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# Annual Report and Accounts 2012

# 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 2012 with 31 July 2011 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 Group consolidated financial statements of ARYZTA AG and the audited Group consolidated 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 Consolidated Financial Statements have been reported on by PricewaterhouseCoopers Zurich and Dublin, respectively, without qualification.

## Food Group Income Statement

### for the year ended 31 July 2012

in EUR '000	2012 unaudited	2011 unaudited
Revenue	2,867,644	2,577,420
Cost of sales	(1,874,455)	(1,653,361)
<b>Gross profit</b>	<b>993,189</b>	924,059
Operating expenses	(718,146)	(688,279)
<b>Operating profit before net acquisition, disposal and restructuring related costs and fair value adjustments</b>	<b>275,043</b>	235,780
Dividend income from investment in Origin	10,450	8,550
Net acquisition, disposal and restructuring related costs and fair value adjustments	(83,477)	974
<b>Operating profit</b>	<b>202,016</b>	245,304
Share of profit after tax of joint ventures	1,062	4,622
<b>Profit before financing income, financing costs and income tax expense</b>	<b>203,078</b>	249,926
Financing costs, net	(58,717)	(57,406)
<b>Profit before income tax</b>	<b>144,361</b>	192,520
Income tax expense	(14,266)	(1,356)
<b>Profit for the year</b>	<b>130,095</b>	191,164
Attributable as follows:		
Equity shareholders	126,728	188,498
Non-controlling interests	3,367	2,666
<b>Profit for the year</b>	<b>130,095</b>	191,164

## Food Group Statement of Comprehensive Income

for the year ended 31 July 2012

in EUR `000	2012 unaudited	2011 unaudited
<b>Profit for the year</b>	<b>130,095</b>	191,164
<b>Other comprehensive income</b>		
Foreign exchange translation effects	<b>88,476</b>	37,011
Actuarial loss on Food Group defined benefit pension plans, net of deferred tax	<b>(3,812)</b>	(1,728)
(Losses)/gains relating to cash flow hedges, net of deferred tax	<b>(140)</b>	873
<b>Total other comprehensive income for the year</b>	<b>84,524</b>	36,156
<b>Total comprehensive income for the year</b>	<b>214,619</b>	227,320
Attributable as follows:		
Equity shareholders	<b>211,913</b>	222,685
Non-controlling interests	<b>2,706</b>	4,635
<b>Total comprehensive income for the year</b>	<b>214,619</b>	227,320

## Food Group Balance Sheet

as at 31 July 2012

in EUR `000	2012 unaudited	2011 unaudited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	931,439	845,693
Investment property	15,960	16,178
Goodwill and intangible assets	2,729,340	2,520,450
Investments in joint ventures	2,545	4,976
Investment in Origin Enterprises plc	51,045	51,045
Deferred income tax assets	80,745	74,261
<b>Total non-current assets</b>	<b>3,811,074</b>	<b>3,512,603</b>
<b>Current assets</b>		
Amounts owed by Origin Enterprises plc	734	1,204
Inventory	175,601	148,075
Trade and other receivables	280,327	257,591
Derivative financial instruments	327	297
Cash and cash equivalents	452,175	426,733
<b>Total current assets</b>	<b>909,164</b>	<b>833,900</b>
<b>Total assets</b>	<b>4,720,238</b>	<b>4,346,503</b>

