For release 27 April 2011

ASSOCIATED BRITISH FOODS plc

Interim Results Announcement

24 weeks ended 5 March 2011

For release 27 April 2011

Associated British Foods plc announces its interim results for the 24 weeks ended 5 March 2011

ABF delivers adjusted earnings growth of 8%

Highlights

- Group revenue up 9% to £5,207m
- Adjusted operating profit up 5% at £390m*
- Adjusted profit before tax up 7% to £353m **
- Adjusted earnings per share up 8% at 32.9p **
- Dividend per share up 4% to 7.9p
- Net debt £1,361m after net capital investment of £399m
- Operating profit up 6% to £356m, profit before tax level at £319m and basic earnings per share down 3% to 30.6p

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

"The breadth, diversity and resilience of our businesses have enabled the group to deliver good growth. We have made further substantial capital investment for the longer-term development of the group."

* before amortisation of non-operating intangibles and profits less losses on the disposal of non-current assets

** before amortisation of non-operating intangibles, profits less losses on the disposal of non-current assets and profits less losses on the sale and closure of businesses

All figures stated after amortisation of non-operating intangibles, profits less losses on the disposal of non-current assets and profits less losses on the sale and closure of businesses are shown on the face of the condensed consolidated income statement.

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ASSOCIATED BRITISH FOODS plc
INTERIM RESULTS ANNOUNCEMENT
FOR THE 24 WEEKS ENDED 5 MARCH 2011

For release 27 April 2011

CHAIRMAN'S STATEMENT

I am pleased to report a good set of interim results with profit ahead in four of our five business segments. Last year saw a step change in the group's profitability which makes this year's first half revenue growth of 9% and an increase of 5% in adjusted operating profit all the more creditable. Net financing costs and the underlying tax rate were both in line with last year. Adjusted earnings were 8% higher at 32.9p per share.

Sugar profits in the first half were higher than last year with substantial improvement in the operations in Spain and China. In my statement in last year's interim report I commented on the relatively small impact that world sugar price volatility typically had on our sugar businesses. Since then world prices for sugar have risen to their highest level for 30 years and well above the level in the EU. The reform of the EU sugar regime reduced European beet sugar production below the level of domestic consumption. This created a deficit market that requires imports to make up the shortfall. Higher world prices have made other markets more attractive than the EU as a destination for sugar and have increased the cost of sugar imported by the EU. This in turn has started to increase the prices achieved by European producers.

The UK sugar beet crop was badly damaged by the warm weather in January which followed a prolonged exceptionally cold period in December. In trying conditions the growers worked closely with our factories and showed great flexibility in the harvesting and delivery of beet. Our production staff showed considerable resourcefulness in processing as much beet as possible so as to maximise throughput and sugar extraction. I am pleased to report that planting for the new season has been completed ahead of schedule with acreage in line with expectation.

Primark delivered excellent revenue growth of 13% at constant currency in the half year driven by a strong programme of new store openings and a like-for-like sales increase of 3%. Much has been reported in the media in recent weeks about the contraction in the personal disposable income of the UK consumer due to higher fuel costs, food inflation and fiscal tightening. In this context, Primark's performance demonstrates yet again the strength of the brand and provides reassurance for the continued development of the business.

I have been impressed by the resilience of many of our staff who, in the early part of the year, faced the devastating effects of the Queensland floods and the earthquake in New Zealand. Thankfully our employees sustained no serious injuries but our flour mill in Moorooka, Australia was severely damaged and our operations in New Zealand were disrupted. I would like to thank those affected by these disasters for their stalwart efforts to keep the business going under extremely difficult circumstances.

Our substantial capital investment in the business continued in the first half and was £105m greater than last year with £399m spent on property, plant and equipment and intangibles, net of disposals. The pace of Primark's development has increased and £145m was spent on new stores and the refurbishment of existing stores in the period. Investment elsewhere continued with, in particular, the construction of the meat factory in Australia, expansion of our sugar interests in Africa, upgrading production capability in the UK bakeries and construction of Vivergo's bioethanol plant. We normally see a working capital outflow in the first half which, this year, amounted to £382m and was higher than usual, in large part as a consequence of higher commodity costs. The net cash outflow totalled £552m and net debt at the half year was £1,361m.

Dividends

The board has decided that the interim dividend will be 7.9p an increase of 4% on last year. This dividend will be paid on 8 July 2011 to shareholders registered at the close of business on 10 June 2011.

Outlook

The breadth, diversity and resilience of our businesses enabled the group to deliver good growth in the first half and withstand a number of trading and operational challenges. We are determined that Primark will retain its position as price leader and margins in the second half will be lower than previously planned. As already highlighted, the higher cost of UK sugar production this year and the cost of third party sugar purchases will also affect second half profitability. We continue to expect good revenue growth for the full year although adjusted earnings are now expected to be similar to last year's very strong result.

Charles Sinclair
Chairman
27 April 2011

OPERATING REVIEW

Group revenues increased by 9% to £5,207m and adjusted operating profit was 5% ahead of last year at £390m. A small benefit from currency translation was offset by an adjustment for the effect of business disposals with the result that revenue and profit growth in continuing businesses at constant currency was in line with this headline growth. Substantial capital has been invested in the expansion of our Sugar, Grocery and Ingredients businesses and a 6% increase in retail selling space for Primark.

A feature of the half year has been the very large and continued increase in the price of a number of commodities which are important to the group.

The rise in the world sugar price has benefited our sugar operations, particularly in China where the recovery in profitability seen last year has improved further. Higher world prices are expected to continue for the rest of this year but profit for the sugar businesses will be held back in the second half by the lower volumes produced. In Grocery, the impact of higher input costs on profit have been offset by a combination of efficiency savings, brand and product development, and price increases. Profit from our Ingredients businesses was lower than last year as a result of higher molasses prices and the cost of commissioning our new yeast extracts plant in China.

As previously reported, higher cotton prices are having an impact on our clothing retail business. We are determined that Primark will retain its position as price leader and offer customers the best value on the high street. This strategy is reflected in the margin decline seen in these results. We are encouraged by Primark's growing success in continental Europe where the pace of new store openings is increasing.

SUGAR

	2011	2010
Revenue £m	**1,024**	931
Operating profit £m	**108**	85

Profit was 27% ahead of last year driven by considerable improvements in Spain and China more than offsetting declines in the UK and at Illovo.

