Company Income Statement
for the year ended 31 July 2015

in CHF '000	**2015**	2014
Income		
Revenues from licences and management fees from Group companies	**7,524**	9,088
Financial income from Group companies	**50,782**	43,217
Dividend income from Group companies	**252,705**	49,109
Total income	**311,011**	101,414
Expenses		
Depreciation and amortisation	**(284)**	(341)
Personnel expenses	**(4,770)**	(3,203)
Financial expenses	**(79,455)**	(68,667)
Other operating expenses to Group companies	**(8,158)**	(8,923)
Other operating expenses	**(13,058)**	(12,007)
Total expenses	**(105,725)**	(93,141)
Profit before income tax expense	**205,286**	8,273
Income tax expense	**(2,826)**	(745)
Profit for the year	**202,460**	7,528

Company Balance Sheet
as at 31 July 2015

in CHF '000	**2015**	2014
Assets		
Non-current assets		
Property, plant and equipment	**2,123**	2,744
Financial assets		
– investments in Group companies	**2,102,203**	1,493,685
– loans to Group companies	**2,256,179**	2,443,945
Total non-current assets	**4,360,505**	3,940,374
Current assets		
Cash and cash equivalents	**1,859**	1,680
Other receivables		
– from third parties	**3,968**	227
– from Group companies	**611**	96
Total current assets	**6,438**	2,003
Total assets	**4,366,943**	3,942,377

Company Balance Sheet (continued) as at 31 July 2015

in CHF '000	2015	2014
Equity		
Called-up share capital	**1,836**	1,836
Legal reserves from capital contribution	**1,137,573**	1,186,009
Legal reserves for own shares from capital contribution	**117,871**	137,503
Retained earnings	**240,331**	37,871
Total equity	**1,497,611**	1,363,219
Liabilities		
Non-current liabilities		
Liabilities to Group companies	**278,522**	278,522
Interest-bearing loans and borrowings	**1,366,879**	1,711,353
Total non-current liabilities	**1,645,401**	1,989,875
Current liabilities		
Trade accounts payable	**106**	474
Accrued expenses	**8,921**	26,803
Interest-bearing loans and borrowings	**1,029,439**	499,370
Other accounts payable		
– to third parties	**118,088**	31,668
– to Group companies	**67,377**	30,968
Total current liabilities	**1,223,931**	589,283
Total liabilities	**2,869,332**	2,579,158
Total equity and liabilities	**4,366,943**	3,942,377

Notes to the Company Financial Statements

1 Basis of presentation

The Company's accounting period for the year is from 1 August 2014 to 31 July 2015. Certain amounts in the Company's 31 July 2014 financial statements and related notes have been reclassified or adjusted to conform to the 31 July 2015 presentation. These reclassifications or adjustments were made for presentation purposes and have no effect on profit for the year, total assets, total liabilities or equity as previously reported.

The Company's financial statements have been prepared in accordance with the requirements of Swiss law effective for accounting periods beginning on or before 1 August 2014. Accordingly, the requirements of the revised Swiss financial reporting law, which become effective for the Company on 1 August 2015, have not yet been applied.

2 Loans, guarantees and pledges in favour of third parties

The Company has the following outstanding bonds, which are included within interest bearing loans and borrowings.

	2015 in CHF '000	2014 in CHF '000	**Interest Rate**	**Maturity**
Swiss Bond	–	200,000	3.25%	March 2015
Hybrid Instrument 2010	–	400,000	5.00%	No specified maturity date
Hybrid Instrument 2013	**400,000**	400,000	4.00%	No specified maturity date
Hybrid Instrument 2014	**190,000**	–	3.50%	No specified maturity date

In October 2014, the Company repaid the CHF 400m perpetual callable subordinated instrument ('Hybrid Instrument') funded in October 2010, in line with the initial call date associated with that instrument.

In October 2014, the Company issued a CHF 190m Hybrid Instrument with a 3.5% coupon. This Hybrid Instrument is undated, with an initial call date in April 2020.

In March 2015, the Company repaid the CHF 200m Swiss Bond, in line with the expected maturity of that instrument.

