For release 24 April 2007

ASSOCIATED BRITISH FOODS plc

Interim Report

24 weeks ended 3 March 2007

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Associated British Foods plc announces its interim results for the 24 weeks ended 3 March 2007

Investment in Primark and sugar drives growth

Highlights

- Adjusted operating profit up 7% to £272m*
- Group revenue up 12% to £3,220m
- Adjusted profit before tax up 5% to £268m **
- Adjusted earnings per share level at 23.3p **
- Interim dividend per share up 4% to 6.5p
- Net investment in capital and acquisitions over the last year of £720m
- Net debt of £350m

- Basic earnings per share down 9% to 19.2p and profit before tax down 15% to £198m, reflecting increases in the charges for the amortisation of intangibles and the net loss on the sale of businesses and fixed assets

George Weston, Chief Executive of Associated British Foods, said:

"This is a good set of results. The satisfactory growth in revenue and operating profit in the first half reflects the substantial investment made by the group in capital and acquisitions last year. The advances made by Primark and sugar are the beginning of the benefits we expect from this investment and represent a significant development for these businesses."

* before amortisation of intangibles and profits less losses on the sale of property, plant & equipment

** before amortisation of intangibles, profits less losses on the sale of property, plant & equipment and losses on the sale of businesses

All figures stated after amortisation of intangibles, profits or losses on the sale of businesses and property, plant & equipment are shown on the face of the consolidated income statement.

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ASSOCIATED BRITISH FOODS plc
INTERIM REPORT
FOR THE 24 WEEKS ENDED 3 MARCH 2007

For release 24 April 2007

CHAIRMAN'S STATEMENT

This half year shows the early benefits of the investment made last year and has been a period of considerable activity which has seen the group perform well against a backdrop of challenging market conditions. In particular the results include, for the first time, those of Illovo Sugar Limited, in which we acquired a 51% interest in September 2006. The rapid roll-out of new Primark stores contributed some £200m of additional sales. The Kingsmill brand was relaunched in February. Energy costs eased during the period but the currency translation impact of the strengthening of sterling, particularly against the US dollar, reduced operating profit year-on-year by £8m.

Adjusted operating profit increased by 7% to £272m. Net interest paid rose in the period reflecting the major investment of the past year. Adjusted profit before tax increased by 5% to £268m. Minorities' share of adjusted profits rose sharply due to the sizeable minority interests in Illovo. Adjusted earnings per share, reflecting this, were level with the previous year.

With the acquisition of Illovo, our sugar activities now extend to 24 plants operating in nine countries in three continents. This important strategic step for the business not only provides a substantial growth opportunity within sub-Saharan Africa but also supports our intention to develop our EU sales capacity by harnessing the tariff free trading arrangements afforded from 2009/10 to the Least Developed Countries (LDCs). Illovo grows and processes cane sugar in four LDC countries. In addition to the contribution from Illovo, our other sugar businesses all showed progress in the first half.

It is now accepted by the sugar industry in Europe that the restructuring process in its current form will fall short of the 6m tonnes target for voluntary renunciation of quota by an estimated 2m tonnes. We are pleased that the industry is actively engaging with the European Commission to determine how the restructuring programme can be modified to speed up the process of restoring the balance between consumption and production in the EU market. Furthermore, the Commission has demonstrated its desire to manage the supply of sugar in the EU in 2007/8 with its announcement of an advanced quota withdrawal of 2m tonnes for the beet industry.

British Sugar will commission the UK's first bioethanol plant at Wissington in June 2007 with commercial sales of ethanol starting later in the Summer. This plant will have the capacity to deliver 55,000 tonnes or 70m litres per year of ethanol to the UK market for blending with petrol. British Sugar is also continuing to develop plans for a cereal based biofuel facility in the UK.

In grocery the major issue was the disappointing results from the UK bakeries. Following the relaunch of the Kingsmill brand in February better trading is expected in the second half. The North American and Australian grocery businesses made good progress.

Primark opened 23 new stores in the period adding 0.9 million sq ft of selling space, net of the closure of five adjacent smaller stores. By the half year, all but four of the former Littlewoods stores had been converted and were trading as Primark stores. Primark's sales and profit in the first half were 36% and 28% respectively ahead of the previous year mainly due to the additional retail selling space. The identification of further new sites, in all countries where Primark operates, continues. This is expected to result in significant further expansion in the next two years, although not on the scale of the past year. The new, much larger, distribution depot in the UK is now fully operational and working well.

During the period we disposed of our Scandinavian food distributor and our commodity food polyols business in the US for total proceeds of £60m. There will be a phased closure of the polyols manufacturing plant in Delaware but provision for the expected loss associated with the disposal and closure has been made in these accounts and is included in the net loss of £39m on the sale of businesses.