In the UK, the sugar beet crop was badly damaged by the prolonged period of very cold weather before Christmas, followed by unseasonably warm weather early in January. This was most acute in the more northerly growing regions and caused the cell structure of the beet to break down, rendering the exposed part of the beet unprocessable. The campaign was extended into March to ensure that the maximum amount of sugar was recovered from the damaged beet and, in order to maintain customer supplies, production will be supplemented by third party purchases, at the high prevailing market prices, and draw-downs from stock. The crop outturn this year is expected to be just below 1.0 million tonnes with some 14% of the total beet crop being unprocessable. Most of the increased processing costs together with the higher cost of third party purchases will be borne in the second half and will only be partly offset by increased prices. This is still expected to result in a net profit reduction of some £20m in the full year.

By contrast, and despite relatively late sowing, the northern Spanish campaign has progressed well and early indications for the later, southern, crop are positive. The sourcing of raw sugars for the Guadalete refinery proved difficult reflecting the relative unattractiveness of the EU market at prevailing prices.

In view of the shortage of sugar in Europe, the EU Commission has announced that supplies will be supplemented by 300,000 tonnes of tariff-free imports, for which bids have been invited from EU producers, and the permitted sale of 500,000 tonnes of non-quota sugar as quota sugar from EU producers' stocks.

In Africa, Illovo underperformed largely as a result of weather related production difficulties. In the year to March 2011 Illovo produced 1.6 million tonnes of sugar, slightly less than last year. The principal shortfalls were in South Africa, due to an extremely dry season, and in Malawi, Zambia and Mozambique where excessive rainfall resulted in the early curtailment of the season. The continued strength of the rand, the impact of a weak euro on European export revenues and relatively low EU prices have also had an adverse impact on earnings. As a result, full year operating results were well behind last year.

Encouragingly the Nakambala mill in Zambia is now achieving rated output and is expected to perform strongly in the 2011/12 season. The Ubombo factory expansion in Swaziland is also progressing to plan and is on budget with commissioning scheduled to begin shortly. Illovo's new cane season has started positively.

In China, record sugar prices drove a strong increase in profit offset, in part, by lower sugar content for both beet and cane and by higher prices paid to farmers. Sugar prices were buoyed by lower than anticipated production in the cane areas in the south and by high import prices reflecting the world sugar price. China is expected to have a sugar deficit for the balance of the year and, with stocks at relatively low levels, prices are expected to remain strong. The campaign in north east China was completed with a beet crop more than double the size of last year reflecting a larger growing area and better field yields. In both the northern beet and southern cane regions the sugar content has been well down on previous years. Total sugar production is expected to be 625,000 tonnes for the full year, an 8% increase on last year. In November, we concluded the buy-out of the minority shareholding in our BoTian business in north east China.

Vivergo's bioethanol plant in Hull has been delayed by contractor performance issues in the latter stages of construction. The project is now expected to complete early in 2012.

AGRICULTURE

	2011	2010
Revenue £m	**507**	432
Operating profit £m	**18**	12

UK feed revenues were ahead in all sectors driven by commodity price increases and growth in feed enzyme products, speciality feeds and nutrition, all of which exceeded expectations. This growth, together with a strong performance from Frontier, the UK's leading grain marketing and crop inputs supplier, drove operating profit 50% ahead of last year.

Sales of sugar beet feed in the UK by KW Trident benefited from customers seeking alternatives to cereal based feeds, at record high prices during the period, but the smaller UK sugar beet crop this year is expected to reduce sales volumes in the second half. The performance of the UK compound feed business was in line with expectations despite the challenging conditions faced by UK pig and poultry producers. Our speciality feeds business, Premier Nutrition, continued to develop well and sales of pig premixes into Russia increased further. Good volume growth was achieved in all feed sectors in China as farmers benefited from improved market prices for pigs, eggs and milk. There are still, however, market challenges particularly with continued high raw material commodity prices putting pressure on the cost base.

Sales and profits from AB Vista grew strongly and the flagship enzyme products continued to increase market share. The economics of using feed enzymes to improve the nutritional value of feed are enhanced when the price of commodity feed is high. Growth was particularly good in South America and Asia.

Dry weather, which extended through the early summer and into last autumn in much of Europe, resulted in a near doubling of wheat and rapeseed prices in the UK. This rise in grain prices, farmers responding by selling their grain earlier than last year, and high price volatility all contributed to an excellent grain trading result for Frontier. Income from crop inputs also increased. Firming prices for nutrients, especially nitrogen, has encouraged an earlier than normal buying pattern for fertilisers, and the high wheat and rapeseed prices boosted autumn plantings and demand for certified seeds.

GROCERY

	2011	2010
Revenue £m	**1,726**	1,597
Operating profit £m	**111**	95

Grocery revenue increased by 8% to £1,726m and profit rose by 17% to £111m benefiting from a much reduced level of provisioning for the cost of manufacturing reorganisation. Twinings Ovaltine and the UK businesses performed well but George Weston Foods in Australia disappointed.

Twinings Ovaltine again delivered strong revenue and profit growth. Notable successes for Twinings were green tea and infusions in the UK and Australia and good progress in the US with increased market share. Ovaltine achieved good volume growth in Thailand and in the developing markets of Nigeria, Brazil and Venezuela. The restructuring of the tea supply chain is on schedule and on budget. Expansion of the factory in China is complete and production has recently begun at our new facility in Poland with volumes due to increase steadily during the second half.

Allied Bakeries' Kingsmill brand achieved volume and market share increases across the UK with its Great Everyday medium sliced white loaf being the fastest selling product in the category. Kingsmill launched a new seeded range in the period and Burgen and Allinson maintained their respective category leadership positions. Margins came under pressure from the continued rise of wheat costs, which were only partially recovered through price increases, and a high level of promotional activity.

Elsewhere in UK Grocery, Jordans and Ryvita enjoyed strong revenue growth supported by television advertising and the launch of two new Crispbread variants. Silver Spoon also had a good first half with speciality sugars and baking ingredients continuing to show strong growth. AB World Foods saw heightened competitor activity, particularly in the stir-fry category, but the Blue Dragon brand benefited from a range relaunch with new products, updated packaging and a new advertising campaign. Westmill Foods achieved sales volumes in line with last year, despite continuing challenges within the Indian and Chinese catering trade in the UK, with good progress in Rajah spices and Patak's pastes.

