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# Annual Report and Accounts 2011

# Food Group Financial Statements

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## Basis of Preparation

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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 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 Comprehensive Income, Balance Sheet and Cash Flow Statement ('the Food Group Financial Statements') of the Food Group for the year ended 31 July 2011 with 31 July 2010 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 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 2011

in Euro `000	2011 unaudited	2010 unaudited
Revenue	2,577,420	1,679,417
Cost of sales	(1,653,361)	(1,010,354)
<b>Gross profit</b>	<b>924,059</b>	669,063
Operating expenses	(688,279)	(508,811)
<b>Operating profit before net acquisition, disposal and restructuring related costs</b>	<b>235,780</b>	160,252
Dividend income from investment in Origin	8,550	7,600
Net acquisition, disposal and restructuring related costs	974	(4,592)
<b>Operating profit</b>	<b>245,304</b>	163,260
Share of profit of joint ventures	4,622	20,041
<b>Profit before financing income and costs</b>	<b>249,926</b>	183,301
Financing costs, net	(57,406)	(36,272)
<b>Profit before tax</b>	<b>192,520</b>	147,029
Income tax expense	(1,356)	(19,379)
<b>Profit for the year</b>	<b>191,164</b>	127,650
Attributable as follows:		
Equity shareholders	188,498	125,020
Non-controlling interests	2,666	2,630
<b>Profit for the year</b>	<b>191,164</b>	127,650

## Food Group Statement of Comprehensive Income

for the year ended 31 July 2011

in Euro `000	2011 unaudited	2010 unaudited
<b>Profit for the year</b>	<b>191,164</b>	127,650
<b>Other comprehensive income</b>		
Foreign exchange translation effects	37,011	53,180
Actuarial loss on Group defined benefit pension schemes, net of deferred tax	(1,728)	(1,510)
Gains relating to cash flow hedges, net of deferred tax	873	2,895
<b>Total other comprehensive income for the year</b>	<b>36,156</b>	54,565
<b>Total comprehensive income for the year</b>	<b>227,320</b>	182,215
Attributable as follows:		
Equity shareholders	222,685	178,262
Non-controlling interests	4,635	3,953
<b>Total comprehensive income for the year</b>	<b>227,320</b>	182,215

## Food Group Balance Sheet

as at 31 July 2011

in Euro `000	2011 unaudited	2010 unaudited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	845,693	815,918
Investment property	16,178	4,646
Goodwill and intangible assets	2,520,450	2,166,168
Investments in joint ventures	4,976	73,140
Other investments	51,045	51,045
Deferred tax assets	74,261	56,374
<b>Total non-current assets</b>	<b>3,512,603</b>	<b>3,167,291</b>
<b>Current assets</b>		
Amounts owed by Origin Enterprises plc	1,204	49
Inventory	148,075	129,947
Trade and other receivables	257,591	247,336
Derivative financial instruments	297	394
Cash and cash equivalents	426,733	318,544
<b>Total current assets</b>	<b>833,900</b>	<b>696,270</b>
<b>Total assets</b>	<b>4,346,503</b>	<b>3,863,561</b>

## Food Group Balance Sheet (continued)

as at 31 July 2011

in Euro `000	2011 unaudited	2010 unaudited
<b>Equity</b>		
Called up share capital	1,061	1,061
Share premium	632,951	632,951
Retained earnings and other reserves	1,381,288	897,103
<b>Total equity attributable to equity shareholders of parent</b>	<b>2,015,300</b>	1,531,115
Non-controlling interests	14,433	11,936
<b>Total equity</b>	<b>2,029,733</b>	1,543,051
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	1,222,145	1,391,189
Employee benefits	10,343	7,524
Deferred income from government grants	11,246	16,100
Other payables	10,749	10,846
Deferred tax liabilities	367,246	346,032
Derivative financial instruments	184	–
Deferred consideration	342	12,824
<b>Total non-current liabilities</b>	<b>1,622,255</b>	1,784,515
<b>Current liabilities</b>		
Interest-bearing loans and borrowings	160,056	42,978
Trade and other payables	497,242	430,939
Corporation tax payable	28,299	47,437
Derivative financial instruments	2,031	2,172
Deferred consideration	6,887	12,469
<b>Total current liabilities</b>	<b>694,515</b>	535,995
<b>Total liabilities</b>	<b>2,316,770</b>	2,320,510
<b>Total equity and liabilities</b>	<b>4,346,503</b>	3,863,561

## Food Group Cash Flow Statement

### for the year ended 31 July 2011

in Euro `000	2011 unaudited	2010 unaudited
<b>Cash flows from operating activities</b>		
Profit before tax	192,520	147,029
Financing costs, net	57,406	36,272
Dividend income from investment in Origin	(8,550)	(7,600)
Share of profit after tax of joint ventures	(4,622)	(20,041)
Fair value gain on acquisition of 50% of existing joint venture	(121,391)	–
Asset write-downs	43,039	–
Other restructuring related costs	40,114	(51)
Depreciation of property, plant and equipment	83,078	60,363
Amortisation of intangible assets	89,933	47,450
Recognition of deferred income from government grants	(2,980)	(2,895)
Share-based payments	13,377	1,400
Other	(791)	25
<b>Cash flows from operating activities before changes in working capital</b>	<b>381,133</b>	<b>261,952</b>
(Increase)/decrease in inventory	(15,944)	(1,235)
(Increase)/decrease in trade and other receivables	(14,228)	30,918
Increase/(decrease) in trade and other payables	17,202	(4,865)
<b>Cash generated from operating activities</b>	<b>368,163</b>	<b>286,770</b>
Interest paid, net	(59,079)	(31,651)
Income tax paid	(42,848)	(22,573)
<b>Net cash flows from operating activities</b>	<b>266,236</b>	<b>232,546</b>

## Food Group Cash Flow Statement (continued)

for the year ended 31 July 2011

in Euro `000	2011 unaudited	2010 unaudited
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	1,532	852
Purchase of property, plant and equipment		
– maintenance capital expenditure	(39,272)	(10,330)
– investment capital expenditure	(30,855)	(29,632)
Grants received	25	1,117
Acquisition of subsidiaries and businesses, net of cash acquired	(317,674)	(564,419)
Investment in joint ventures	(709)	(1,800)
Purchase of intangible assets	(20,734)	(16,914)
Dividends received	13,138	24,158
Deferred consideration	(12,900)	(2,128)
<b>Net cash flows from investing activities</b>	<b>(407,449)</b>	<b>(599,096)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of equity instruments	285,004	115,001
(Repayment)/drawdown of loan capital	(114,180)	360,431
Capital element of finance lease liabilities	(825)	(807)
Dividends paid	(32,908)	(30,599)
<b>Net cash flows from financing activities</b>	<b>137,091</b>	<b>444,026</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,122)</b>	<b>77,476</b>
Translation adjustment	(4,093)	8,938
Net cash and cash equivalents at start of year	275,724	189,310
<b>Net cash and cash equivalents at end of year</b>	<b>267,509</b>	<b>275,724</b>