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Zurich/Switzerland, 1 October 2018 – ARYZTA AG announces results for the financial year ended 31 July 2018 and provides further details on planned €800m capital raise

Key Developments

- Appointed new management team including new CEO, CFO, Chief Strategy Officer, Chief People Officer, General Counsel and new CEOs of both the North American and European businesses.
- Appointed three new Independent Directors. Subject to their election, the Board will comprise 10 Directors with an average tenure of two years.
- Undertook an in-depth review of its strategy and developed a bottom-up business plan, focused on capitalising on its established, leading positions in the large and growing frozen bakery market globally.
- Commenced a multi-year turnaround programme to deliver stability, performance and growth through a greater focus on customer relationships and operational excellence.
- Launched Project Renew, to implement cost reduction opportunities and efficiencies across the business with more than 200 initiatives which aim to drive €200 million in savings over a three-year period with annual targeted run-rate savings of €90 million by FY2021.
- Completed sale to the value of €137 million of non-core and non-strategic assets including Cloverhill, La Rousse and Signature Flatbreads.
- Fully underwritten capital raise up to €800 million of equity capital to reduce debt and create the necessary strategic and financial flexibility to further strengthen the balance sheet, fund the turnaround programme and support the business plan for return to growth.

2018 Financial Summary

- Q4 and full year financial performance in line with expectations
- Revenue decrease of (9.5)% to €3,435m; (1.2)% organic decline (ex Cloverhill +0.5%)
- ARYZTA Europe revenues decreased (1.6)% to €1,710.6m; +0.9% organic growth
- ARYZTA North America revenues decreased (18.4)% to €1,468.0m; (4.7)% organic decline; (ex Cloverhill (1.2)%)
- ARYZTA Rest of World revenues decreased (0.9)% to €256.8m; +7.9% organic growth
- Underlying EBITDA declined by (28.2)% to €301.8m
- Underlying EBITDA margin declined (230) bps to 8.8%
  - Decline due to previously disclosed issues;
  - Butter pricing, Brexit and insourcing in Europe; and
  - Labour and distribution inflation in US
- Net Debt:EBITDA[1] (Syndicated Bank RCF and Schuldschein) of 3.83x
- Underlying net profit decreased (72.3)% to €49.6m
- Underlying diluted EPS decreased (72.5)% to 55.4 cent
- IFRS operating loss amounted to (€423.3m) while IFRS loss for the year reached (€470.0m)
- IFRS diluted loss per share reached (561.8) cent

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1. Calculated as per Syndicated Bank Facilities Agreement terms.

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Capital raise

On 13 August 2018, following a detailed review of its capital structure, with the assistance of its independent financial advisors, ARYZTA announced that it intended to raise up to €800m of equity capital through a rights issue with pre-emptive rights for existing shareholders.

The sizing of the capital increase reflects ARYZTA's requirements to obtain the necessary strategic and financial flexibility to implement its strategy, strengthen its balance sheet, provide funding to execute Project Renew and have the ability to maximise the value of non-core asset disposals. The proceeds from the capital raise will be used for term loan repayment, liquidity improvement and general corporate purposes.

The capital raise is fully underwritten by BofA Merrill Lynch and UBS, acting as Process Banks and Joint Global Coordinators, Credit Suisse, JP Morgan and HSBC Bank plc as additional Joint Global Coordinators, and Mizuho International plc, Rabobank and Crédit Agricole CIB as Joint Bookrunners. The underwriting agreement is subject to conditions in line with market practice for similar transactions, including the absence of any material adverse developments relating to the ARYZTA group.