Substantial investment is being made in the UK grocery businesses to upgrade some of our production lines and improve supply chain efficiency. New plant bread lines are being built in the Glasgow and Stevenage bakeries, a new rolls plant has been commissioned at the West Bromwich bakery and the transfer of production from Ryvita's factory in Stockport to the expanded site at Poole is on plan for completion in the summer.

The trading result at George Weston Foods was significantly below last year. Baking maintained its market share in a very difficult trading environment with increasing levels of price competition between the two major retailers impacting on revenue and margin. Recovery of wheat price increases in this competitive environment has been difficult although some progress was made. The core Tip Top range was relaunched with improvements to recipes being achieved in a number of products through the inclusion of bread improvers supplied by AB Mauri. The Abbotts Village Bakery brand, which was launched last year, continued to grow and the New Zealand bakery operation is on track to deliver a third successive year of significant sales and market share growth. The meat business was also impacted by retailer price competition with a higher proportion of sales being subject to promotional discounts. Commissioning of the new Castlemaine meat factory is progressing satisfactorily with the transfer of production from Altona scheduled to complete by the financial year end. The recent floods in Queensland severely damaged our flour mill at Moorooka. Alternative sources of supply to the Queensland market were quickly secured and the clean-up process is expected to be complete by the end of June. The group's central costs include provision for the cost of restoring the site to full operation.

In the US and Mexico price increases were implemented to recover higher commodity costs, particularly in vegetable oil and spices, but further increases are planned as costs have continued to rise. The premium spice market continued to grow and our Spice Islands brand performed well. In Mexico, the premium oil category declined over last year in an economic environment where food price increases have a more significant impact on consumers. Capullo volumes and margins were further affected by competitive pressure.

INGREDIENTS

	2011	2010
Revenue £m	**544**	509
Operating profit £m	**29**	47

Revenue increased by 7% over last year to £544m but operating profit declined by 38% to £29m. Profit was impacted by the commissioning costs of the new yeast and yeast extracts factory in Harbin, China, higher molasses prices in China and competitive pressure in the European and US yeast and bakery ingredients business.

AB Mauri in Brazil, Mexico and Central America achieved continued growth in bakery ingredients with a broadened product range including cake mixes for the consumer market. Prices were increased to recover significantly higher raw material costs. The yeast business in Europe and North America encountered difficult consumer market conditions and a high degree of competition which made pricing to recover higher input costs harder to achieve. Bakery ingredients in Europe had another strong period of growth driven by an expanded range of flour, confectionery, toppings and fillings but in the US, lower demand from the larger branded bakers held back growth of our technical bakery ingredients. The impact of this market weakness on profit was, to some extent, offset by good progress in cost control and production efficiency improvements. In China, favourable market conditions benefited our yeast business, which experienced strong volume growth, but some of the benefit was eroded by higher molasses costs.

Capital investment in the period included expansion and upgrading effluent treatment plants in Argentina and in Vietnam. The new yeast plant in Harbin, north east China, was commissioned during the period with work under way in dry capacity expansion in Italy and Xinjiang in western China. Construction of new yeast plants started on greenfield sites in Mexico and Shandong province in China and capacity expansion is planned for both yeast and bakery ingredients in India to meet the continuing market growth there.

At ABF Ingredients, sales of feed and bakery enzymes made good progress benefiting from the success of new products. All regions achieved growth with EMEA, North America and China notably ahead of last year. Commissioning costs of the new yeast extracts factory in Harbin, China were higher than forecast and margins were affected by high molasses costs.

RETAIL

	2011	2010
Revenue £m	**1,406**	1,263
Operating profit £m	**151**	144

Primark delivered further growth in the first half of the current financial year with revenue ahead by 11% to £1,406m, an increase of 13% at constant currency. Following the exceptional performance in 2010 when profit increased by 35%, Primark achieved a further 5% growth in profit in the first half of this year. The revenue growth resulted from a strong programme of new store openings and a 3% like-for-like sales increase. This increase builds on a like-for-like sales increase of 6% last year. The trading performance in Continental Europe was very encouraging. Following a strong start to the financial year, trading in the UK weakened after the New Year. We are, however, very pleased with our sales performance since the end of February.

Primark successfully brings together up-to-the-minute fashion, affordability and quality in a contemporary environment. It will continue to offer the best value on the high street. As a result, operating profit margin in the first half was lower than last year reflecting absorption of the increase in VAT in the UK with effect from 4 January 2011 and the impact of higher input costs, especially cotton.

We expect to reduce margins further in the second half of the year. This will reflect a full period of the VAT increase, higher cotton prices and the likelihood of continued weakness in UK consumer demand. This decision to invest in margin has been made against a backdrop of robust current and expected sales growth.

At the half year we were operating from 214 stores with 6.9 million sq ft of selling space, up from 6.5 million sq ft at the last financial year end. Ten new stores were opened including six in the UK, five of which were former Bhs stores acquired last year, two in the Canary Islands, Gelsenkirchen in Germany and Hoofddorp in the Netherlands. A further six stores are due to open in the second half: three in the UK, one in Spain in La Coruna, and two in Portugal, Forum Sintra south of Lisbon and Portimao on the Algarve. This will increase selling space to 7.1 million sq ft by the financial year end. Capital expenditure in the first half was £145m compared to £87m last year reflecting both the high number of stores opened in the period and further development of the pipeline for new stores in the future. In the first six months of next financial year, we expect to open five stores in Germany adding some 350,000 sq ft of selling space.

George Weston
Chief Executive

CONDENSED CONSOLIDATED INCOME STATEMENT

Continuing operations	Note	**24 weeks ended 5 March 2011 £m**	24 weeks ended 27 February 2010 £m	53 weeks ended 18 September 2010 £m
Revenue	1	**5,207**	4,796	10,167
Operating costs		**(4,870)**	(4,470)	(9,355)
		337	326	812
Share of profit after tax from joint ventures and associates		**17**	6	16
Profits less losses on disposal of non-current assets		**2**	4	(9)
Operating profit		**356**	336	819
Adjusted operating profit	1	**390**	370	909
Profits less losses on disposal of non-current assets		**2**	4	(9)
Amortisation of non-operating intangibles		**(36)**	(38)	(81)
Profits less losses on sale and closure of businesses	2	**-**	23	28
Profit before interest		**356**	359	847
Finance income		**4**	5	12
Finance expense		**(43)**	(42)	(88)
Other financial income/(expense)		**2**	(2)	(8)
Profit before taxation		**319**	320	763
Adjusted profit before taxation		**353**	331	825
Profits less losses on disposal of non-current assets		**2**	4	(9)
Amortisation of non-operating intangibles		**(36)**	(38)	(81)
Profits less losses on sale and closure of businesses	2	**-**	23	28
Taxation - UK		**(36)**	(29)	(83)
- Overseas		**(47)**	(45)	(111)
	3	**(83)**	(74)	(194)
Profit for the period		**236**	246	569
Attributable to:				
Equity shareholders		**241**	249	546
Non-controlling interests		**(5)**	(3)	23
Profit for the period		**236**	246	569
Basic and diluted earnings per ordinary share (pence)	4	**30.6**	31.6	69.3
Dividends per share for the period (pence)	5	**7.9**	7.6	23.8