## Food Group Balance Sheet (continued)

as at 31 July 2012

in EUR '000	2012 unaudited	2011 unaudited
<b>Equity</b>		
Called up share capital	1,172	1,061
Share premium	773,735	632,951
Retained earnings and other reserves	1,528,020	1,381,288
<b>Total equity attributable to equity shareholders of parent</b>	<b>2,302,927</b>	<b>2,015,300</b>
Non-controlling interests	14,883	14,433
<b>Total equity</b>	<b>2,317,810</b>	<b>2,029,733</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	1,174,201	1,222,145
Employee benefits	14,733	10,343
Deferred income from government grants	10,210	11,246
Other payables	24,580	10,749
Deferred income tax liabilities	391,419	367,246
Derivative financial instruments	–	184
Deferred consideration	–	342
<b>Total non-current liabilities</b>	<b>1,615,143</b>	<b>1,622,255</b>
<b>Current liabilities</b>		
Interest-bearing loans and borrowings	254,257	160,056
Trade and other payables	513,710	497,242
Income tax payable	16,976	28,299
Derivative financial instruments	2,066	2,031
Deferred consideration	276	6,887
<b>Total current liabilities</b>	<b>787,285</b>	<b>694,515</b>
<b>Total liabilities</b>	<b>2,402,428</b>	<b>2,316,770</b>
<b>Total equity and liabilities</b>	<b>4,720,238</b>	<b>4,346,503</b>

## Food Group Cash Flow Statement

### for the year ended 31 July 2012

in EUR '000	2012 unaudited	2011 unaudited
<b>Cash flows from operating activities</b>		
Profit for the year before tax	144,361	192,520
Financing costs, net	58,717	57,406
Dividend income from investment in Origin	(10,450)	(8,550)
Share of profit after tax of joint ventures	(1,062)	(4,622)
Net gain on acquisitions, disposals and dilution	(1,417)	(121,391)
Asset write-downs and fair value adjustments	7,750	43,039
Other restructuring related payments (in excess)/under current-year costs	(13,187)	40,114
Depreciation of property, plant and equipment	85,490	83,078
Amortisation of intangible assets	104,635	89,933
Recognition of deferred income from government grants	(1,581)	(2,980)
Share-based payments	5,409	13,377
Other	(270)	(791)
<b>Cash flows from operating activities before changes in working capital</b>	<b>378,395</b>	<b>381,133</b>
(Increase)/decrease in inventory	(12,213)	(15,944)
(Increase)/decrease in trade and other receivables	5,821	(14,228)
Increase/(decrease) in trade and other payables	(12,888)	17,202
<b>Cash generated from operating activities</b>	<b>359,115</b>	<b>368,163</b>
Interest paid, net	(59,961)	(59,079)
Income tax paid	(37,760)	(42,848)
<b>Net cash flows from operating activities</b>	<b>261,394</b>	<b>266,236</b>

## Food Group Cash Flow Statement (continued)

for the year ended 31 July 2012

in EUR '000	2012 unaudited	2011 unaudited
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	6,411	1,532
Purchase of property, plant and equipment		
– maintenance capital expenditure	(46,248)	(39,272)
– investment capital expenditure	(60,136)	(30,855)
Grants received	–	25
Acquisitions of subsidiaries and businesses, net of cash acquired	(92,031)	(317,674)
Disposal of joint venture	4,675	–
Purchase of intangible assets	(29,265)	(20,734)
Dividends received	11,183	13,138
Investments/loans to joint ventures, net	11	(709)
Deferred consideration paid	(7,247)	(12,900)
<b>Net cash flows from investing activities</b>	<b>(212,647)</b>	<b>(407,449)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of shares	140,854	–
Net proceeds from issue of perpetual callable subordinated instrument	–	285,004
Gross repayment of loan capital	(136,765)	(114,180)
Capital element of finance lease liabilities	(2,189)	(825)
Dividend paid on perpetual callable subordinated instrument	(16,305)	–
Dividends paid to non-controlling interests	(2,255)	(2,140)
Dividends paid to equity shareholders	(41,490)	(30,768)
<b>Net cash flows from financing activities</b>	<b>(58,150)</b>	<b>137,091</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(9,403)</b>	<b>(4,122)</b>
Translation adjustment	(1,839)	(4,093)
Net cash and cash equivalents at start of year	267,509	275,724
<b>Net cash and cash equivalents at end of year</b>	<b>256,267</b>	<b>267,509</b>