Cash flow in the period was strong. Net borrowings at the end of the period amounted to £350m as against £162m a year ago. The cash consideration for Illovo in September 2006 plus its debt totalled £382m, and so the other cash flows over the past year have been positive. The group’s financial capacity remains very substantial.

Board Changes

In my last annual statement I reported in full on the appointment as directors on 2 November 2006 of Lord Jay of Ewelme and Mr Javier Ferrán. On 28 February it was announced that Jeff Harris will retire from the board at the conclusion of the board meeting on 18 April. Jeff’s contribution both as a director and as chairman of the Audit committee has been outstanding for which we thank him.

Peter Smith was appointed to the board on 28 February and will succeed Jeff Harris as chairman of the Audit committee. Mr Smith is also currently chairman of Savills plc and a non-executive director of Templeton Emerging Markets Investment Trust plc and NM Rothschild & Sons Limited. I am confident he will make a valuable contribution to ABF.

Dividends

The board has decided that the interim dividend will be 6.5p, an increase of 4% on last year. This dividend will be paid on 2 July 2007 to shareholders registered at the close of business on 1 June 2007.

Outlook

The successful outcome of the European Commission’s refinement of the terms of the sugar regime restructuring, due over the coming months, will be of great importance. Following the extensive Primark store opening programme we will now take the opportunity to optimise the performance of these new stores. Our businesses are well placed to face the competitive conditions in the markets in which they operate. Despite continuing adverse currency translation impacts, we expect progress in adjusted operating profit and in adjusted earnings in the remainder of the year.

Martin Adamson
Chairman
24 April 2007

OPERATING REVIEW

Group revenue increased by 12% to £3,220m and adjusted operating profit by 7% to £272m.

These advances are the result of the substantial investments made by the group in capital and acquisitions last year. Profit from our sugar businesses increased by 64% following the acquisition of a 51% interest in Illovo Sugar Limited in September 2006, and the benefit of capacity increases and efficiency improvements in existing sugar factories. Primark's profit increased by 28% reflecting the current extensive store opening programme.

The increase in adjusted operating profit has been achieved despite an estimated total impact of £28m on the profits of Primary Food and Grocery arising from changes to the EU sugar regime.

Although a disappointing performance by Allied Bakeries led to a reduction in grocery profit, a major relaunch of Kingsmill has now been implemented. Ingredients made very good progress but the profit increase was held back by the impact of currency translation.

PRIMARY FOOD & AGRICULTURE

Primary Food	**2007**	2006
Revenue £m	**579**	282
Operating profit £m	**87**	53

Agriculture	**2007**	2006
Revenue £m	**322**	296
Operating profit £m	**7**	8

In Primary Food, the acquisition of Illovo led to a doubling of revenue and a 64% increase in profit.

Profit in the UK was in line with the same period last year. The business benefited from a very efficient campaign, additional quota acquired, lower energy costs and earlier exports of sugar. These factors were offset by the further impact on profit of sugar regime reform amounting to £24m arising from the temporary quota cut and the cost of the restructuring levy which exceeded reduced beet costs, although sugar prices were more stable. In Poland profit was ahead of last year benefiting from an excellent campaign, factory rationalisation and improved retail prices.

Operations in the UK and Poland once again achieved improvements in production performance and the Glinojeck factory performed ahead of expectations following completion of its major expansion programme. The sugar crop was 1.16m tonnes in the UK and 0.21m tonnes in Poland.

China performed very well with a record crop of over 0.5m tonnes. This crop, combined with production efficiencies, exceptionally high sugar yields and consistent prices, drove an increase in profit. Such is the competition from alternative, higher value crops in China that farmers, in conjunction with local and provincial governments, required higher prices for cane in order to justify their continued farming of this crop. These higher prices partly offset the profit improvement in this business.

Illovo's contribution to this result was ahead of our expectations at the time of acquisition. Illovo's earnings for the full year to 31 March 2007 were over 40% ahead of those achieved in its prior year. This is despite production in South Africa and Tanzania being significantly lower than planned due to the combination of extended drought and then unusually high rainfall at the end of the growing season.

Malawi and Zambia both delivered strong manufacturing performances. The recent announcement of the planned £100m investment to double sugar production in Zambia over the next two years is an example of the exciting growth opportunities available to this business.

Stronger volumes and margins benefited our UK agricultural business and Frontier, the arable joint venture with Cargill, delivered a strong profit increase from revenue growth and cost synergies. In China, the inability to pass on the impact of high raw material costs led to a reduction in the profit for animal feeds.

