INTERIM RESULTS 2013

Associated British Foods plc

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ASSOCIATED BRITISH FOODS IS A DIVERSIFIED INTERNATIONAL FOOD, INGREDIENTS AND RETAIL GROUP WITH SALES OF £12.3BN, AND 106,000 EMPLOYEES IN 47 COUNTRIES.

WE AIM TO ACHIEVE STRONG, SUSTAINABLE LEADERSHIP POSITIONS IN MARKETS THAT OFFER POTENTIAL FOR PROFITABLE GROWTH, AND DELIVER QUALITY PRODUCTS AND SERVICES THAT ARE CENTRAL TO PEOPLE'S LIVES.

FINANCIAL HIGHLIGHTS

Group revenue
£6,333m
Up 10%

Adjusted operating profit*
£496m
Up 20%

Adjusted profit before tax*
£452m
Up 25%

Adjusted earnings per share*
41.9p
Up 22%

Dividend per share
9.35p
Up 10%

Net capital investment
£334m

Net debt
£1,337m

Operating profit
£459m
Up 21%

Profit before tax
£415m
Up 26%

Basic earnings per share
38.9p
Up 23%

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

OUR GROUP AT A GLANCE

THE GROUP OPERATES THROUGH FIVE STRATEGIC BUSINESS SEGMENTS: SUGAR; AGRICULTURE; GROCERY; INGREDIENTS; AND RETAIL.

SUGAR

21%
of total revenue

Revenue
£1,323m (2012, £1,203m)

Adjusted operating profit
£163m (2012, £172m)

AGRICULTURE

10%
of total revenue

Revenue
£641m (2012, £597m)

Adjusted operating profit
£20m (2012, £16m)

GROCERY

29%
of total revenue

Revenue
£1,832m (2012, £1,813m)

Adjusted operating profit
£97m (2012, £75m)

INGREDIENTS

8%
of total revenue

Revenue
£540m (2012, £538m)

Adjusted operating profit
£2m (2012, £18m)

RETAIL

32%
of total revenue

Revenue
£1,997m (2012, £1,615m)

Adjusted operating profit
£238m (2012, £154m)

CHAIRMAN'S STATEMENT

THIS IS AN EXCELLENT SET OF RESULTS WITH ADJUSTED OPERATING PROFIT UP 20%, A STRONGER CASH FLOW AND A YEAR-ON-YEAR REDUCTION IN NET DEBT.

Charles Sinclair
Chairman

I am pleased to report an excellent set of interim results for the group which exceeded our expectations at the start of the year. This outperformance was driven by very strong trading by Primark. Our food businesses remained on track with a much improved result from Grocery, a big increase for Agriculture and some stabilisation in underlying trading at Ingredients. After last year's record performance from Sugar, the result this half year proved to be resilient.

Revenue in the first half grew by 10% and adjusted operating profit increased by 20%. Net financing costs in the period were lower than last year's first half, resulting from the lower level of net borrowings and a strong first half cash flow. The underlying tax rate of 25.7% was little changed from that reported last half year. Adjusted earnings were 22% ahead at 41.9p per share.

Our Sugar businesses delivered an underlying profit increase this year. The weather-related challenges faced by the European operations are being well managed and Illovo has made good progress with a record production in Zambia following our recent factory investment. The current EU sugar regime is in place until October 2015 and although, in October 2011, the European Commission proposed the abolition of internal sugar quotas in 2015, the European Council and European Parliament have recently proposed extensions of existing quota arrangements to 2017 and 2020 respectively. A three-way negotiation process is now under way and an agreement, acceptable to all parties, is expected in the late summer. Much lower sugar prices in China resulted in these operations making losses in the period. We are working hard to reduce costs and have mothballed our two smallest beet sugar factories in the region. A non-cash charge has been taken to write down the carrying value of the associated assets.

The Primark success story continues. Trading in the period was very strong, the profit margin was much improved, customers in continental Europe have taken enthusiastically to the Primark brand and there is very real momentum in the addition of selling space. Encouraged by this success, capital investment will continue.

