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# Annual Report and Accounts 2013

## 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 does not consolidate Origin Enterprises, plc or its subsidiaries, associates or joint ventures. Instead, the investment in Origin is carried at historic cost.

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 2013, with 31 July 2012 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 ARYZTA AG Group Consolidated Financial Statements and Origin Enterprises plc Consolidated Financial Statements have been reported on separately by PricewaterhouseCoopers Zurich and Dublin, respectively, without qualification.

## Food Group Income Statement

### for the year ended 31 July 2013

in EUR '000	2013 unaudited	2012 unaudited
Revenue	3,085,517	2,867,644
Cost of sales	(2,053,734)	(1,874,455)
<b>Gross profit</b>	<b>1,031,783</b>	993,189
Operating expenses	(731,730)	(718,146)
Dividend income from investment in Origin	14,250	10,450
Net acquisition, disposal and restructuring-related costs and fair value adjustments	(119,814)	(83,477)
<b>Operating profit</b>	<b>194,489</b>	202,016
Share of profit after tax of joint ventures	201	1,062
<b>Profit before financing costs, net and income tax expense</b>	<b>194,690</b>	203,078
Financing costs, net	(57,761)	(58,717)
<b>Profit before income tax expense</b>	<b>136,929</b>	144,361
Income tax expense	(39,899)	(14,266)
<b>Profit for the year</b>	<b>97,030</b>	130,095
Attributable as follows:		
Equity shareholders	93,411	126,728
Non-controlling interests	3,619	3,367
<b>Profit for the year</b>	<b>97,030</b>	130,095

## Food Group Statement of Comprehensive Income for the year ended 31 July 2013

in EUR '000	2013 unaudited	2012 unaudited
<b>Profit for the year</b>	<b>97,030</b>	130,095
<b>Other comprehensive (loss)/income</b>		
Foreign exchange translation effects	(138,848)	88,476
Actuarial gain/(loss) on Food Group defined benefit pension plans, net of deferred tax	1,063	(3,812)
Gain/(loss) relating to cash flow hedges, net of deferred tax	928	(140)
<b>Total other comprehensive (loss)/income for the year</b>	<b>(136,857)</b>	84,524
<b>Total comprehensive (loss)/income for the year</b>	<b>(39,827)</b>	214,619
Attributable as follows:		
Equity shareholders	(43,062)	211,913
Non-controlling interests	3,235	2,706
<b>Total comprehensive (loss)/income for the year</b>	<b>(39,827)</b>	214,619

## Food Group Balance Sheet

as at 31 July 2013

in EUR '000	2013 unaudited	2012 unaudited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,061,200	931,439
Investment properties	15,409	15,960
Goodwill and intangible assets	2,775,430	2,729,340
Investments in joint ventures	–	2,545
Investment in Origin Enterprises plc	51,045	51,045
Deferred income tax assets	66,642	80,745
<b>Total non-current assets</b>	<b>3,969,726</b>	<b>3,811,074</b>
<b>Current assets</b>		
Amounts owed by Origin Enterprises plc	879	734
Inventory	189,275	175,601
Trade and other receivables	322,863	280,327
Derivative financial instruments	1,329	327
Cash and cash equivalents	501,438	452,175
<b>Total current assets</b>	<b>1,015,784</b>	<b>909,164</b>
<b>Total assets</b>	<b>4,985,510</b>	<b>4,720,238</b>

## Food Group Balance Sheet (continued)

as at 31 July 2013

in EUR '000	2013 unaudited	2012 unaudited
<b>Equity</b>		
Called up share capital	1,172	1,172
Share premium	773,735	773,735
Retained earnings and other reserves	1,746,520	1,528,020
<b>Total equity attributable to equity shareholders of parent</b>	<b>2,521,427</b>	<b>2,302,927</b>
Non-controlling interests	15,661	14,883
<b>Total equity</b>	<b>2,537,088</b>	<b>2,317,810</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings	1,006,932	1,174,201
Employee benefits	9,954	14,733
Deferred income from government grants	25,251	10,210
Other payables	44,641	24,580
Deferred income tax liabilities	386,778	391,419
Contingent consideration	8,570	–
<b>Total non-current liabilities</b>	<b>1,482,126</b>	<b>1,615,143</b>
<b>Current liabilities</b>		
Interest-bearing loans and borrowings	343,734	254,257
Trade and other payables	583,727	513,710
Income tax payable	33,342	16,976
Derivative financial instruments	1,283	2,066
Contingent consideration	4,210	276
<b>Total current liabilities</b>	<b>966,296</b>	<b>787,285</b>
<b>Total liabilities</b>	<b>2,448,422</b>	<b>2,402,428</b>
<b>Total equity and liabilities</b>	<b>4,985,510</b>	<b>4,720,238</b>

## Food Group Cash Flow Statement

### for the year ended 31 July 2013

in EUR '000	2013 unaudited	2012 unaudited
<b>Cash flows from operating activities</b>		
Profit for the year before tax	136,929	144,361
Financing costs, net	57,761	58,717
Dividend income from investment in Origin	(14,250)	(10,450)
Share of profit after tax of joint ventures	(201)	(1,062)
Net loss/(gain) on disposals	705	(1,417)
Asset write-downs and fair value adjustments	36,650	7,750
Acquisition and restructuring-related payments in excess of current year costs	(6,203)	(13,187)
Depreciation of property, plant and equipment	87,483	85,490
Amortisation of intangible assets	112,849	104,635
Recognition of deferred income from government grants	(2,644)	(1,581)
Share-based payments	6,075	5,409
Other	(693)	(270)
<b>Cash flows from operating activities before changes in working capital</b>	<b>414,461</b>	<b>378,395</b>
(Increase)/decrease in inventory	(16,458)	(12,213)
(Increase)/decrease in trade and other receivables	(12,667)	5,821
Increase/(decrease) in trade and other payables	17,927	(12,888)
<b>Cash generated from operating activities</b>	<b>403,263</b>	<b>359,115</b>
Interest paid, net	(60,604)	(59,961)
Income tax paid	(30,350)	(37,760)
<b>Net cash flows from operating activities</b>	<b>312,309</b>	<b>261,394</b>

## Food Group Cash Flow Statement (continued)

for the year ended 31 July 2013

in EUR '000	2013 unaudited	2012 unaudited
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	9,863	6,411
Purchase of property, plant and equipment		
– maintenance capital expenditure	(43,675)	(46,248)
– investment capital expenditure	(112,195)	(60,136)
Grants received	79	–
Acquisitions of subsidiaries and businesses, net of cash acquired	(311,609)	(92,031)
Disposal of joint venture	1,941	4,675
Purchase of intangible assets	(60,311)	(29,265)
Dividends received	14,250	11,183
Net receipts from joint ventures	21	11
Contingent consideration paid	(268)	(7,247)
<b>Net cash flows from investing activities</b>	<b>(501,904)</b>	<b>(212,647)</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	319,442	–
Gross repayment of loan capital	(37,062)	(136,765)
Capital element of finance lease liabilities	(1,825)	(2,189)
Dividend paid on perpetual callable subordinated instrument	(16,561)	(16,305)
Dividends paid to non-controlling interests	(2,482)	(2,255)
Dividends paid to equity shareholders	(43,517)	(41,490)
<b>Net cash flows from financing activities</b>	<b>217,995</b>	<b>(58,150)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>28,400</b>	<b>(9,403)</b>
Translation adjustment	(13,251)	(1,839)
Net cash and cash equivalents at start of year	256,267	267,509
<b>Net cash and cash equivalents at end of year</b>	<b>271,416</b>	<b>256,267</b>