GROCERY

	2007	2006
Revenue £m	**1,226**	1,257
Operating profit £m	**64**	84

Grocery revenue and profit were lower than last year. The reduction in profit was primarily a result of a poor performance by Allied Bakeries, the currency translation impact of the weaker dollar on the results of our US businesses and lower sugar prices in Silver Spoon.

ACH continued to perform well in both the US and Mexico. Sales of Mazola increased in a US consumer oil category which has stabilised following the decline last year. In January we announced the rationalisation of our commodity oils business. Oil processing at Jacksonville will cease and we will exit the supply of certain low margin products. A charge of £2m relating to this rationalisation was made in the first half with a further £3m to be taken in the second half. Capullo in Mexico showed further strong sales growth. In spices, the development of the premium brand, Spice Islands, continued and was complemented by the introduction of two new product ranges.

The competitive bread market in the UK delayed the recovery of increased wheat prices last Autumn, volumes were lower than expected and profitability suffered as a result. We have now implemented a major relaunch of the Kingsmill brand with improved products and new packaging. Recipes have been improved to exclude artificial preservatives and loaves are now larger and have a softer texture. Bread prices have been increased and strong marketing support, including television advertising, will continue into the second half.

International hot beverages continued to deliver good sales growth with market share gains in its main strategic markets. Progress in the Twinings brand was driven by a strong performance in the UK with further growth in sales of Everyday, green tea, speciality black teas and infusions. Twinings sales were also strong in Australia, the US and other international export markets, particularly Italy and Russia. Thailand continued to be the major driver of Ovaltine brand growth which benefited from new products and strong marketing support. In October we sold our Scandinavian food distributor and the profit on this disposal is included in these results.

Silver Spoon's profit was impacted by the reduction in selling prices sustained last year. Billington's grew strongly and significant new business for Fairtrade sugar, which is packed in the UK and supplied by our African business, Illovo, was secured. The integration of Westmill's various ethnic food businesses was completed successfully and good progress is being made with the consolidation of its logistics and warehousing at a site adjacent to the main office in North London. At Ryvita further investment was made in marketing and in its supply chain. Growth in Ryvita Minis, Goodness bars and the premium crispbread range partially offset a decline in standard crispbread.

In Australia, bread prices were increased to recover significantly higher wheat costs following the drought in Australia and higher world prices. Bakery volumes grew and major improvements were made in the operation of the Sydney bakery. Our new bakery in Wuhan, China, started trading in January supplying rolls to the rapidly expanding foodservice market. This bakery will provide a platform for the development of local retail sales and market opportunities elsewhere in China.

INGREDIENTS

	2007	2006
Revenue £m	**345**	322
Operating profit £m	**33**	32

Revenue was ahead by 7% to £345m and profit by 3% to £33m. Both revenue and profit were adversely affected by currency translation and the underlying performance was very good with a profit increase of 9%.

The yeast business demonstrated good progress with price increases in many markets to recover higher molasses and energy costs. This drove a particularly strong recovery in North America. In China, production capacity was expanded to keep pace with the very strong growth in domestic demand. Resources in our bakery ingredients business were strengthened as it continued to develop well, albeit from a low base.

Good organic growth was achieved in yeast and particularly in bakery ingredients in developing countries where it was driven by the use of our bread ingredient technology and the launch of a range of new products to the craft bakery sectors.

Enzymes and proteins have seen good sales growth in the period, particularly in the US and Asia. Enzyme sales were strong, especially to the textile and animal feed markets, but profit was affected by higher raw material costs. Investment in capacity expansion is being made at the Finnish enzyme factory to meet increasing demand. Profit increased in proteins with higher volumes and improved pricing. Capacity expansion is underway at both of the yeast extract plants and for milk protein isolates. A new protein specialities group, comprising specialist sales and product development expertise, has been created to build our capability in this high value-added sector.

We completed the sale of our commodity food polyols business in the US in February and there will be a phased closure of the old manufacturing plant in Delaware. The loss on disposal of this business, including the write-off of goodwill and the costs of the plant closure, is provided for in these accounts. The business supplying antacids, excipients including polyols, and drug delivery systems to pharmaceutical companies has been retained.

RETAIL

	2007	2006
Primark		
Revenue £m	**721**	530
Operating profit £m	**91**	71
Littlewoods		
Revenue £m	**-**	141
Operating profit £m	**-**	16

Primark's results were substantially ahead of last year with a revenue increase of 36% to £721m and profit ahead 28% to £91m. The increases resulted primarily from the additional retail selling space from an extensive store opening programme. As expected, the operating profit margin fell from 13.4% to 12.6% primarily as a result of the higher depreciation charge associated with the recent capital investment.