The current portion of the Company's interest-bearing loans and borrowings relates primarily to amounts drawn by the Company against positive cash balances of other entities within the Group's overall cash pooling arrangement. These cash pooling overdrafts are repayable on demand and form an integral part of the Group's cash and debt management structure.

The Company is party to cross guarantees on ARYZTA AG Food Group borrowings. The Company has also guaranteed the liabilities of subsidiaries within the ARYZTA Food Group. The Company treats these guarantees as a contingent liability, until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Notes to the Company Financial Statements
(continued)

3 Fire insurance value of property, plant and equipment

	2015 in CHF '000	2014 in CHF '000
Fire insurance value of property, plant and equipment	**3,500**	3,500

4 Details of investments

The Company holds direct investments in the following entities, all of which are intermediate holding companies or intercompany financing entities within the ARYZTA AG Group.

		Share capital millions		Percentage	
Company (Domicile)		**2015**	2014	**2015**	2014
ARYZTA Holdings Asia Pacific BV (NL)	EUR	**0.020**	0.020	**100**	100
ARYZTA Holdings Germany AG (CH)	CHF	**0.100**	0.100	**100**	100
ARYZTA Holdings Ireland Limited (JE)	EUR	**–**	–	**100**	100
ARYZTA Finance II AG (CH)	EUR	**0.087**	0.087	**100**	100
Hiestand Beteiligungsholding GmbH & Co. KG (DE)[1]	EUR	**0.026**	0.026	**100**	100
ARYZTA Food Europe AG (CH)	CHF	**6.450**	6.450	**100**	100
Summerbake GmbH (DE)	EUR	**0.025**	0.025	**100**	100

1 The amount disclosed represents limited liability capital.

5 Share capital

	Year ended 31 July 2015 '000	Year ended 31 July 2015 in CHF '000	Year ended 31 July 2014 '000	Year ended 31 July 2014 in CHF '000
Shares of CHF 0.02 each – authorised, issued and fully paid				
As at 1 August	**91,811**	**1,836**	91,811	1,836
Issued during the period	**–**	**–**	–	–
As at 31 July	**91,811**	**1,836**	91,811	1,836

	Year ended 31 July 2015 '000	Year ended 31 July 2015 in CHF '000	Year ended 31 July 2014 '000	Year ended 31 July 2014 in CHF '000
Shares of CHF 0.02 each				
Conditional capital	**–**	**–**	–	–
Authorised capital	**9,181**	**184**	9,181	184

At the Annual General Meeting on 10 December 2013, the shareholders approved the resolution to modify Article 5 of the Articles of Association (Authorised capital for general purposes). Pursuant to these modifications, the Board of Directors is now authorised to increase the share capital at any time until 10 December 2015, by an amount not exceeding CHF 183,621.06, through the issue of up to a maximum of 9,181,053 fully paid-up registered shares with a nominal value of CHF 0.02 each.

Notes to the Company Financial Statements
(continued)

Furthermore, the Board of Directors was authorised to exclude the subscription rights of the shareholders and to allocate them to third parties, if the shares are used for the following purposes:

(1) acquisition of companies, parts of companies or equity holdings or for new investment projects or for financing of such transactions (maximum of 9,181,053 fully paid-up registered shares),
(2) broadening the shareholder constituency (maximum of 4,590,526 fully paid-up registered shares), or
(3) for the purpose of the participation of employees (maximum of 3,060,351 fully paid-up registered shares).

The share capital of the Company at 31 July 2015 amounts to CHF 1,836,210.68, and is divided into 91,810,534 registered shares with a par value of CHF 0.02 per share, of which 88,758,527 are outstanding and 3,052,007 are classified as treasury shares.

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

	Year ended 31 July 2015 '000	**Year ended 31 July 2015** in CHF '000	Year ended 31 July 2014 '000	Year ended 31 July 2014 in CHF '000
As at 1 August	**3,636**	**137,503**	3,691	139,359
Release of treasury shares upon exercise of LTIP shares	**(584)**	**(19,632)**	(55)	(1,856)
As at 31 July	**3,052**	**117,871**	3,636	137,503

During the year ended 31 July 2015, 501,000 vested Option Equivalent Plan awards were exercised, in exchange for 256,703 shares. The weighted average share price at the time of these exercises was CHF 79.98 per share.