Grocery profit improved substantially and benefited from the non-recurrence of restructuring costs taken last year. Twinings Ovaltine and our UK and US businesses performed well. Although George Weston Foods in Australia has some way to go to achieve an acceptable level of profitability, the emergence of positive signs in this period is encouraging. Agriculture again delivered a strong result with a good performance from UK feeds and a further demonstration of its successful focus on the value adding areas of the business. The headline profit at Ingredients includes the one-time cost for restructuring our European dry yeast capacity but on an underlying basis the performance was in line with last year.

For the second successive year, the cash outflow before funding in the first half was lower than the prior year with the benefit of the higher profit and a lower working capital outflow. Capital expenditure, including new stores and extensions for Primark, was in line with last year. Payment of deferred consideration on the acquisitions of the Jordans and Patak's businesses, net of a deferred receipt on the disposal of our former sugar business in Poland, resulted in an outflow of £30m in the period. The increased level of profit led to an increase in tax payments, with £109m paid in the first half of which £67m was paid in the UK compared with £42m last year. The recent weakening of sterling, particularly against the US dollar, increased net debt since last year end by £57m when foreign currency borrowings were translated into sterling at the half year. Net debt nevertheless fell by £255m from last half year to £1,337m at the period end.

GIVEN THIS STRONG FIRST HALF PERFORMANCE AND SOME MODEST EARNINGS GROWTH IN THE SECOND HALF, WE EXPECT TO MAKE GOOD PROGRESS FOR THE FINANCIAL YEAR.

On 5 March we repaid US$120m of the private placement financing which carried a coupon of 6.3%, and in July the £150m British Sugar 10¾% debenture will be redeemed, both of which will substantially reduce the group's future average cost of borrowing. There is no immediate need to replace this financing as the headroom between the group's borrowing facilities and projected levels of net debt is more than sufficient to meet the needs of the business for the foreseeable future.

Dividends

As previously indicated, the profit improvement in this financial year is expected to be weighted towards the first half. Accordingly the board has decided to declare an interim dividend of 9.35p, an increase of 10% on last year. The dividend will be paid on 5 July 2013 to shareholders registered at the close of business on 7 June 2013.

Outlook

Low growth looks set to remain a feature of the developed economies in which we operate. With this in mind we remain focused on delivering operating efficiencies and maximising the return on investments made by the group over recent years. We continue to pursue growth opportunities in developing markets. For the full year we expect strong profit growth from Primark, although not at the same level of the first half which had the remaining benefit of lower cotton prices, and we also expect an improvement in Grocery. These will more than offset a reduction in profit from Sugar as a result of lower EU production and lower prices in China. Given this strong first half performance and some modest earnings growth in the second half, we expect to make good progress for the financial year.

Charles Sinclair
Chairman
23 April 2013

WE ARE COMMITTED TO THE LONG-TERM DEVELOPMENT OF OUR BUSINESSES THROUGH INVESTMENT. THESE RESULTS HAVE BEEN ACHIEVED THROUGH A FOCUS ON GENERATING GOOD RETURNS FROM THE INVESTMENTS WE HAVE MADE IN RECENT YEARS.

George Weston
Chief Executive

Group revenues increased by 10% to £6,333m and adjusted operating profit was 20% ahead of last year at £496m. Average exchange rates were similar to last year in all major currencies resulting in no material translation effects in these results. The first half was notable for the exceptional trading from Primark achieved during a difficult time for many retailers on European high streets. This was a testament to the strong management team at Primark and a very successful seasonal range. I am also pleased with the on-target performance by George Weston Foods in Australia, following a protracted period of operational and commercial difficulties, and with the early progress made by the new team at AB Mauri.

The operating profit achieved by AB Sugar in the last financial year was a consequence of careful investment together with higher production volumes and prices in the regions where we operate. However, we have already seen much lower prices in China this year and expect pressure in the EU and some countries in Africa. Our focus is on improving efficiency, reducing cost and selectively increasing capacity and downstream capability to mitigate the effects on operating profit of margin reduction from lower prices.

Primark's expansion in continental Europe is proving to be very successful and the prospects for further growth are exciting. We are actively searching for appropriate locations in all the countries where we operate and in the next financial year we will open our first stores in France. Primark's margin in the first half benefited from an ideal combination of lower cotton prices, better exchange rates and lower markdowns. With a strengthening US dollar we expect to see some pressure on margins in the next financial year.