Rationale

The objectives of the capital raise are to:

- Strengthen the balance sheet through reduced leverage: net senior debt:EBITDA to be lowered from 5.1x at 31 July 2018 to c.2.6x pro forma after the capital raise.
- Improve liquidity and financial flexibility.
- Provide funding to implement the three year cost savings programme, Project Renew, which targets annual recurring run-rate synergies of €90m beginning in FY2021 with a one-off cost of €150m.
- Achieve required flexibility to maximise value of non-core disposals, including the ongoing Picard divestment.
- Normalise balance sheet to be commensurate with comparable public companies through deleveraging programme.
- Provide greater certainty for its customer and supplier base and stability versus competitors.
- Support focus on driving business and operational performance.
- Provide funding for other selective investment projects in growth markets and general corporate purposes.
- Provides an effective capital structure which fully focuses management.

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Changes to the Management and Board of ARYZTA

During FY2018, the Board has worked to re-focus the strategy, re-build the management team and put the business back on the path to stability, performance and growth. ARYZTA has appointed a new CEO, CFO, Chief Strategy Officer, Chief People Officer, General Counsel and new CEOs of both its North American and European businesses. In total, seven of the nine members of the Executive Committee, including the CEO and CFO, have been appointed since September 2017. In addition, as part of ARYZTA's commitment to stabilise the business and return to performance and growth, there has been significant renewal at the Board level. The progressive refreshment and orderly succession of the Board was determined to be in the best interests of shareholders, as it ensures that diverse and fresh perspectives are brought to the Board while preserving continuity and knowledge of ARYZTA's business. Following the 2018 AGM, subject to shareholder approval of all Directors, the ARYZTA Board will comprise 10 Directors, with an average tenure of two years.

Outlook

After completion of the capital increase, ARYZTA believes it will be well-positioned to deliver on its key objectives of stabilising its business and driving performance and growth by exploiting the potential of the steadily growing frozen bakery market through strengthening customer relationships, improving operational efficiency and executing Project Renew. For FY2019, ARYZTA expects underlying performance to be stable and the early benefits from Project Renew to flow into the P&L. The Company expects mid- to high-single-digit organic EBITDA growth for FY2019 (applying budget FY2019 exchange rates on a like-for-like basis and excluding any disposals). ARYZTA is targeting EBITDA margins in the medium-term in a range of 12% to 14% as it progresses in its multi-year turnaround strategy. Capital expenditure in manufacturing is expected to be c. 3.5% to 4.5% of revenue in the medium-term (excluding investments in Project Renew).

Annual Report

The ARYZTA 2018 Report and Accounts for the financial year ended 31 July 2018 are available for download from the ARYZTA website and at the following link: https://www.aryzta.com/investor-centre/results-and-reports/.

Results conference call

A results call will take place today at 08:15 CET.

Dial in numbers are: Switzerland: 031 580 0059; Ireland: 01 431 9615;
USA: 1 631 510 7495; UK: 0844 571 8892; International: +44 (0) 2071 928000.

Please provide the following code: 4980738 to access the call.

Printable pdf version of slides will be available to download from the ARYZTA website **www.aryzta.com** before the call.

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Structure of the capital raise

Subject to approval by ARYZTA's shareholders at the AGM on 1 November 2018, holders of ARYZTA shares will receive subscription rights after close of trading on 6 November 2018. The rights are expected to be tradable on the SIX Swiss Exchange from 7 November 2018 until 13 November 2018. The rights are not expected to be admitted to trading on the Irish Stock Exchange, trading as Euronext Dublin. The rights will allow the shareholders, subject to restrictions under applicable securities laws, to purchase new shares of ARYZTA during the subscription period from 7 to 15 (noon) November 2018 in accordance with the subscription ratio and the offer price which will be determined by ARYZTA's Board together with the banking syndicate consisting of BofA Merrill Lynch and UBS, as Process Banks and Joint Global Coordinators, Credit Suisse, JP Morgan and HSBC Bank plc as additional Joint Global Coordinators and Mizuho International plc, Rabobank and Crédit Agricole CIB as Joint Bookrunners, after the close of trading on 31 October 2018. Such terms will be published on the morning of 1 November 2018 and proposed to the shareholders for approval at the AGM on 1 November 2018.