The performance conditions associated with 327,052 Matching Plan awards were fulfilled during the year ended 31 July 2014. Therefore, these awards were approved as vested by the Nomination and Remuneration Committee and were subsequently exercised by management during the period ended 31 July 2015.

During the year ended 31 July 2014, 115,000 vested Option Equivalent Plan awards were exercised, in exchange for 55,182 shares. The weighted average share price at the time of these exercises was CHF 72.96 per share.

The shares issued as part of these exercises were issued out of shares previously held in treasury by ARY LTIP Trustee, a wholly-owned subsidiary within the ARYZTA AG Group.

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

8 Participations

As at 31 July 2015, the Company has been notified of the following shareholdings or voting rights, which amount to 3% or more of the Company's issued ordinary share capital:

	Number of shares 2015	**Number of shares % 2015**	Number of shares 2014	Number of shares % 2014
MassMutual	**5,450,713**	**5.94%**	2,799,110	3.05%
BlackRock Inc.	**4,874,919**	**5.31%**	–	–
ARYZTA Treasury shares	**3,052,007**	**3.32%**	3,635,762	3.96%

Any significant shareholder notifications during the year and since 31 July 2015 are available on the Group's website at:
www.aryzta.com/investor-centre/shareholder-notifications.aspx

9 Pension fund liability

The pension fund liability was CHF 18,847 at 31 July 2015 (2014: CHF 16,310).

10 Compensation disclosure

Compensation process

The Nomination and Remuneration Committee of the Board (the 'NRC') was 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 upon the recommendation of the CEO during the financial years 2015 and 2014.

Executives are remunerated in line with the level of their authority and responsibility within the Group, with the various elements of the remuneration package for Executive Management being reviewed annually by the NRC. The NRC reports to the Board at the next Board meeting following each meeting of the NRC. The CEO attends meetings of the NRC by invitation only.

Notes to the Company Financial Statements
(continued)

As discussed in the Corporate Governance Report beginning on page 26, and in the Compensation Report beginning on page 48, the coming into force of the Ordinance Against Excessive Compensation with respect to Listed Stock Corporations, will bring about certain changes in the compensation process for the Board and Executive Management. One of these changes is that as from the ARYZTA 2015 AGM, the General Meeting will vote on the compensation of the Board and Executive Management on a prospective basis for the upcoming financial year.

Executive Management basic salary and benefits
For financial year 2015, the basic salary of Executive Management was reviewed by the NRC with regard to personal performance and corporate goals. When reviewing Executive Management's basic salary, the applicable weighting of each component is at the discretion of the NRC. Employment-related benefits consist principally of a car allowance and pension. Pension benefits are determined solely in relation to basic salary.

Executive Management short-term performance-related bonus
For financial year 2015, the short-term performance-related bonus for Executive Management was determined by reference to incremental gains in Food Group ROIC.

The incremental gain in Food Group ROIC is calculated, on a constant currency basis, by comparing the FY 2015 ROIC (as included on page 20) to FY 2014 ROIC. Any asset impairments or non-recurring charges recorded in FY 2015 are reversed for the purposes of the comparison, thereby ensuring that Executive Management do not benefit therefrom. Likewise, the net assets and historical annual EBITA levels of any acquisitions made in FY 2015 are added to the FY 2014 ROIC base, for the purposes of the comparison.

Executive Management have the potential to earn a percentage of their set target bonus, based on the incremental gain in Food Group ROIC. For example, if an ROIC increase of 80 bps were achieved, Executive Management would earn 80% of their individual bonus targets.

In the case of Owen Killian, Patrick McEniff, John Yamin and Pat Morrissey, the short-term performance-related bonus targets were set at 100% of their basic salary, with the potential amounts earned being capped at 150% of basic salary.

As there was no incremental increase in Food Group ROIC in FY 2015, no amount of short-term bonus was earned by Executive Management.

Executive Management long-term incentives (LTIP)
As set out in the Compensation Report on pages 48 to 54, the long-term incentive remuneration of Executive Management consists of both Matching Plan and Option Equivalent Plan awards.