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	24 weeks ended 5 March 2011	24 weeks ended 27 February 2010	53 weeks ended 18 September 2010
	£m	£m	£m
Profit for the period recognised in the income statement	**236**	246	569
Other comprehensive income/(expense)			
Actuarial gains/(losses) on defined benefit schemes	**132**	(5)	(22)
Deferred tax associated with defined benefit schemes	**(37)**	2	3
Effect of movements in foreign exchange	**28**	308	228
Net gain/(loss) on hedge of net investment in foreign subsidiaries	**11**	(32)	(11)
Deferred tax associated with movements in foreign exchange	**(1)**	-	(4)
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed	**-**	(28)	(28)
Current tax associated with movements in foreign exchange	**(4)**	-	(4)
Movement in cash flow hedging position	**(33)**	24	41
Deferred tax associated with movement in cash flow hedging position	**8**	(9)	(11)
Share of other comprehensive income of joint ventures and associates	**-**	-	1
Other comprehensive income for the period	**104**	260	193
Total comprehensive income for the period	**340**	506	762
Attributable to:			
Equity shareholders	**346**	484	715
Non-controlling interests	**(6)**	22	47
Total comprehensive income for the period	**340**	506	762

CONDENSED CONSOLIDATED BALANCE SHEET

	5 March 2011 £m	27 February 2010 £m	18 September 2010 £m
Non-current assets			
Intangible assets	**1,903**	1,972	1,925
Property, plant & equipment	**4,226**	3,791	3,941
Biological assets	**101**	102	97
Investments in joint ventures	**137**	128	121
Investments in associates	**40**	35	38
Employee benefits assets	**124**	6	-
Deferred tax assets	**164**	168	180
Other receivables	**201**	186	191
Total non-current assets	**6,896**	6,388	6,493
Current assets			
Inventories	**1,555**	1,339	1,238
Biological assets	**112**	119	100
Trade and other receivables	**1,219**	1,242	1,079
Other financial assets	**16**	29	33
Cash and cash equivalents	**362**	431	345
Total current assets	**3,264**	3,160	2,795
TOTAL ASSETS	**10,160**	9,548	9,288
Current liabilities			
Loans and overdrafts	**(908)**	(669)	(367)
Trade and other payables	**(1,614)**	(1,506)	(1,491)
Other financial liabilities	**(39)**	(43)	(38)
Income tax	**(144)**	(122)	(132)
Provisions	**(104)**	(72)	(99)
Total current liabilities	**(2,809)**	(2,412)	(2,127)
Non-current liabilities			
Loans	**(815)**	(852)	(794)
Provisions	**(94)**	(187)	(106)
Deferred tax liabilities	**(455)**	(401)	(418)
Employee benefits liabilities	**(83)**	(120)	(99)
Total non-current liabilities	**(1,447)**	(1,560)	(1,417)
TOTAL LIABILITIES	**(4,256)**	(3,972)	(3,544)
NET ASSETS	**5,904**	5,576	5,744
Equity			
Issued capital	**45**	47	45
Other reserves	**175**	173	175
Translation reserve	**644**	660	606
Hedging reserve	**(27)**	(15)	(4)
Retained earnings	**4,655**	4,262	4,471
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS	**5,492**	5,127	5,293
Non-controlling interests	**412**	449	451
TOTAL EQUITY	**5,904**	5,576	5,744

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	**24 weeks ended 5 March 2011 £m**	24 weeks ended 27 February 2010 £m	53 weeks ended 18 September 2010 £m
Cash flow from operating activities				
Profit before taxation		**319**	320	763
Profits less losses on disposal of non-current assets		**(2)**	(4)	9
Profits less losses on sale and closure of businesses		**-**	(23)	(28)
Finance income		**(4)**	(5)	(12)
Finance expense		**43**	42	88
Other financial (income)/expense		**(2)**	2	8
Share of profit after tax from joint ventures and associates		**(17)**	(6)	(16)
Amortisation		**41**	41	89
Depreciation		**154**	153	324
Net change in the fair value of biological assets		**(13)**	(16)	(8)
Share-based payment expense		**3**	4	11
Pension costs less contributions		**(4)**	1	(34)
(Increase)/decrease in inventories		**(310)**	(50)	61
(Increase)/decrease in receivables		**(130)**	(64)	105
Increase in payables		**58**	15	27
Purchases less sales of current biological assets		**(1)**	(1)	(3)
Decrease in provisions		**(12)**	(18)	(57)
Cash generated from operations		**123**	391	1,327
Income taxes paid		**(51)**	(52)	(155)
Net cash from operating activities		**72**	339	1,172
Cash flows from investing activities				
Dividends received from joint ventures and associates		**3**	2	6
Purchase of property, plant & equipment		**(384)**	(294)	(694)
Purchase of intangibles		**(20)**	(9)	(32)
Purchase of non-current biological assets		**(1)**	-	-
Sale of property, plant & equipment		**5**	9	27
Purchase of subsidiaries, joint ventures and associates		**(6)**	(26)	(36)
Sale of subsidiaries, joint ventures and associates		**1**	-	4
Loans to joint ventures		**(13)**	(39)	(74)
Purchase of non-controlling interests		**(29)**	(4)	(14)
Interest received		**4**	5	11
Net cash from investing activities		**(440)**	(356)	(802)
Cash flows from financing activities				
Dividends paid to non-controlling interests		**(10)**	(12)	(29)
Dividends paid to equity shareholders	5	**(128)**	(111)	(171)
Interest paid		**(30)**	(28)	(84)
Financing:				
Increase/(decrease) in short-term loans		**484**	86	(241)
Increase/(decrease) in long-term loans		**31**	1	(30)
Net proceeds of rights issue taken up by non-controlling interests		**-**	115	115
Redemption of deferred shares		**-**	-	(2)
Movements from changes in own shares held		**(16)**	2	(4)
Net cash from financing activities		**331**	53	(446)
Net (decrease)/increase in cash and cash equivalents		**(37)**	36	(76)
Cash and cash equivalents at the beginning of the period		**309**	361	361
Effect of movements in foreign exchange		**(2)**	25	24
Cash and cash equivalents at the end of the period	7	**270**	422	309