Capital raise indicative timetable

1 October:	FY2018 Results Announcement
2-11 October:	Management Roadshow
11 October:	Publication of Invitation to Annual General Meeting
1 November:	Annual General Meeting
6 November:	Record Date / cut-off Date for Rights (after close of trading)
7-13 November:	Rights Trading period[1]
7-15 (noon CET) November:	Subscription Period[2]
19 November:	Closing & Settlement

1. The rights are not expected to be admitted to trading on the Irish Stock Exchange, trading as Euronext Dublin.
2. It is expected that, for logistical reasons, there will be a shorter subscription period for the holders of CREST depositary interests, which are the uncertificated securities issued by Euroclear UK & Ireland Limited independently of ARYZTA and which represent entitlements to ARYZTA shares.

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About ARYZTA
ARYZTA AG ('ARYZTA') is a global food business with a leadership position in speciality bakery. ARYZTA is based in Zurich, Switzerland, with operations in North America, South America, Europe, Asia, Australia and New Zealand. ARYZTA has a primary listing on the SIX Swiss Exchange and a secondary listing on the main securities market of The Irish Stock Exchange plc, trading as Euronext Dublin (SIX: ARYN, ISE: YZA).

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The securities of the Company may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The securities of the Company have not been, and will not be, registered under the Securities Act or under the applicable securities laws of Australia, Canada or Japan. There will be no public offer in the United States. Any public offer will be made solely by means of, and on the basis of, a securities prospectus which is to be published and would be made available free of charge at the Company or on the Company's website.

This announcement does neither constitute nor form part of (i) an offer, invitation or recommendation to buy, sell or to subscribe for securities of the Company nor (ii) a prospectus within the meaning of applicable Swiss law or the SIX Exchange Regulation Listing Rules or the applicable laws of any Relevant Member State (as defined below). Investors should make their decision to buy or exercise subscription rights or to buy or to subscribe to shares of the Company solely based on the official offering circular/prospectus which is expected to be published in connection with the offering of any securities of the Company.

In member states of the European Economic Area ("**EEA**") (each, a "**Relevant Member State**"), this announcement and any offer if made subsequently is directed only at persons who are "qualified investors" within the meaning of the Prospectus Directive ("**Qualified Investors**"). For these purposes, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in a Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The distribution of this announcement may be restricted by law in certain other jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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This announcement may include statements that are, or may be deemed to be, "forward- looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made. Each of the Company, Merrill Lynch International, UBS AG, Credit Suisse AG, J.P. Morgan Securities plc, HSBC Bank plc, Mizuho International plc, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, N M Rothschild & Sons Limited, Goodbody and Davy expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

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None of Merrill Lynch International, UBS AG, Credit Suisse AG, J.P. Morgan Securities plc, HSBC Bank plc, Mizuho International plc, Coöperatieve Rabobank U.A., Crédit Agricole Corporate and Investment Bank, N M Rothschild & Sons Limited, Goodbody and Davy or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

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Rothschild & Co. has been appointed independent financial adviser to provide financial advice to the Company.

Goodbody Stockbrokers UC (“Goodbody”) acts as Irish sponsor and broker to the Company and has been appointed as financial adviser to provide financial advice to the Company in relation to certain matters.

J&E Davy (“Davy”) has been appointed as financial adviser to provide financial advice to the Company in relation to certain matters.

Goodbody, which is regulated in Ireland by the Central Bank, is acting exclusively for the Company and for no-one else in connection with the matters referred to in this announcement and will not be responsible to any person other than the Company for providing the protections afforded to clients of Goodbody, nor for providing advice in relation to the matters referred to herein. Neither Goodbody nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Goodbody in connection with the matters referred to in this announcement, or otherwise.

Davy, which is regulated in Ireland by the Central Bank, is acting exclusively for the Company and for no-one else in connection with the matters referred to in this announcement and will not be responsible to any person other than the Company for providing the protections afforded to clients of Davy, nor for providing advice in relation to the matters referred to herein. Neither Davy nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Davy in connection with the matters referred to in this announcement, or otherwise.

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