1,262
Other payables	**1,025**	406
Deferred tax liabilities	**184,109**	106,483
Derivative financial statements	**801**	600
Deferred consideration	**29,123**	25,222
Total non current liabilities	**931,142**	580,471
Current liabilities		
Interest bearing borrowings	**15,579**	44,038
Trade and other payables	**334,672**	259,176
Corporation tax payable	**38,116**	33,735
Derivative financial instruments	**5,165**	1,904
Deferred consideration	**3,823**	27,974
Total current liabilities	**397,355**	366,827
TOTAL LIABILITIES	**1,328,497**	947,298
TOTAL EQUITY AND LIABILITIES	**2,603,531**	1,621,716

Food Group Cash Flow Statement
for the year ended 31 July 2009

	2009 unaudited	2008 unaudited
Cash flows from operating activities		
Profit before tax	**119,495**	111,735
Financing income	**(1,785)**	(3,416)
Financing costs	**35,084**	26,474
Share of profit of associates and joint venture	**(13,808)**	(25,818)
Merger and other expenses	**22,738**	(198)
Depreciation of property, plant and equipment	**54,628**	26,822
Amortisation of intangible assets	**42,983**	16,600
Amortisation of government grants	**(1,881)**	(212)
Employee share-based payment charge	**2,827**	11,177
Other	**1,180**	(2,796)
Operating profit before changes in working capital	**261,461**	160,368
Decrease/(Increase) in inventory	**8,466**	(8,310)
Decrease/(Increase) in trade and other receivables	**45,997**	(9,260)
(Decrease)/Increase in trade and other payables	**(29,788)**	14,689
Cash generated from operating activities	**286,136**	157,487
Interest paid	**(33,694)**	(24,838)
Income tax paid	**(19,868)**	(5,231)
Net cash inflow from operating activities	**232,574**	127,418

Food Group Cash Flow Statement (continued)
for the year ended 31 July 2009

	2009 unaudited	2008 unaudited
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**1,551**	509
Purchase of property, plant and equipment		
- ongoing	**(15,047)**	(9,237)
- new investments	**(56,229)**	(118,246)
Grants received	**2,377**	–
Acquisition of subsidiaries and businesses, net of cash acquired	**(66,312)**	(29,262)
Purchase of intangible assets	**(10,705)**	(8,916)
Dividends received	**18,830**	17,485
Deferred consideration and acquisition costs paid	**(27,384)**	(1,671)
Other	**–**	(139)
Net cash outflow from investing activities	**(152,919)**	(149,477)
Cash flows from financing activities		
Net proceeds from issue of share capital	**(626)**	3,834
Drawdown of loan capital	**78,437**	40,530
Capital element of finance lease liabilities	**(646)**	(697)
Dividends paid	**–**	(20,902)
Net cash inflow from financing activities	**77,165**	22,765
Net increase in cash and cash equivalents	**156,820**	706
Translation adjustment	**738**	(6,160)
Cash and cash equivalents at start of year	**31,752**	37,206
Cash and cash equivalents at end of year	**189,310**	31,752

Investor Information

Key dates to December 2010

Announcement of the 2009 annual results	28 September 2009
Issue of the 2009 annual report	5 October 2009
First quarter trading update	30 November 2009
Annual General Meeting	3 December 2009
Payment of dividend	10 December 2009
Announcement of half-year results 2010	15 March 2010
Nine month trading update	8 June 2010
Announcement of the 2010 annual results	27 September 2010
Issue of the 2010 annual report	5 October 2010
First quarter trading update	29 November 2010
Annual General Meeting 2010	2 December 2010

Investor Meeting Requests
IRCoordinator@ARYZTA.com

All enquiries regarding investor meeting requests should be sent by email.

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