The consumer food industry in developed countries faces the continuing challenge of consumers seeking more value as their disposable incomes are squeezed. Our Grocery businesses have performed well in this environment and look set for further growth. Allied Bakeries continued its capital investment to reduce its cost base. The management team at George Weston Foods has made considerable progress with improvements in profitability in both Tip Top bread and the Don KRC meat business. Both businesses benefited from the restructuring undertaken last year.

We have focused on achieving good returns from the investments we have made over recent years, and have paid close attention to the management of working capital. The benefits of this are evident in the stronger cash flow, the year-on-year reduction in net debt and a higher return on capital employed.

SUGAR

Revenue

£1,323m (2012: £1,203m)

Adjusted operating profit

£163m (2012: £172m)

Sugar revenues increased by 10% in the first half benefiting from comparison with weaker volumes at the beginning of the prior period in the UK and south China. Operating profit was lower than last year with an improvement at Illovo more than offset by a deterioration in China trading together with a non-cash charge for the mothballing of our two smallest beet sugar factories in north China.

UK revenues were ahead of last year, driven by higher volumes at the beginning of the financial year than the abnormally low level achieved last year. Poor growing conditions during 2012 resulted in a lower beet yield and sugar recovery. As a consequence, this year's UK campaign started later and factory throughput was lower to allow for a slower filtration process. Sugar production for the current year is now estimated to be 1.15 million tonnes compared with last year's 1.32 million tonnes. The Vivergo bioethanol plant in Hull is now operational, with full production expected during the summer.

In Spain, delayed planting in the south is expected to reduce the size of the southern crop and heavy rains extended the campaign in the north into April, consequently delaying planting for the new season. We expect to produce 393,000 tonnes of beet sugar, compared with 468,000 tonnes last year, the Guadalete refinery is expected to produce 222,000 tonnes of refined cane sugar and a further 94,000 tonnes of co-refined cane sugar will be produced at the northern beet plants. Sales revenues in the first half were lower than last year.

Our EU sugar profits for the full year are expected to be lower than last year as a consequence of lower production volumes in the UK and Spain, and higher beet costs.

The Chairman refers to the political discussions surrounding proposals for further reform of the EU sugar regime. In the meantime recent tenders have seen some reduction in import duties payable.

Revenue and profit at Illovo benefited from higher production volumes with increased cane yields and sugar content, particularly in South Africa. Campaigns were extended in Zambia and Swaziland where the recently expanded plants operated well. Sugar production for the season ended March 2013 was 1.75 million tonnes, compared with 1.53 million tonnes last year. With South Africa and Zambia both carrying cane over into the new season, Illovo intends to commence the new campaign as soon as practicable in order to maximise factory throughput. Work on the new sugar warehouse in South Africa has finished and it is now operational. The new potable alcohol distillery at Kilombero in Tanzania is expected to be commissioned this summer.

Sales volumes in China were unusually low in the prior period and as a result, revenues in this first half were ahead despite much lower prices. A larger cane crop is expected to increase southern sugar production volumes for the full year to 484,000 tonnes compared with last year's 405,000 tonnes. Sugar production in the north is expected to be marginally behind last year's 287,000 tonnes at 277,000 tonnes, and the new Zhangbei factory was fully commissioned in time for the new season. As a result of much lower sugar prices our operations in China will be loss-making this year. It is anticipated that sugar prices will continue at this level for some time and we have sought to reduce our cost base. At the end of this campaign the small beet factories at Wangkui and Baolongshan have been mothballed and a non-cash charge of £22m has been taken in the period to write down the value of the associated assets.

AGRICULTURE

Revenue

£641m (2012: £597m)

Adjusted operating profit

£20m (2012: £16m)

Revenue in the first half was 7% ahead of last year, driven mainly by the increased cost of commodities. Some improvement in operating costs led to firmer margins and another good performance from Frontier advanced operating profit by 25%.

