The financial year 2012 was one of solid top-line growth for the Food Group, achieved against a backdrop of a very challenging macro-environment, anaemic consumer spending trends and increased government austerity measures, especially in Europe.

Underlying Food Group revenue increased by 3.8% in FY 2012. Revenue growth in Food North America was largely organic driven, while acquisition growth led gains in Food Europe. Growth in the Rest of World segment was mainly organic, however acquisitions in South East Asia benefited top-line performance. Favourable currency translation rates assisted performance during the year, as the euro, ARYZTA's reporting currency, remained under pressure.

During the year, good progress on margin expansion was achieved, with Food Group margins increasing by 60bps to 13.1%. This improvement reflected the focus on change and reorganisation achieved through the ongoing implementation of the ARYZTA Transformation Initiative ('ATI'). Further progress can be expected in FY 2013, as ATI remains a critical area of investment for ARYZTA in the years ahead, as well as a substantial enabler for the delivery of targets.

In addition to the ongoing investment in ATI, ARYZTA commenced investment in new capacity and upgrades in Poland and Malaysia, and completed the new bakery in Brazil during the final quarter of 2012. Acquisitions included Honeytop in the UK, a leading manufacturer of flat breads. The addition of Honeytop adds new product capabilities, new customers and broadens ARYZTA's channel to market in Europe, which has a high dependency on independents. In South East Asia, two bakeries were acquired that manufacture for leading limited serve restaurant ('LSR') customers, which will facilitate further growth and investment in this region.

Similar to FY 2011, input cost volatility also occurred during FY 2012. This volatility triggered price increases during H1 2012, which waned during Q3 2012. However, cereal prices then increased significantly during Q4, due to weather-related events in key global grain-producing regions. This resulted in food inflation pressures re-emerging as a business issue. ARYZTA continues to manage this risk, mitigating its impact on customers and food affordability, while maintaining quality and service levels. The outlook for input costs remains volatile.

In January 2012, ARYZTA offered an equity share placement (5% of the pre-existing shares issued). This issuance raised €140.9m, net of costs, and has substantially strengthened the balance sheet, leaving the Group well positioned for growth. This significantly assisted the delivery of a year-end net debt: EBITDA of 2.05x (excluding hybrid), which maintained investment-grade status and helped offset the negative translation impact of the Group's dollar debt holdings.

Results
ARYZTA's financial year was a challenging one. Trading conditions were difficult, with persistent input price inflation in H1, a subdued consumer spending environment and increased government austerity measures in Europe. However, the Food Group performed well, reporting 3.8% growth in underlying revenue, 60bps increase in margins to 13.1% and a 16.3% increase in EBITA.
The Group posted a solid earnings performance for the financial year 2012, with underlying fully diluted net profit increasing by 11.9% to €291m, while underlying fully diluted earnings increased by 8.8% to 337.5 cent, reflecting the increased weighted average number of shares in issue following the January placement.

Dividend
The Board recommends a final dividend of CHF 0.6125\(^1\) per share, to be paid on 1 February 2013, if approved at the Annual General Meeting on 11 December 2012.

Board membership
At the 2011 AGM, held on 1 December 2011, shareholders confirmed the re-election of Mr. J. Brian Davy and Mr. Patrick McEniff (CFO) to the Board of Directors, each for a further three-year term of office. In addition, Mr. Götz-Michael Müller, Mr. Shaun B. Higgins and Mr. Hugh Cooney were elected as new members of the Board of Directors, each for a three-year term. The biographies of individual Board members are available on pages 34 to 37 in the Corporate Governance report.

Dr. J. Maurice Zufferey and Mr. Denis Buckley, whose terms of office expired at the 2011 AGM, did not stand for re-election. We would like to take the opportunity to thank them and pay tribute to their service to ARYZTA as members of the Board of Directors.

The Board of ARYZTA AG now consists of two executive directors and eight non-executive directors.

Acknowledgement
On behalf of the Board, we would like to acknowledge the talent, hard work and commitment of ARYZTA’s management and staff. This is an everyday business and our people are the inspiration to excellence every day. We would also like to thank our customers for their support and loyalty, and our suppliers for their reliability at all times.

We believe ARYZTA AG is well positioned to deliver long-term sustainable growth.

Denis Lucey
Chairman, Board of Directors

Owen Killian
CEO, Member of the Board of Directors

20 September 2012

\(^1\) Based on EUR 0.5063 per share converted at the foreign exchange rate of one euro to CHF 1.2098 on 20 September 2012, the date of approval of the ARYZTA financial statements.