Like-for-like sales were level with last year in the first half despite the previously highlighted impact on existing stores of adding 1.5 million sq ft of new space. Our estimate for like-for-like sales growth in stores unaffected by new openings is 6%. Trading in the new stores has been encouraging.

Delivering the store opening programme for the first half, on time and to budget, was a major achievement for the management team. 23 new stores were opened and five smaller stores were closed to give 161 stores with 4.4 million sq ft of retail selling space at the half year. All but four of the 41 former Littlewoods stores were trading by the half year.

New store openings:		
Aberdeen	Dublin - Swords	Lincoln
Blackpool	Dundee	Murcia - Spain
Burton-on-Trent	Dunfermline	Oldham
Camberley	Eastbourne	Plymouth
Cheltenham	Glasgow - Parkhead	Poole
Chesterfield	Greenock	Swindon
Coventry	Hanley	Wolverhampton
Doncaster	Inverness	
Stores closed:		
Aberdeen (resite)	Doncaster (resite)	Swindon (resite)
Burton-on-Trent (resite)	Dundee (resite)	

Our new store openings included our second store in Spain and we are very encouraged by early trading in both Spanish stores.

We will open a further eight stores in the second half taking the total retail selling space to 4.7 million sq ft by the financial year end. Six of these stores were acquired outside the Littlewoods transaction which demonstrates that Primark's heightened profile makes attractive high street locations easier to secure, as evidenced by the highly successful opening of the 70,000 sq ft store on London's Oxford Street on 5 April.

George Weston
Chief Executive

CONSOLIDATED INCOME STATEMENT

	Note	**24 weeks ended 3 March 2007 £m**	24 weeks ended 4 March 2006 £m	52 weeks ended 16 September 2006 £m
Revenue	1	3,220	2,887	5,996
Operating costs before exceptional items		(2,994)	(2,651)	(5,486)
Exceptional items		-	-	(97)
		226	236	413
Share of profit after tax from joint ventures and associates		3	3	10
Profits less losses on sale of property, plant & equipment		12	-	10
Operating profit		241	239	433
Adjusted operating profit	1	272	255	561
Profits less losses on sale of property, plant & equipment		12	-	10
Amortisation of intangibles		(43)	(16)	(41)
Exceptional items		-	-	(97)
Profits less losses on sale of businesses		(39)	(5)	(4)
Provision for loss on termination of an operation		-	-	(8)
Profit before interest		202	234	421
Financial income		71	73	149
Financial expenses		(75)	(73)	(151)
Profit before taxation		198	234	419
Adjusted profit before taxation		268	255	559
Profits less losses on sale of property, plant & equipment		12	-	10
Amortisation of intangibles		(43)	(16)	(41)
Exceptional items		-	-	(97)
Profits less losses on sale of businesses		(39)	(5)	(4)
Provision for loss on termination of an operation		-	-	(8)
Taxation - UK		(25)	(35)	(60)
- Overseas		(18)	(31)	(51)
	2	(43)	(66)	(111)
Profit for the period		155	168	308
Attributable to:				
Equity shareholders		152	166	301
Minority interests		3	2	7
Profit for the period		155	168	308
Basic and diluted earnings per ordinary share (pence)	3	19.2	21.0	38.1

CONSOLIDATED BALANCE SHEET

	Note	At 3 March 2007 £m	At 4 March 2006 £m	At 16 September 2006 £m
Non-current assets				
Intangible assets		**1,454**	1,239	1,542
Property, plant & equipment		**2,548**	2,203	2,479
Biological assets		**46**	-	46
Investments in joint ventures		**39**	39	54
Investments in associates		**18**	18	15
Employee benefits assets		**193**	96	169
Deferred tax assets		**87**	78	82
Other receivables		**5**	-	5
Total non-current assets		**4,390**	3,673	4,392
Current assets				
Assets classified as held for sale		**3**	77	53
Inventories		**895**	854	681
Biological assets		**52**	-	51
Trade and other receivables		**797**	758	913
Other investments		**20**	201	53
Cash and cash equivalents		**364**	354	349
Total current assets		**2,131**	2,244	2,100
TOTAL ASSETS		**6,521**	5,917	6,492
Current liabilities				
Liabilities classified as held for sale		**-**	-	(11)
Interest-bearing loans and overdrafts		**(80)**	(166)	(531)
Trade and other payables		**(1,016)**	(797)	(997)
Income tax		**(71)**	(99)	(85)
Provisions		**(42)**	(11)	(49)
Total current liabilities		**(1,209)**	(1,073)	(1,673)
Non-current liabilities				
Interest-bearing loans		**(654)**	(551)	(176)
Provisions		**(26)**	(38)	(21)
Deferred tax liabilities		**(407)**	(251)	(398)
Employee benefits liabilities		**(41)**	(21)	(42)
Total non-current liabilities		**(1,128)**	(861)	(637)
TOTAL LIABILITIES		**(2,337)**	(1,934)	(2,310)
NET ASSETS		**4,184**	3,983	4,182
Equity				
Issued capital		**47**	47	47
Other reserves		**173**	173	173
Translation reserve		**(58)**	78	(29)
Hedging reserve		**(5)**	1	(6)
Retained earnings		**3,819**	3,656	3,773
		3,976	3,955	3,958
Minority interests		**208**	28	224
TOTAL EQUITY	6	**4,184**	3,983	4,182