Participants with Matching Plan awards could earn a multiple of the number of Qualifying Investment Shares held for purposes of the Matching Plan. This multiple is determined on a fractional pro-rata basis ranging from one to three, based on compound annual underlying fully diluted EPS growth between 10.0% and 15.0%. If the minimum 10% growth target is not achieved, no awards vest. The satisfaction of additional criteria is also required including compliance with the condition that Food Group Reported ROIC must have exceeded the Food Group WACC throughout the performance period and the additional condition regarding maintenance of the ARYZTA dividend policy.

Notes to the Company Financial Statements (continued)

Vesting of awards under the Option Equivalent Plan is conditional on compound annual growth in underlying fully diluted EPS in three consecutive accounting periods exceeding the compound growth in the Eurozone Core Consumer Price Index, plus 5%, on an annualised basis. The satisfaction of additional criteria is also required including compliance with the condition that Food Group Reported ROIC must have exceeded the Food Group WACC throughout the performance period and the additional condition regarding maintenance of the ARYZTA dividend policy.

See note 8 of the Group Financial Statements (page 98) for the total cost recognised in the Group Financial Statements for share-based payments.

Compensation to members of the Board of Directors

For financial year 2015, the NRC determined, at its discretion, the level of yearly fees and additional compensation payable to each executive and non-executive Board member for service (i) on a Board Committee and (ii) for the Chair thereof.

Non-executive board members were paid a yearly fee (CHF 88,000), reflecting the time commitment and responsibilities of the role. Additional compensation for non-executive directors for service on a Board Committee was CHF 8,000 and CHF 16,000 for the Chair thereof. Non-executive Board members were not eligible for performance-related payments and did not participate in the LTIP. Executive directors received no additional compensation for their role as a board member.

The following table reflects the direct payments received by Board members during the years ended 31 July 2015 and 2014. Fluctuations in amounts received are reflective of the changing roles and responsibilities held by the individual directors, during each respective year.

Direct Payments Board of Directors – Audited in CHF '000	**Year ended 31 July 2015**	Year ended 31 July 2014
Denis Lucey	**323**	323
Charles Adair	**96**	96
Hugh Cooney[1]	**40**	96
J Brian Davy	**104**	104
Annette Flynn[1]	**64**	–
Shaun B. Higgins	**104**	104
Owen Killian	**–**	–
Patrick McEniff	**–**	–
Andrew Morgan[2]	**96**	62
Götz-Michael Müller[1]	**22**	88
Wolfgang Werlé	**96**	96
John Yamin[2]	**–**	–
Total	**945**	969

1 The terms of office as Members of the Board of Directors of H. Cooney and G-M. Müller expired on 2 December 2014, and on that date A. Flynn was elected to the Board.

2 Effective 10 December 2013 A. Morgan and J. Yamin were elected to the Board.

Notes to the Company Financial Statements (continued)

Compensation to members of the Executive Management

Total Compensation Executive Management – Audited in CHF '000	**Total Executive Management 2015**	**Owen Killian 2015**	Total Executive Management 2014	Owen Killian 2014
Basic salaries	**3,551**	**1,277**	3,234	1,277
Benefits in kind	**189**	**83**	241	83
Pension contributions	**441**	**192**	423	192
Performance-related bonus	**–**	**–**	3,234	1,277
Long-term incentives (LTIP)	**986**[1]	**305**[1]	8,420	3,312
Total compensation	**5,167**	**1,857**	15,552	6,141
Average total compensation per member	**1,292**		3,888	

1 The FY 2015 Executive Management LTIP compensation expense relates entirely to 2012 LTIP awards, which vested in September 2014. No compensation expense has been recognised to date for LTIP awards granted in September 2014, as the performance criteria for those awards requires that Underlying EPS in FY 2017 would exceed 500 cent per share, which is currently considered remote.

As per page 41 of the Corporate Governance Report, for financial year 2015, Group Executive Management consisted of Owen Killian (Group CEO), Patrick McEniff (Group CFO/COO), John Yamin (CEO of the Americas) and Pat Morrissey (Group General Counsel, Company Secretary and CAO).