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Attributable to equity shareholders							
	Note	Issued capital £m	Other reserves £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance as at 19 September 2010		45	175	606	(4)	4,471	5,293	451	5,744
Total comprehensive income									
Profit for the period recognised in the income statement		-	-	-	-	241	241	(5)	236
Actuarial gains on defined benefit schemes		-	-	-	-	132	132	-	132
Deferred tax associated with defined benefit schemes		-	-	-	-	(37)	(37)	-	(37)
Effect of movements in foreign exchange		-	-	27	-	-	27	1	28
Net gain on hedge of net investment in foreign subsidiaries		-	-	11	-	-	11	-	11
Deferred tax associated with movements in foreign exchange		-	-	-	-	(1)	(1)	-	(1)
Current tax associated with movements in foreign exchange		-	-	-	-	(4)	(4)	-	(4)
Movement in cash flow hedging position		-	-	-	(29)	-	(29)	(4)	(33)
Deferred tax associated with movement in cash flow hedging position		-	-	-	6	-	6	2	8
Total comprehensive income		-	-	38	(23)	331	346	(6)	340
Transactions with owners									
Dividends paid to equity shareholders	5	-	-	-	-	(128)	(128)	-	(128)
Net movement in own shares held		-	-	-	-	(13)	(13)	-	(13)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(10)	(10)
Changes in ownership of subsidiaries		-	-	-	-	(6)	(6)	(23)	(29)
Total transactions with owners		-	-	-	-	(147)	(147)	(33)	(180)
Balance as at 5 March 2011		45	175	644	(27)	4,655	5,492	412	5,904

Balance as at 13 September 2009		47	173	439	(32)	4,121	4,748	328	5,076
Total comprehensive income									
Profit for the period recognised in the income statement		-	-	-	-	249	249	(3)	246
Actuarial losses on defined benefit schemes		-	-	-	-	(5)	(5)	-	(5)
Deferred tax associated with defined benefit schemes		-	-	-	-	2	2	-	2
Effect of movements in foreign exchange		-	-	280	-	-	280	28	308
Net loss on hedge of net investment in foreign subsidiaries		-	-	(31)	-	-	(31)	(1)	(32)
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed		-	-	(28)	-	-	(28)	-	(28)
Movement in cash flow hedging position		-	-	-	27	-	27	(3)	24
Deferred tax associated with movement in cash flow hedging position		-	-	-	(10)	-	(10)	1	(9)
Total comprehensive income		-	-	221	17	246	484	22	506
Transactions with owners									
Dividends paid to equity shareholders	5	-	-	-	-	(111)	(111)	-	(111)
Net movement in own shares held		-	-	-	-	6	6	-	6
Dividends paid to non-controlling interests		-	-	-	-	-	-	(12)	(12)
Changes in ownership of subsidiaries		-	-	-	-	-	-	111	111
Total transactions with owners		-	-	-	-	(105)	(105)	99	(6)
Balance as at 27 February 2010		47	173	660	(15)	4,262	5,127	449	5,576

Balance as at 13 September 2009		47	173	439	(32)	4,121	4,748	328	5,076
Total comprehensive income									
Profit for the period recognised in the income statement		-	-	-	-	546	546	23	569
Actuarial losses on defined benefit schemes		-	-	-	-	(22)	(22)	-	(22)
Deferred tax associated with defined benefit schemes		-	-	-	-	3	3	-	3
Effect of movements in foreign exchange		-	-	204	-	-	204	24	228
Net loss on hedge of net investment in foreign subsidiaries		-	-	(9)	-	-	(9)	(2)	(11)
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed		-	-	(28)	-	-	(28)	-	(28)
Deferred tax associated with movements in foreign exchange		-	-	-	-	(4)	(4)	-	(4)
Current tax associated with movements in foreign exchange		-	-	-	-	(4)	(4)	-	(4)
Movement in cash flow hedging position		-	-	-	38	-	38	3	41
Deferred tax associated with movement in cash flow hedging position		-	-	-	(10)	-	(10)	(1)	(11)
Share of other comprehensive income of joint ventures and associates		-	-	-	-	1	1	-	1
Total comprehensive income		-	-	167	28	520	715	47	762
Transactions with owners									
Dividends paid to equity shareholders	5	-	-	-	-	(171)	(171)	-	(171)
Redemption of deferred shares		(2)	2	-	-	(2)	(2)	-	(2)
Net movement in own shares held		-	-	-	-	7	7	-	7
Dividends paid to non-controlling interests		-	-	-	-	-	-	(29)	(29)
Disposal of subsidiary		-	-	-	-	-	-	(3)	(3)
Changes in ownership of subsidiaries		-	-	-	-	(4)	(4)	108	104
Total transactions with owners		(2)	2	-	-	(170)	(170)	76	(94)
Balance as at 18 September 2010		45	175	606	(4)	4,471	5,293	451	5,744

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Operating segments

The group discloses five operating segments, as described below. These are the group's operating divisions, based on the group's management and internal reporting structure, which combine businesses with common characteristics. The board is the chief operating decision-maker.

Inter-segment pricing is determined on an arm's length basis. Segment result is adjusted operating profit, as shown on the face of the consolidated income statement. Segment assets comprise all non-current assets except employee benefits assets and deferred tax assets, and all current assets except cash and cash equivalents. Segment liabilities comprise trade and other payables, other financial liabilities and provisions. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expenses, cash, borrowings, employee benefits balances and current and deferred tax balances. Segment non-current asset additions are the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year, comprising property, plant & equipment, operating intangibles and biological assets.

The group is comprised of the following operating segments:

Grocery	The manufacture of grocery products, including hot beverages, sugar & sweeteners, vegetable oils, bread & baked goods, cereals, ethnic foods, herbs & spices, and meat products which are sold to retail, wholesale and foodservice businesses.
Sugar	The growing and processing of sugar beet and sugar cane for sale to industrial users and to Silver Spoon, which is included in the grocery segment.
Agriculture	The manufacture of animal feeds and the provision of other products and services for the agriculture sector.
Ingredients	The manufacture of bakers' yeast, bakery ingredients, speciality proteins, enzymes, lipids and yeast extracts.
Retail	Buying and merchandising value clothing and accessories through the Primark and Penneys retail chains.