With limited alternatives available to farmers, demand for sugar beet feed in the UK was high in the period but sales for the rest of the year will be constrained by the smaller UK beet crop. Premier Nutrition traded well in the UK and, with continuing investment in Asia and Central and Eastern Europe, also achieved good sales growth in this region. A number of manufacturing efficiency projects are nearing completion, and our highly automated production facility at Rugeley, designed to provide increased assurance over feed safety, is now operational. AB Vista's feed enzyme business continued to make good progress, particularly in North America, supported by the success of the recently launched Quantum Blue phytase.

Frontier traded at similar levels to last year. The supply of grain in the UK has been poor, and of variable quality, leading to a higher volume of wheat imports which increased the complexity and cost of the UK cereal supply chain. Wet autumn conditions lowered wheat plantings to 70% of normal levels, reducing the demand for fertiliser and crop protection products, although volumes are expected to pick up as spring planting resumes.

China revenues fell short of last year with lower demand for pig and poultry feed. However, good growth was achieved in co-products driven by strong sugar beet feed volumes and the development of new products for the feed ingredients market. Good raw material procurement underpinned profit delivery.

GROCERY

Revenue

£1,832m (2012: £1,813m)

Adjusted operating profit

£97m (2012: £75m)

Grocery revenue increased by 1% to £1,832m and profit improved substantially to £97m benefiting from the non-recurrence of restructuring costs in George Weston Foods in Australia and Allied Bakeries.

Twinings Ovaltine again performed well with some good market share gains. Twinings sales in the UK were well ahead of last year with continued success for the 'gets you back to you' television advertising campaign and the launch of new tea infusions. Tea sales were strong in the US where growth was driven by the K-cup dispenser format and redesigned packaging which gave greater prominence to the brand on shelf. Production efficiencies at the new tea factory in Poland and cost reduction initiatives in the Ovaltine plant in Switzerland drove further improvement in operating profit.

The UK bread market remains highly competitive. The worst UK harvest of recent years resulted in low volumes of wheat which was also of inferior quality but Allied Bakeries continued to produce high-quality bread and recovered the higher cost. Further expansion of the Kingsmill brand was achieved with the launch of 50/50 Bagels and a 50/50 Little Big Loaf. Kingsmill also launched a Fruit & Fibre breakfast range of bread, muffins and bagels in the period and new products were introduced under the Allinson and Burgen ranges. The new bread plant at Stockport has been operational since September and this summer will see the commissioning of Allied Bakeries' largest plant, with a capacity of 10,000 loaves an hour, at Walthamstow. Work has also commenced at West Bromwich to replace two smaller production lines with a new bread plant which is expected to be operational by the end of the calendar year.

Silver Spoon remains the leading retail sugar brand although the intensely competitive marketplace adversely affected volumes and margins. We continued to invest in Billington's, now the leading brand of unrefined baking sugars, and Truvia, the stevia-based, zero calorie sweetener which is the clear market leader in this new category. A stevia/sugar blend for baking and a new tablet format were launched in the period supported by television advertising. The Allinson range of culinary flours continued to grow strongly but the increase in wheat costs had an adverse impact on margins. Ryvita performed well in the UK with particularly strong growth for Thins, benefiting from the addition of a new flavour variant, and the wider distribution of Rustic Bakes which were launched last year. Jordans also had a good first half with growth in Country Crisp and Granola, both of which benefited from new product launches.

Westmill grew volumes in the period with share gains for its two key catering brands, Lucky Boat noodles and Patak's. In September 2012 the acquisition of Elephant chapatti flour and associated ethnic flour brands received competition clearance, and commercial and logistics activities were successfully transferred by the end of November. AB World Foods achieved good growth in Blue Dragon, the UK's largest oriental ambient brand following last year's relaunch, and Patak's both in the UK, where it was supported by a high level of promotion, and internationally.

Trading at George Weston Foods in Australia met expectations in the first half. Total revenue in the period was in line with last year and profitability was significantly improved with the non-recurrence of last year's restructuring costs. Price increases were secured for Tip Top bread but the market continued to be difficult with a high level of in-store bakery promotions. The bakery business continued to make good progress with cost reduction programmes continuing to offset inflationary pressure. Progress was also made in the Don KRC meat business where production and sales volumes were higher and cost control and customer service were both improved.

