



Denis Lucey, Chairman

# Chairman's statement

The 2007 financial year has been one of significant development for IAWS Group, plc. Group revenue grew by 22.5 per cent to €1.9bn and group operating profit\* 31.0 per cent to €146.4m, while pre tax profits\* increased by 15.8 per cent to €143.0m. Adjusted fully diluted earnings per share\* grew by 15.4 per cent year-on-year to 94.17 cent.

In October 2006, IAWS announced its intention to create Origin Enterprises plc ("Origin") to develop a specialist focus around the original core Agri and non Lifestyle Foods businesses of the Group. Origin subsequently completed an Initial Public Offering ("IPO") of approximately 25 per cent of its share capital in June 2007. Origin continues to form an important part of the activities and interests of the Group.

On behalf of the Board of IAWS Group, plc we congratulate Tom O'Mahony (Origin CEO) and his team on their successful IPO and look forward to working with them to maximise the potential of Origin into the future.

The Origin businesses performed well during the year with revenue increasing by 8.9 per cent to €889.4m while operating profits\* were up by 9.9 per cent at €38.1m.

In November 2006, the Group made its largest acquisition with the purchase of Otis Spunkmeyer. Otis Spunkmeyer is a leading brand in the sweet baked goods market in the US, directly servicing 60,000 customers across the country. The business is an excellent strategic fit for IAWS and has made a very strong contribution in the nine months since acquisition.

Overall, the Food business performed very well, increasing revenue by 37.5 per cent to over €1bn. Operating profit\* from the Lifestyle Foods business was €108.3m compared to €77.1m in 2006, an increase of 40.4 per cent.

During the year, the Group commenced work on a new purpose built Centre of Excellence in Grangecastle, County Dublin, which is designed to help fuel the continued growth of IAWS' Irish and international Lifestyle Foods business. This €200m project is progressing on schedule with an expected completion date towards the end of the 2008 calendar year.

2007 saw another strong contribution from the Group's associates and joint venture amounting to €26.7m in the year. This represents an increase of 3.9 per cent over 2006.



## Board changes

On 27 July 2007, Dr. Patrick Wall announced his retirement from the Board. We would like to thank Patrick for his considerable contribution during a period of important development for IAWS.

Mr. Philip Lynch, Mr. David Martin and Mr. Tom O'Mahony have announced their intentions to retire from the Board at the 2007 AGM, without seeking re-election.

On behalf of the Board, I would like to thank Philip for his leadership and contribution as CEO, Chairman and Board member. Similarly, I thank David for his very significant contribution as Group Finance Director and Board member.

Tom O'Mahony is stepping down from the Board to focus on his new role as Chief Executive of Origin.

Hugo Kane was appointed Chief Operations Officer during the year which is timely and appropriate given the future food focus of the Group.

## Management and staff

IAWS' management and staff are the key drivers of the sustained success of the Group. On behalf of the Board, I would like to acknowledge their talent, hard work and commitment which has continued to drive the growth of the business in this exceptional year for IAWS. I would also like to congratulate Owen Killian, CEO, for his strategic vision and strong leadership.

Following the strategic repositioning of Origin and the acquisition of Otis Spunkmeyer in the US, the Group has improved focus and better product and geographic diversification. As a result, I believe IAWS Group, plc is well positioned to deliver sustainable growth.

**Denis Lucey**  
Chairman

24 September 2007

*\* EPS, pre tax and operating profit are stated here before intangible amortisation and exceptional items.*