Geographical information
In addition to the required disclosure for operating segments, disclosure is also given of certain geographical information about the group's operations, based on the geographical groupings: United Kingdom; Europe & Africa; The Americas; and Asia Pacific.

Revenues are shown by reference to the geographical location of customers. Profits are shown by reference to the geographical location of the businesses. Segment assets are based on the geographical location of the assets.

	Revenue			Adjusted operating profit		
Operating segments	**24 weeks ended 5 March 2011 £m**	24 weeks ended 27 February 2010 £m	53 weeks ended 18 September 2010 £m	**24 weeks ended 5 March 2011 £m**	24 weeks ended 27 February 2010 £m	53 weeks ended 18 September 2010 £m
Grocery	**1,726**	1,597	3,406	**111**	95	229
Sugar	**1,024**	931	1,941	**108**	85	240
Agriculture	**507**	432	954	**18**	12	33
Ingredients	**544**	509	1,067	**29**	47	104
Retail	**1,406**	1,263	2,730	**151**	144	341
Central	**-**	-	-	**(27)**	(18)	(42)
	5,207	4,732	10,098	**390**	365	905
Businesses disposed:						
Grocery	**-**	11	17	**-**	1	-
Sugar	**-**	20	19	**-**	4	4
Agriculture	**-**	33	33	**-**	-	-
	-	64	69	**-**	5	4
	5,207	4,796	10,167	**390**	370	909
Geographical information						
United Kingdom	**2,194**	2,061	4,411	**230**	195	480
Europe & Africa	**1,336**	1,202	2,495	**56**	63	219
The Americas	**571**	520	1,120	**59**	66	121
Asia Pacific	**1,106**	949	2,072	**45**	41	85
	5,207	4,732	10,098	**390**	365	905
Businesses disposed:						
United Kingdom	**-**	33	33	**-**	-	-
Europe & Africa	**-**	20	19	**-**	4	4
The Americas	**-**	11	17	**-**	1	-
	-	64	69	**-**	5	4
	5,207	4,796	10,167	**390**	370	909

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS continued

1 Operating segments for the 24 weeks ended 5 March 2011

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	1,729	1,079	509	583	1,406	(99)	5,207
Internal revenue	(3)	(55)	(2)	(39)	-	99	-
External revenue from continuing businesses and from external customers	1,726	1,024	507	544	1,406	-	5,207
Adjusted operating profit from continuing businesses	108	104	11	26	151	(27)	373
Share of profit after tax from joint ventures and associates	3	4	7	3	-	-	17
Adjusted operating profit	111	108	18	29	151	(27)	390
Amortisation of non-operating intangibles	(11)	(16)	-	(9)	-	-	(36)
Profits less losses on disposal of non-current assets	-	2	-	-	-	-	2
Profit before interest	100	94	18	20	151	(27)	356
Finance income						4	4
Finance expense						(43)	(43)
Other financial income						2	2
Taxation						(83)	(83)
Profit for the period	100	94	18	20	151	(147)	236
Segment assets (excluding investments in joint ventures and associates)	2,696	2,756	267	1,392	2,092	130	9,333
Investments in joint ventures and associates	29	47	67	34	-	-	177
Segment assets	2,725	2,803	334	1,426	2,092	130	9,510
Cash and cash equivalents						362	362
Employee benefits assets						124	124
Deferred tax assets						164	164
Segment liabilities	(559)	(492)	(98)	(177)	(352)	(173)	(1,851)
Loans and overdrafts						(1,723)	(1,723)
Income tax						(144)	(144)
Deferred tax liabilities						(455)	(455)
Employee benefits liabilities						(83)	(83)
Net assets	2,166	2,311	236	1,249	1,740	(1,798)	5,904
Non-current asset additions	111	147	6	32	140	2	438
Depreciation	43	41	5	19	45	1	154
Amortisation	16	16	-	9	-	-	41

Geographical information	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	2,194	1,336	571	1,106	5,207
Segment assets	3,679	2,791	1,022	2,018	9,510
Non-current asset additions	117	206	24	91	438
Depreciation	75	32	12	35	154
Amortisation	5	19	7	10	41

1 Operating segments for the 24 weeks ended 27 February 2010

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	1,600	975	434	545	1,263	(85)	4,732
Internal revenue	(3)	(44)	(2)	(36)	-	85	-
External revenue from continuing businesses	1,597	931	432	509	1,263	-	4,732
Businesses disposed	11	20	33	-	-	-	64
Revenue from external customers	1,608	951	465	509	1,263	-	4,796
Adjusted operating profit from continuing businesses	93	87	9	44	144	(18)	359
Share of profit after tax from joint ventures and associates	2	(2)	3	3	-	-	6
Businesses disposed	1	4	-	-	-	-	5
Adjusted operating profit	96	89	12	47	144	(18)	370
Amortisation of non-operating intangibles	(12)	(17)	-	(9)	-	-	(38)
Profits less losses on disposal of non-current assets	4	-	-	-	-	-	4
Profits less losses on sale and closure of businesses	(10)	33	-	-	-	-	23
Profit before interest	78	105	12	38	144	(18)	359
Finance income						5	5
Finance expense						(42)	(42)
Other financial expense						(2)	(2)
Taxation						(74)	(74)
Profit for the period	78	105	12	38	144	(131)	246
Segment assets (excluding investments in joint ventures and associates)	2,527	2,720	270	1,387	1,788	88	8,780
Investments in joint ventures and associates	36	41	53	33	-	-	163
Segment assets	2,563	2,761	323	1,420	1,788	88	8,943
Cash and cash equivalents						431	431
Employee benefits assets						6	6
Deferred tax assets						168	168
Segment liabilities	(537)	(562)	(96)	(164)	(281)	(168)	(1,808)
Loans and overdrafts						(1,521)	(1,521)
Income tax						(122)	(122)
Deferred tax liabilities						(401)	(401)
Employee benefits liabilities						(120)	(120)
Net assets	2,026	2,199	227	1,256	1,507	(1,639)	5,576
Non-current asset additions	102	92	6	40	92	10	342
Depreciation	45	45	3	19	40	1	153
Amortisation	14	17	-	10	-	-	41