Revenue and operating profit at ACH were ahead of last year. Some recovery in the US baking sector and improvements in operational efficiency more than offset commodity cost increases to drive an improved performance for baking. Investment in new products and marketing expenditure in the first half was higher than last year which contributed to sales growth, particularly in Canada. In Mexico, Capullo, our premium oil brand was relaunched last year and, with increased marketing support, was better positioned to meet the challenges of a competitive market.

INGREDIENTS

Revenue

£540m (2012: £538m)

Adjusted operating profit

£2m (2012: £18m)

Revenue and underlying operating profit in the first half were in line with last year. Following the successful start-up of the new Mexican yeast plant, a provision of £15m has been made to cover the expected cost of restructuring our European dry yeast capacity.

Following the difficulties experienced by the yeast business last year, the performance this period has seen some stabilisation although markets remain very competitive. A solid performance in Hispano-America drove revenue growth across all product categories and a focus on operational efficiencies throughout the region mitigated the effect of high inflation in Argentina and Venezuela. In Brazil, raw material price instability and competitor activity made trading conditions difficult and severely impacted margins. However, recent increases in selling prices are expected to lead to a better second half result, particularly in bakery ingredients.

In the US, the difficulties faced by the country's third largest plant bakery business will continue to have an impact on our business in the short term.

Commissioning of the new yeast plant in Veracruz, Mexico progressed according to plan and domestic fresh yeast sales began in March. Dry yeast commissioning will be under way shortly with commercial production expected during the summer. Expansion of the business across the Middle East and Africa saw the opening of a new regional office in Dubai in March, and bakery ingredients production at the new factory in Cordoba, Spain commenced in October. Supply of yeast to the Vivergo bioethanol plant has now commenced and volumes will increase as production builds.

Yeast quality and productivity in China improved and there was some reduction in molasses costs. Domestic volumes were level with last year and there was strong demand for dry yeast exports. Commissioning of the new fresh yeast plant in Yantai and the recently expanded dry yeast capacity at Xinjiang were both completed in the period.

At ABF Ingredients, further growth was achieved in bakery, feed and speciality enzymes, driven by new products launched last year. The growth achieved by enzymes since the factory in Finland was expanded in 2009 has resulted in this factory reaching full capacity and further expansion is now being planned. In the US, strong dairy markets contributed to good results in whey proteins and lactose, and sales of extruded grain products were well ahead of last year. Responding to increased demand for extruded ingredients and specialty animal feeds, a new cereal extrusions factory is under construction at Evansville, Indiana in the US which is on track to be operational at the end of the summer. Operations at the new yeast extracts plant in China continued to make good progress.

RETAIL

Revenue

£1,997m (2012: £1,615m)

Adjusted operating profit

£238m (2012: £154m)

The performance from Primark in the first half was exceptionally strong. Sales were 24% ahead of the same period last year including 7% like-for-like growth, a substantial expansion of retail selling space and superior sales densities in the larger new stores. The like-for-like growth benefited particularly from comparison with weak sales during the unseasonably warm autumn of 2011. Trading over the Christmas period was good but has been weaker during the prolonged period of cold weather since the New Year. Trading in our stores in northern continental Europe: Germany, the Netherlands, Belgium and Austria, was particularly strong during the period. Like-for-like growth in Spain was held back in the short term by the large number of recent store openings there.

Operating profit margin was much higher than in the same period last year, reflecting the benefit of lower cotton prices, a weaker US dollar and lower markdowns as a result of better trading. No further margin improvement from lower cotton prices is expected in the second half. Although dollar-denominated garment purchases for the balance of this financial year are already committed and the related currency exposure is covered, the recent strengthening of the US dollar against both sterling and the euro can be expected to put pressure on margins for the forthcoming autumn and winter ranges.

This was an extremely active period for new store openings. Retail selling space increased by 0.7 million sq ft since the last financial year end, and by 1.0 million sq ft, or 13%, since the 2012 half year. At 2 March 2013, we were trading from 257 stores and 8.9 million sq ft of selling space. We opened 15 new stores in the period including six in Spain and four in the UK including our second store on London's Oxford Street, with 82,000 sq ft of selling space. Two new stores were opened in Germany including one in Frankfurt's Zeil, one of the country's premier shopping locations. We opened our first two stores in Austria and a further store in the Netherlands. We also relocated our store in Sunderland to a larger site, and completed the refurbishment and extension of our flagship store on Mary Street in Dublin. Capital expenditure of £136m in the first half was in line with last year.