CONSOLIDATED CASH FLOW STATEMENT

	24 weeks ended 3 March 2007 £m	24 weeks ended 4 March 2006 £m	52 weeks ended 16 September 2006 £m
Cash flow from operating activities			
Profit before taxation	**198**	234	419
Add back non-operating items			
Profits less losses on sale of property, plant & equipment	**(12)**	-	(10)
Profits less losses on sale of businesses	**39**	5	4
Provision for loss on termination of an operation	**-**	-	8
Exceptional items	**-**	-	97
Financial income	**(71)**	(73)	(149)
Financial expenses	**75**	73	151
Adjustments for			
Share of profit from joint ventures and associates	**(3)**	(3)	(10)
Amortisation	**43**	16	41
Depreciation	**109**	95	177
Pension cost less contributions	**(14)**	3	(1)
Increase in inventories	**(224)**	(279)	(29)
Decrease/(increase) in receivables	**108**	(58)	(178)
Increase in payables	**54**	14	78
Decrease in provisions	**(18)**	(45)	(62)
Cash generated from operations	**284**	(18)	536
Income taxes paid	**(48)**	(69)	(117)
Net cash from operating activities	**236**	(87)	419
Cash flows from investing activities			
Dividends received from joint ventures	**-**	-	1
Dividends received from associates	**-**	-	3
Purchase of property, plant & equipment	**(227)**	(156)	(432)
Purchase of intangibles	**(7)**	-	(13)
Sale of property, plant & equipment	**22**	83	181
Purchase of subsidiary undertakings	**(1)**	(100)	(496)
Sale of subsidiary undertakings	**60**	-	-
Interest received	**7**	22	36
Net cash from investing activities	**(146)**	(151)	(720)
Cash flows from financing activities			
Dividends paid to minorities	**(9)**	(4)	(6)
Dividends paid to equity shareholders	**(99)**	(95)	(144)
Interest paid	**(24)**	(25)	(47)
Decrease in other current asset investments	**32**	70	216
Financing			
Decrease in short-term loans	**(360)**	(372)	(46)
Increase/(decrease) in long-term loans	**479**	-	(365)
(Increase)/decrease in own shares held	**(9)**	(1)	1
Net cash from financing activities	**10**	(427)	(391)
Net increase/(decrease) in cash and cash equivalents	**100**	(665)	(692)
Cash and cash equivalents at the beginning of the period	**198**	894	894
Effect of movements in foreign exchange	**(1)**	3	(4)
Cash and cash equivalents at the end of the period	**297**	232	198

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	24 weeks ended 3 March 2007 £m	24 weeks ended 4 March 2006 £m	52 weeks ended 16 September 2006 £m
Actuarial gains on defined benefit schemes	**-**	-	43
Deferred tax associated with defined benefit schemes	**-**	-	(12)
Effect of movements in foreign exchange	**(40)**	49	(88)
Tax on effect of movements in foreign exchange	-	(2)	-
Net gain/(loss) on hedge of net investment in foreign subsidiaries	**1**	(10)	14
Movement in cash flow hedging position	**1**	(8)	(13)
Net (loss)/gain recognised directly in equity	**(38)**	29	(56)
Profit for the period	**155**	168	308
Total recognised income and expense for the period	**117**	197	252
Adjustments relating to the adoption of IAS 32 and IAS 39 on 18 September 2005 (Equity shareholders)	-	9	7
	117	206	259
Attributable to:			
Equity shareholders	**124**	194	246
Minority interests	**(7)**	3	6
	117	197	252