Geographical information	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	2,094	1,222	531	949	4,796
Segment assets	3,475	2,562	1,097	1,809	8,943
Non-current asset additions	98	118	13	113	342
Depreciation	76	33	16	28	153
Amortisation	6	20	9	6	41

1 Operating segments for the 53 weeks ended 18 September 2010

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	3,410	2,030	958	1,142	2,730	(172)	10,098
Internal revenue	(4)	(89)	(4)	(75)	-	172	-
External revenue from continuing businesses	3,406	1,941	954	1,067	2,730	-	10,098
Businesses disposed	17	19	33	-	-	-	69
Revenue from external customers	3,423	1,960	987	1,067	2,730	-	10,167
Adjusted operating profit from continuing businesses	229	242	23	96	341	(42)	889
Share of profit after tax from joint ventures and associates	-	(2)	10	8	-	-	16
Businesses disposed	-	4	-	-	-	-	4
Adjusted operating profit	229	244	33	104	341	(42)	909
Amortisation of non-operating intangibles	(26)	(33)	-	(22)	-	-	(81)
Profits less losses on disposal of non-current assets	12	(24)	3	(1)	-	1	(9)
Profits less losses on sale and closure of businesses	(7)	35	-	-	-	-	28
Profit before interest	208	222	36	81	341	(41)	847
Finance income						12	12
Finance expense						(88)	(88)
Other financial expense						(8)	(8)
Taxation						(194)	(194)
Profit for the period	208	222	36	81	341	(319)	569
Segment assets (excluding investments in joint ventures and associates)	2,555	2,454	227	1,354	1,892	122	8,604
Investments in joint ventures and associates	26	40	61	32	-	-	159
Segment assets	2,581	2,494	288	1,386	1,892	122	8,763
Cash and cash equivalents						345	345
Deferred tax assets						180	180
Segment liabilities	(566)	(402)	(91)	(184)	(342)	(149)	(1,734)
Loans and overdrafts						(1,161)	(1,161)
Income tax						(132)	(132)
Deferred tax liabilities						(418)	(418)
Employee benefits liabilities						(99)	(99)
Net assets	2,015	2,092	197	1,202	1,550	(1,312)	5,744
Non-current asset additions	251	171	10	81	214	12	739
Depreciation	98	84	7	32	102	1	324
Impairment of property, plant & equipment	-	13	-	1	-	-	14
Amortisation	32	34	-	23	-	-	89
Impairment of intangibles	-	10	-	-	-	-	10

Geographical information	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	4,444	2,514	1,137	2,072	10,167
Segment assets	3,344	2,629	1,043	1,747	8,763
Non-current asset additions	227	250	43	219	739
Depreciation	155	79	29	61	324
Impairment of property, plant & equipment	-	-	-	14	14
Amortisation	14	41	20	14	89
Impairment of intangibles	-	-	-	10	10

2. Profits less losses on sale and closure of businesses

In the preceding half year, a gain of £33m was realised on disposal of the group's Polish sugar business on 25 November 2009, and a provision of £10m was made for the closure of the group's abattoir operations in Queensland, Australia. In the preceding full year, the £28m profit comprised the same items as at the half year, together with a profit on the sale of some agricultural assets in South Africa.

3. Income tax expense

	24 weeks ended 5 March 2011	24 weeks ended 27 February 2010	53 weeks ended 18 September 2010
	£m	£m	£m
Current tax expense			
UK – corporation tax at 27.5%/28%/28%	**32**	26	92
Overseas – corporation tax	**28**	34	99
UK - under-provided in prior periods	**-**	-	1
Overseas – over-provided in prior periods	**-**	-	(11)
	60	60	181
Deferred tax expense			
UK	**4**	3	(8)
Overseas	**19**	11	14
Overseas – under-provided in prior periods	**-**	-	7
	23	14	13
Total income tax expense in income statement	**83**	74	194
Reconciliation of effective tax rate			
Profit before taxation	**319**	320	763
Less share of profit from joint ventures and associates	**(17)**	(6)	(16)
Profit before taxation excluding share of profit after tax from joint ventures and associates	**302**	314	747
Nominal tax charge at UK corporation tax rate of 27.5%/28%/28%	**83**	88	209
Lower tax rates on overseas earnings	**(12)**	(13)	(27)
Expenses not deductible for tax purposes	**12**	8	13
Gains not chargeable for tax purposes	**-**	(9)	-
Utilisation of losses	**-**	-	(6)
Deferred tax not recognised	**-**	-	8
Adjustments in respect of prior periods	**-**	-	(3)
	83	74	194
Income tax recognised directly in equity			
Deferred tax associated with defined benefit schemes	**37**	(2)	(3)
Deferred tax associated with movement in cash flow hedging position	**(8)**	9	11
Deferred tax associated with movements in foreign exchange	**1**	-	4
Current tax associated with movements in foreign exchange	**4**	-	4
	34	7	16

Following the enactment of legislation in the UK in 2010, the UK corporation tax rate was reduced from 28% to 27% with effect from 1 April 2011. The effective tax rate for the year ended 18 September 2010 included the impact of this reduction on the income statement of calculating UK deferred tax balances at that lower rate. This rate change for the year ended 18 September 2010 resulted in a £6m reduction in the tax charge in the income statement and a £1m increase in the tax charge in other comprehensive income. The then proposed future reductions in the UK tax rate to 24% were not yet reflected. For the 24 weeks ended 5 March 2011, the rate reduction from 28% to 27% was applied to the calculation of UK deferred tax balances and in arriving at the UK current tax rate applied in the period.

In the 2011 UK Budget, it was announced that the rate reduction to 27% will be further reduced to 26% with effect from 1 April 2011. This announcement was made subsequent to the end of the reporting period and has not therefore been reflected in the interim report for the 24 weeks ended 5 March 2011. The impact of this additional rate reduction on current and deferred tax will be reflected in the consolidated financial statements for the year ending 17 September 2011.

The UK Budget also announced proposals for the UK corporation tax rate to reduce by a further 1% each year for the following three years, falling to 23% with effect from 1 April 2014. These future rate reductions will be reflected as the relevant legislation becomes substantively enacted.