This pace of store openings will not continue for the remainder of this financial year. We expect to add a further 100,000 sq ft of space this year mainly comprising the completion of extensions to our Newcastle and Manchester stores. Expenditure on new stores and refits for the full year is expected to be at a similar level to last year. New store openings will accelerate early next year including our first steps into France.

George Weston
Chief Executive

CONDENSED CONSOLIDATED INCOME STATEMENT

Continuing operations	Note	**24 weeks ended 2 March 2013 £m**	24 weeks ended 3 March 2012 £m	52 weeks ended 15 September 2012 £m
Revenue	1	**6,333**	5,766	12,252
Operating costs		**(5,879)**	(5,402)	(11,302)
Exceptional items		**–**	–	(98)
		454	364	852
Share of profit after tax from joint ventures and associates		**5**	13	27
Profits less losses on disposal of non-current assets		**–**	1	(6)
Operating profit		**459**	378	873
Adjusted operating profit	1	**496**	412	1,077
Profits less losses on disposal of non-current assets		**–**	1	(6)
Amortisation of non-operating intangibles		**(37)**	(35)	(100)
Exceptional items		**–**	–	(98)
Profits less losses on sale and closure of businesses		**–**	–	(9)
Profit before interest		**459**	378	864
Finance income		**6**	5	9
Finance expense		**(49)**	(53)	(114)
Other financial (expense)/income		**(1)**	(1)	2
Profit before taxation		**415**	329	761
Adjusted profit before taxation		**452**	363	974
Profits less losses on disposal of non-current assets		**–**	1	(6)
Amortisation of non-operating intangibles		**(37)**	(35)	(100)
Exceptional items		**–**	–	(98)
Profits less losses on sale and closure of businesses		**–**	–	(9)
Taxation – UK		**(56)**	(40)	(91)
– Overseas (excluding tax on exceptional items)		**(50)**	(45)	(116)
– Overseas (on exceptional items)		**–**	–	29
	3	**(106)**	(85)	(178)
Profit for the period		**309**	244	583
Attributable to				
Equity shareholders		**307**	250	555
Non-controlling interests		**2**	(6)	28
Profit for the period		**309**	244	583
Basic and diluted earnings per ordinary share (pence)	4	**38.9**	31.7	70.3
Dividends per share paid and proposed for the period (pence)	5	**9.35**	8.5	28.5

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	24 weeks ended 2 March 2013 £m	24 weeks ended 3 March 2012 £m	52 weeks ended 15 September 2012 £m
Profit for the period recognised in the income statement	**309**	244	583
Other comprehensive income			
Actuarial losses on defined benefit schemes	**(121)**	(21)	(99)
Deferred tax associated with defined benefit schemes	**28**	6	23
Items that will not be reclassified to profit or loss	**(93)**	(15)	(76)
Effect of movements in foreign exchange	**247**	(33)	(241)
Net (loss)/gain on hedge of net investment in foreign subsidiaries	**(57)**	3	11
Deferred tax associated with movements in foreign exchange	**1**	–	3
Current tax associated with movements in foreign exchange	**–**	(1)	(4)
Movement in cash flow hedging position	**24**	(3)	(21)
Deferred tax associated with movement in cash flow hedging position	**(5)**	1	4
Share of other comprehensive income of joint ventures and associates	**2**	(2)	–
Items that are or may be subsequently reclassified to profit or loss	**212**	(35)	(248)
Other comprehensive income for the period	**119**	(50)	(324)
Total comprehensive income for the period	**428**	194	259
Attributable to			
Equity shareholders	**436**	208	281
Non-controlling interests	**(8)**	(14)	(22)
Total comprehensive income for the period	**428**	194	259