NOTES TO THE INTERIM REPORT

1. Segmental analysis

	Revenue			Adjusted operating profit		
Business segments	**24 weeks ended 3 March 2007 £m**	24 weeks ended 4 March 2006 £m	52 weeks ended 16 September 2006 £m	**24 weeks ended 3 March 2007 £m**	24 weeks ended 4 March 2006 £m	52 weeks ended 16 September 2006 £m
Grocery	**1,226**	1,257	2,578	**64**	84	182
Primary Food	**579**	282	671	**87**	53	115
Agriculture	**322**	296	623	**7**	8	15
Ingredients	**345**	322	683	**33**	32	79
Retail	**721**	671	1,309	**91**	87	185
Central	**-**	-	-	**(13)**	(11)	(22)
	3,193	2,828	5,864	**269**	253	554
Businesses disposed:						
Grocery	**7**	35	78	**-**	1	3
Agriculture	**-**	3	8	**-**	-	1
Ingredients	**20**	21	46	**3**	1	3
	3,220	2,887	5,996	**272**	255	561
Geographical segments						
United Kingdom	**1,503**	1,484	2,995	**114**	133	280
Europe, Middle East & Africa	**614**	277	668	**62**	35	70
The Americas	**544**	576	1,164	**58**	58	121
Asia Pacific	**532**	491	1,037	**35**	27	83
	3,193	2,828	5,864	**269**	253	554
Businesses disposed:						
United Kingdom	**-**	3	8	**-**	-	1
Europe, Middle East & Africa	**7**	35	78	**-**	1	3
The Americas	**20**	21	46	**3**	1	3
	3,220	2,887	5,996	**272**	255	561

NOTES TO THE INTERIM REPORT continued

1. Segmental analysis – 24 weeks ended 3 March 2007

Business segments	**Grocery £m**	**Primary Food £m**	**Agriculture £m**	**Ingredients £m**	**Retail £m**	**Central £m**	**Elimina-tions £m**	**Total £m**
Revenue from continuing operations	1,231	624	323	368	721	-	(74)	3,193
Businesses disposed	7	-	-	20	-	-	-	27
Internal revenue	(5)	(45)	(1)	(23)	-	-	74	-
Revenue from external customers	1,233	579	322	365	721	-	-	3,220
Adjusted operating profit from continuing operations	64	87	7	33	91	(13)	-	269
Businesses disposed	-	-	-	3	-	-	-	3
Adjusted operating profit	64	87	7	36	91	(13)	-	272
Amortisation of intangibles	(6)	(24)	-	(13)	-	-	-	(43)
Profits less losses on sale of property, plant & equipment	4	-	-	-	8	-	-	12
Profits less losses on sale of businesses	6	-	-	(39)	(6)	-	-	(39)
Profit before financial income, financial expenses and taxation	68	63	7	(16)	93	(13)	-	202
Financial income						71	-	71
Financial expenses						(75)	-	(75)
Taxation						(43)	-	(43)
Profit for the period	68	63	7	(16)	93	(60)	-	155
Segment assets (excl. investments in associates and joint ventures)	1,804	1,497	184	949	1,352	14	-	5,800
Investments in associates and joint ventures	9	7	28	13	-	-	-	57
Segment assets	1,813	1,504	212	962	1,352	14	-	5,857
Cash and cash equivalents						364	-	364
Employee benefits assets						193	-	193
Deferred tax assets						87	-	87
Other investments						20	-	20
Segment liabilities	(339)	(339)	(54)	(130)	(190)	(38)	-	(1,090)
Interest-bearing loans and overdrafts						(734)	-	(734)
Income tax						(71)	-	(71)
Deferred tax liabilities						(407)	-	(407)
Employee benefits liabilities						(35)	-	(35)
Net assets	1,474	1,165	158	832	1,162	(607)	-	4,184
Capital expenditure	38	48	3	18	94	-	-	201
Depreciation	36	30	3	13	27	-	-	109
Amortisation of intangibles	6	24	-	13	-	-	-	43

Geographical segments	**United Kingdom £m**	**Europe Middle East & Africa £m**	**The Americas £m**	**Asia Pacific £m**	**Elimina-tions £m**	**Total £m**
Revenue from external customers	1,503	621	564	532	-	3,220
Segment assets	2,705	1,398	936	818	-	5,857
Capital expenditure	125	39	19	18	-	201
Depreciation	66	15	12	16	-	109
Amortisation of intangibles	2	27	12	2	-	43