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

Directors' and Executive Management's share interests

The Directors and Company Secretary 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 were as follows:

Shares in ARYZTA at CHF 0.02 each	**No. of shares 2015**	No. of shares 2014
Directors		
Denis Lucey	**4,250**	4,250
Charles Adair	**3,000**	2,000
J Brian Davy	**58,186**	58,186
Annette Flynn[1]	**1,000**	N/A
Shaun B. Higgins	**2,500**	2,000
Owen Killian	**633,816**	567,140
Patrick McEniff	**553,347**	500,006
Andrew Morgan	**–**	–
Wolfgang Werlé	**2,336**	2,336
John Yamin	**47,171**	20,500
Executive Management		
Pat Morrissey	**131,922**	105,251
Total	**1,437,528**	1,261,669

1 Effective 2 December 2014 A. Flynn was elected to the Board.

Notes to the Company Financial Statements (continued)

There have been no changes in the interests as shown above between 31 July 2015 and 23 September 2015. Details of the interests of Owen Killian, Patrick McEniff, Pat Morrissey and John Yamin in share entitlements under the Matching Plan and Option Equivalent Plan are set out below.

No loans or advances were made to members of the Board of Directors or to Executive Management during the financial year, or were outstanding at 31 July 2015 (2014: none).

Executive Management's interests in equity instruments

Executive Management Matching Plan Allocation

	Maximum share allocation carried forward 1 August 2014	Exercised during the period[1]	Forfeited during the period[1]	**Closing position 31 July 2015**
Executive Management				
Owen Killian	150,000	(66,676)	(83,324)	–
Patrick McEniff	120,000	(53,341)	(66,659)	–
Pat Morrissey	60,000	(26,671)	(33,329)	–
John Yamin	60,000	(26,671)	(33,329)	–
Total	**390,000**	**(173,359)**	**(216,641)**	**–**

1 The Group's compound annual growth in underlying fully diluted EPS for the three consecutive accounting periods ended 31 July 2014 was 10.8%. Accordingly, the performance conditions associated with 327,052 Matching Plan awards (173,359 of which were held by Executive Management) were fulfilled during the year ended 31 July 2014. Therefore, these awards were approved as vested by the Nomination and Remuneration Committee and were subsequently exercised by management during the period ended 31 July 2015. As the performance criteria for the remaining Matching Plan awards were not met, they were no longer capable of vesting and were forfeited.

Executive Management Option Equivalent Plan Allocation

	Maximum share allocation carried forward 1 August 2014	Exercised during the period	Granted during the period[2]	**Closing position 31 July 2015**	Of which Vesting criteria have been fulfilled[3]
Executive Management					
Owen Killian	750,000	–	410,000	1,160,000	750,000
Patrick McEniff	610,000	–	300,000	910,000	610,000
Pat Morrissey	100,000	–	120,000	220,000	100,000
John Yamin	60,000	(60,000)	150,000	150,000	–
Total	**1,520,000**	**(60,000)**	**980,000**	**2,440,000**	**1,460,000**

2 During the period ended 31 July 2015, 980,000 Option Equivalent Plan awards were granted to Executive Management, with a weighted average exercise price of CHF 81.00 (EUR 67.11). The possibility of these awards becoming eligible to vest is considered remote.

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

Company Appropriation of Available Earnings

Appropriation of available earnings

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

in CHF '000	2015	2014
Balance of retained earnings carried forward	**37,871**	30,343
Net profit for the year	**202,460**	7,528
Closing balance of retained earnings	**240,331**	37,871
Dividend payment from retained earnings	**–**	–
Balance of retained earnings to be carried forward	**240,331**	37,871
Proposed release and distribution of legal reserves from capital contribution in the amount of[1]	**58,181**	67,418

1 Proposed release and distribution of legal reserves from capital contribution represents an estimated amount. This will be adjusted to take account of actual currency translation rates at the date of payment and of any new shares entitled to dividend, which are issued subsequent to 31 July and prior to dividend ex-date.

Report of the statutory auditor to the General Meeting of ARYZTA AG on the financial statements 2015

As statutory auditor, we have audited the accompanying financial statements of ARYZTA AG (the "Company"), which comprise the Company Income Statement, Company Balance Sheet and Notes to the Company Financial Statements (pages 148 to 158), for the year ended 31 July 2015.

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 year ended 31 July 2015 comply with Swiss law and the Company's Articles of Association.