4. Earnings per ordinary share

	24 weeks ended 5 March 2011 pence	24 weeks ended 27 February 2010 pence	53 weeks ended 18 September 2010 pence
Adjusted earnings per share	**32.9**	30.5	72.2
Disposal of non-current assets	**0.3**	0.5	(1.1)
Sale and closure of businesses	**-**	2.9	3.6
Tax effect on above adjustments	**-**	0.2	-
Amortisation of non-operating intangibles	**(4.6)**	(4.8)	(10.3)
Tax credit on non-operating intangibles amortisation and goodwill	**1.4**	1.5	3.4
Non-controlling interests' share of amortisation of non-operating intangibles net of tax	**0.6**	0.8	1.5
Earnings per ordinary share	**30.6**	31.6	69.3

5. Dividends

	24 weeks ended 5 March 2011 Pence	24 weeks ended 27 February 2010 pence	53 weeks ended 18 September 2010 pence
Per share			
2009 final	**-**	14.10	14.10
2010 interim	**-**	-	7.60
2010 final	**16.20**	-	-
	16.20	14.10	21.70
Total	**£m**	£m	£m
2009 final	**-**	111	111
2010 interim	**-**	-	60
2010 final	**128**	-	-
	128	111	171

The 2010 final dividend of 16.2p per share was approved on 10 December 2010 and totalled £128m when paid on 14 January 2011. The 2011 interim dividend of 7.9p per share, total value of £62m, will be paid on 8 July 2011 to shareholders on the register on 10 June 2011.

6. Acquisitions and disposals

There were no acquisitions or disposals in the period. Cash flow on purchase of subsidiaries, joint ventures and associates in the cash flow statement of £6m comprised a £5m investment in Vivergo and £1m paid in respect of previous acquisitions. Cash flow on sale of subsidiaries, joint ventures and associates in the cash flow statement of £1m comprised additional cash received in respect of previous disposals.

7. Analysis of net debt

	At 18 September 2010 £m	Cash flow £m	Exchange adjustments £m	**At 5 March 2011 £m**
Cash at bank and in hand, cash equivalents and overdrafts	309	(37)	(2)	**270**
Short-term borrowings	(331)	(484)	(1)	**(816)**
Loans over one year	(794)	(31)	10	**(815)**
	(816)	(552)	7	**(1,361)**

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.

8. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Full details of the group's other related party relationships, transactions and balances are given in the group's financial statements for the 53 weeks ended 18 September 2010. There have been no material changes in these relationships in the 24 weeks ended 5 March 2011 or up to the date of this report.

No related party transactions have taken place in the first 24 weeks of the current financial year that have materially affected the financial position or the performance of the group during that period.

9. Basis of preparation

Associated British Foods plc ('the Company') is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company for the 24 weeks ended 5 March 2011 comprise those of the Company and its subsidiaries (together referred to as 'the group') and the group's interests in associates and jointly controlled entities.

The consolidated financial statements of the group for the 53 weeks ended 18 September 2010 are available upon request from the Company's registered office at 10 Grosvenor Street, London W1K 4QY or at www.abf.co.uk

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group for the 53 weeks ended 18 September 2010.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the 53 weeks ended 18 September 2010.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements. The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Operating Review. Page 44 of the 2010 Annual Report provides details of the group's policy on managing its financial and commodity risks.

The group has considerable financial resources, good access to debt markets, a diverse range of businesses and a wide geographic spread. It is therefore well placed to continue to manage business risks successfully despite the current economic uncertainty.

The 24 week period for the condensed consolidated interim financial statements of the Company means that the second half of the year is usually a 28 week period, and the two halves of the reporting year are therefore not of equal length. For the Retail segment, Christmas, falling in the first half of the year, is a particularly important trading period. For the Sugar segment, the balance sheet, and working capital in particular, is strongly influenced by seasonal growth patterns for both sugar beet and sugar cane, which vary significantly in the markets in which the group operates.

The condensed consolidated interim financial statements are unaudited but have been subject to an independent review by the auditors and were approved by the board of directors on 27 April 2011. They do not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The comparative figures for the 53 weeks ended 18 September 2010 have been abridged from the group's 2010 financial statements and are not the Company's statutory financial statements for that period. Those financial statements have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The interim results announcement has been prepared solely to provide additional information to shareholders as a body, to assess the group's strategies and the potential for those strategies to succeed. This interim results announcement should not be relied upon by any other party or for any other purpose.

10. Significant accounting policies

The accounting policies applied by the group in these condensed consolidated interim financial statements are substantially the same as those applied by the group in its consolidated financial statements for the 53 weeks ended 18 September 2010. Whilst there have been a number of minor changes to standards which become applicable for the year ending 17 September 2011, none have been assessed as having a significant impact on the group.

CAUTIONARY STATEMENTS

This interim results announcement contains forward-looking statements. These have been made by the directors in good faith based on the information available to them up to the time of their approval of this report. The directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

There are a number of potential risks and uncertainties which could have a material impact on the group's performance over the remainder of the financial year and could cause actual results to differ materially from expected and historical results. These include, but are not limited to, competitor activity and competition risk, commercial relationships with customers and suppliers, changes in foreign exchange rates and commodity prices. Details of the key risks facing the group's businesses at an operational level are included on pages 42 to 44 of the group's statutory financial statements for the 53 weeks ended 18 September 2010, as part of the corporate governance report. Details of further potential risks and uncertainties arising since the issue of the previous statutory financial statements are included within the Chairman's statement and the operating review as appropriate.

RESPONSIBILITY STATEMENT

The interim results announcement complies with the Disclosure and Transparency Rules ("the DTR") of the Financial Services Authority in respect of the requirement to produce a half yearly financial report.

The directors confirm that to the best of their knowledge:

- this financial information has been prepared in accordance with IAS 34 as adopted by the EU;
- this interim results announcement includes a fair review of the important events during the first half and their impact on the financial information, and a description of the principal risks and uncertainties for the remaining half of the year as required by DTR 4.2.7R; and
- this interim results announcement includes a fair review of the disclosure of related party transactions and changes therein as required by DTR 4.2.8R.

George Weston	John Bason	Charles Sinclair
Chief Executive	Finance Director	Chairman
27 April 2011	27 April 2011	27 April 2011

On behalf of the board

Independent review report to Associated British Foods plc

Introduction
We have been engaged by the Company to review the condensed set of financial statements in the interim results announcement for the 24 weeks ended 5 March 2011 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the interim results announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities
The interim results announcement is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results announcement in accordance with the DTR of the UK FSA.

The annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this interim results announcement has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim results announcement based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim results announcement for the 24 weeks ended 5 March 2011 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Stephen Oxley
for and on behalf of KPMG Audit Plc
Chartered Accountants
15 Canada Square
London, E14 5GL

27 April 2011