NOTES TO THE INTERIM REPORT continued

1. Segmental analysis – 24 weeks ended 4 March 2006

Business segments	**Grocery £m**	**Primary Food £m**	**Agriculture £m**	**Ingredients £m**	**Retail £m**	**Central £m**	**Elimina-tions £m**	**Total £m**
Revenue from continuing operations	1,263	330	296	341	671	-	(73)	2,828
Businesses disposed	35	-	3	21	-	-	-	59
Internal revenue	(6)	(48)	-	(19)	-	-	73	-
Revenue from external customers	1,292	282	299	343	671	-	-	2,887
Adjusted operating profit from continuing operations	84	53	8	32	87	(11)	-	253
Businesses disposed	1	-	-	1	-	-	-	2
Adjusted operating profit	85	53	8	33	87	(11)	-	255
Amortisation of intangibles	(5)	-	-	(11)	-	-	-	(16)
Profits less losses on sale of businesses	-	-	-	(5)	-	-	-	(5)
Profit before financial income, financial expenses and taxation	80	53	8	17	87	(11)	-	234
Financial income						73	-	73
Financial expenses						(73)	-	(73)
Taxation						(66)	-	(66)
Profit for the period	80	53	8	17	87	(77)	-	168
Segment assets (excl. investments in associates and joint ventures)	1,917	926	183	1,009	809	287	-	5,131
Investments in associates and joint ventures	6	6	25	20	-	-	-	57
Segment assets	1,923	932	208	1,029	809	287	-	5,188
Cash and cash equivalents						354	-	354
Employee benefits assets						96	-	96
Deferred tax assets						78	-	78
Other investments						201	-	201
Segment liabilities	(337)	(159)	(56)	(113)	(168)	(13)	-	(846)
Interest-bearing loans and overdrafts						(717)	-	(717)
Income tax						(99)	-	(99)
Deferred tax liabilities						(251)	-	(251)
Employee benefits liabilities						(21)	-	(21)
Net assets	1,586	773	152	916	641	(85)	-	3,983
Capital expenditure	38	22	4	18	80	-	-	162
Depreciation	37	26	3	13	16	-	-	95
Amortisation of intangibles	4	-	-	12	-	-	-	16

Geographical segments	**United Kingdom £m**	**Europe Middle East & Africa £m**	**The Americas £m**	**Asia Pacific £m**	**Elimina-tions £m**	**Total £m**
Revenue from external customers	1,487	312	597	491	-	2,887
Segment assets	2,560	767	1,107	754	-	5,188
Capital expenditure	100	18	11	33	-	162
Depreciation	58	7	14	16	-	95
Amortisation of intangibles	2	3	9	2	-	16

NOTES TO THE INTERIM REPORT continued

1. Segmental analysis – 52 weeks ended 16 September 2006

Business segments

	Grocery £m	Primary Food £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Elimina-tions £m	Total £m
Revenue from continuing operations	2,597	766	623	729	1,309	-	(160)	5,864
Businesses disposed	78	-	8	46	-	-	-	132
Internal revenue	(19)	(95)	-	(46)	-	-	160	-
Revenue from external customers	2,656	671	631	729	1,309	-	-	5,996
Adjusted operating profit from continuing operations	182	115	15	79	185	(22)	-	554
Businesses disposed	3	-	1	3	-	-	-	7
Adjusted operating profit	185	115	16	82	185	(22)	-	561
Exceptional items	-	(97)	-	-	-	-	-	(97)
Amortisation of intangibles	(12)	-	-	(29)	-	-	-	(41)
Profits less losses on sale of property, plant & equipment	4	4	(1)	-	2	1	-	10
Profits less losses on sale of businesses	3	(2)	-	(6)	-	1	-	(4)
Provision for loss on termination of an operation	-	-	-	-	(8)	-	-	(8)
Profit before financial income, financial expenses and taxation	180	20	15	47	179	(20)	-	421
Financial income						149	-	149
Financial expenses						(151)	-	(151)
Taxation						(111)	-	(111)
Profit for the period	180	20	15	47	179	(133)	-	308
Segment assets (excl investments in associates and joint ventures)	1,782	1,497	158	1,010	1,302	14	-	5,763
Investments in associates and joint ventures	7	6	27	29	-	-	-	69
Segment assets	1,789	1,503	185	1,039	1,302	14	-	5,832
Cash and cash equivalents						356	-	356
Employee benefits assets						169	-	169
Deferred tax assets						82	-	82
Other investments						53	-	53
Segment liabilities	(303)	(338)	(48)	(113)	(214)	(60)	-	(1,076)
Interest-bearing loans and overdrafts						(707)	-	(707)
Income tax						(86)	-	(86)
Deferred tax liabilities						(398)	-	(398)
Employee benefits liabilities						(43)	-	(43)
Net assets	1,486	1,165	137	926	1,088	(620)	-	4,182
Capital expenditure	84	55	6	48	303	-	-	496
Depreciation	71	36	7	30	33	-	-	177
Amortisation of intangibles	12	-	-	29	-	-	-	41

Geographical segments

	United Kingdom £m	Europe Middle East &Africa £m	The Americas £m	Asia Pacific £m	Elimina-tions £m	Total £m
Revenue from external customers	3,003	746	1,210	1,037	-	5,996
Segment assets	2,519	1,533	1,023	757	-	5,832
Capital expenditure	357	52	30	57	-	496
Depreciation	101	18	26	32	-	177
Amortisation of intangibles	4	7	18	12	-	41

NOTES TO THE INTERIM REPORT continued

		24 weeks ended 3 March 2007 £m	24 weeks ended 4 March 2006 £m	52 weeks ended 16 September 2006 £m
2.	**Income tax expense**			
	Current tax expense			
	UK – corporation tax at 30%	**15**	28	37
	Overseas – corporation tax	**20**	26	46
		35	54	83
	Deferred tax expense			
	UK deferred tax	**10**	7	21
	Overseas deferred tax	**(2)**	5	8
	Over-provided in prior years	**-**	-	(1)
	Total income tax expense in income statement	**43**	66	111
	Reconciliation of effective tax rate			
	Profit before taxation	**198**	234	419
	Less share of profit from joint ventures and associates	**(3)**	(3)	(10)
	Profit before taxation excluding share of profit from joint ventures and associates	**195**	231	409
	Nominal tax charge at UK corporation tax rate (30%)	**59**	69	123
	Lower tax rates on overseas earnings	**(17)**	(10)	(23)
	Expenses not deductible for tax purposes	**5**	7	12
	Utilisation of losses	**(4)**	-	-
	Adjustments in respect of prior periods	**-**	-	(1)
		43	66	111
3.	**Earnings per ordinary share**	**Pence**	Pence	Pence
	Adjusted earnings per share	**23.3**	23.3	50.9
	Earnings per share on:			
	Sale of property, plant & equipment	**1.5**	-	1.3
	Sale of businesses	**(4.9)**	(0.7)	(0.5)
	Provision for loss on termination of operation	**-**	-	(1.0)
	Exceptional items	**-**	-	(12.3)
	Tax effect on above	**2.0**	-	3.3
	Amortisation of intangibles	**(5.4)**	(2.0)	(5.2)
	Tax credit on intangibles amortisation	**1.6**	0.4	1.6
	Minority share of net amortisation charge	**1.1**	-	-
	Earnings per ordinary share	**19.2**	21.0	38.1
4.	**Dividends**	**Pence**	Pence	Pence
	Per share			
	2005 final	**-**	12.00	12.00
	2006 interim	**-**	-	6.25
	2006 final	**12.50**	-	-
		12.50	12.00	18.25
		£m	£m	£m
	Total			
	2005 final	**-**	95	95
	2006 interim	**-**	-	49
	2006 final	**99**	-	-
		99	95	144

The 2006 final dividend of 12.5p per share was approved on 9 December 2006 and totalled £99m when paid on 12 January 2007. The 2007 interim dividend of 6.5p per share will be paid on 2 July 2007 to shareholders on the register on 1 June 2007.

NOTES TO THE INTERIM REPORT continued

	At 16 September 2006 £m	Cash flow £m	Exchange adjustments £m	**At 3 March 2007 £m**
5. Analysis of net debt				
Cash at bank and in hand, cash equivalents and overdrafts	198	100	(1)	**297**
Short-term borrowings	(373)	360	-	**(13)**
Investments	53	(32)	(1)	**20**
Loans over one year	(176)	(479)	1	**(654)**
	(298)	(51)	(1)	**(350)**

Cash and cash equivalents comprise cash balances, call deposits and investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

	24 weeks ended 3 March 2007 £m	24 weeks ended 4 March 2006 £m	52 weeks ended 16 September 2006 £m
6. Summary of movements in equity			
Opening equity (excluding IAS 32 and IAS 39)	**4,182**	3,877	3,877
Adjustments relating to adoption of IAS 32 and IAS 39 on 18 September 2005	**-**	9	7
Opening equity (restated)	**4,182**	3,886	3,884
Profit for the period	**155**	168	308
Other recognised income and expense for the period	**(38)**	29	(56)
Total recognised income and expense for the period	**117**	197	252
Dividends paid to shareholders	**(99)**	(95)	(144)
Net (increase)/decrease in own shares held	**(7)**	(1)	1
Minority interests acquired	**-**	-	195
Dividends paid to minorities	**(9)**	(4)	(6)
Closing equity	**4,184**	3,983	4,182
Attributable to:			
Equity shareholders	**3,976**	3,955	3,958
Minority interests	**208**	28	224
	4,184	3,983	4,182

7. Basis of preparation

These interim financial statements have been prepared in accordance with accounting policies set out in the group's statutory accounts for the year ending 16 September 2006.

The interim results are unaudited and were approved by the board of directors on 24 April 2007 but do not constitute statutory accounts as defined in Section 290 of the Companies Act 1985. The comparative figures for the financial year ended 16 September 2006 have been abridged from the group's 2006 financial statements and are not the company's statutory accounts for that financial period. Those accounts have been reported on by the company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.