CONDENSED CONSOLIDATED BALANCE SHEET

	2 March 2013 £m	3 March 2012 £m	15 September 2012 £m
Non-current assets			
Intangible assets	**1,771**	1,850	1,769
Property, plant and equipment	**4,779**	4,546	4,541
Biological assets	**92**	100	89
Investments in joint ventures	**184**	166	174
Investments in associates	**39**	43	40
Employee benefits assets	**2**	19	18
Deferred tax assets	**210**	174	189
Other receivables	**154**	191	151
Total non-current assets	**7,231**	7,089	6,971
Current assets			
Inventories	**1,795**	1,727	1,500
Biological assets	**115**	114	109
Trade and other receivables	**1,403**	1,312	1,236
Derivative assets	**40**	30	33
Cash and cash equivalents	**218**	310	391
Total current assets	**3,571**	3,493	3,269
Total assets	**10,802**	10,582	10,240
Current liabilities			
Loans and overdrafts	**(601)**	(979)	(538)
Trade and other payables	**(1,923)**	(1,665)	(1,752)
Derivative liabilities	**(31)**	(14)	(50)
Income tax	**(132)**	(140)	(150)
Provisions	**(63)**	(94)	(98)
Total current liabilities	**(2,750)**	(2,892)	(2,588)
Non-current liabilities			
Loans	**(954)**	(923)	(914)
Provisions	**(29)**	(36)	(38)
Deferred tax liabilities	**(361)**	(428)	(366)
Employee benefits liabilities	**(221)**	(76)	(113)
Total non-current liabilities	**(1,565)**	(1,463)	(1,431)
Total liabilities	**(4,315)**	(4,355)	(4,019)
Net assets	**6,487**	6,227	6,221
Equity			
Issued capital	**45**	45	45
Other reserves	**175**	175	175
Translation reserve	**732**	689	532
Hedging reserve	**2**	(1)	(17)
Retained earnings	**5,165**	4,919	5,099
Total equity attributable to equity shareholders	**6,119**	5,827	5,834
Non-controlling interests	**368**	400	387
Total equity	**6,487**	6,227	6,221

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Note	**24 weeks ended 2 March 2013 £m**	24 weeks ended 3 March 2012 £m	52 weeks ended 15 September 2012 £m
Cash flow from operating activities				
Profit before taxation		**415**	329	761
Profits less losses on disposal of non-current assets		**–**	(1)	6
Profits less losses on sale and closure of businesses		**–**	–	9
Finance income		**(6)**	(5)	(9)
Finance expense		**49**	53	114
Other financial expense/(income)		**1**	1	(2)
Share of profit after tax from joint ventures and associates		**(5)**	(13)	(27)
Amortisation		**54**	44	122
Depreciation		**197**	173	394
Impairment of property, plant and equipment		**8**	–	92
Impairment of operating intangibles		**4**	–	6
Impairment of goodwill		**10**	–	–
Net change in the fair value of biological assets		**(21)**	(8)	(28)
Share-based payment expense		**6**	4	8
Pension costs less contributions		**(2)**	(4)	(38)
Increase in inventories		**(239)**	(320)	(125)
(Increase)/decrease in receivables		**(128)**	(35)	3
Increase in payables		**116**	47	165
Purchases less sales of current biological assets		**–**	(1)	(3)
Decrease in provisions		**–**	(11)	(17)
Cash generated from operations		**459**	253	1,431
Income taxes paid		**(109)**	(70)	(191)
Net cash from operating activities		**350**	183	1,240
Cash flows from investing activities				
Dividends received from joint ventures and associates		**4**	4	11
Purchase of property, plant and equipment		**(323)**	(316)	(700)
Purchase of intangibles		**(12)**	(10)	(13)
Purchase of non-current biological assets		**(1)**	–	(1)
Sale of property, plant and equipment		**1**	–	6
Purchase of subsidiaries, joint ventures and associates		**(43)**	(5)	(45)
Sale of subsidiaries, joint ventures and associates		**13**	–	2
Loans to joint ventures		**(4)**	4	24
Purchase of non-controlling interests		**(1)**	(1)	–
Interest received		**5**	5	10
Net cash from investing activities		**(361)**	(319)	(706)
Cash flows from financing activities				
Dividends paid to non-controlling interests		**(11)**	(13)	(23)
Dividends paid to equity shareholders	5	**(158)**	(133)	(200)
Interest paid		**(39)**	(38)	(108)
Financing:				
Increase/(decrease) in short-term loans		**86**	237	(279)
(Decrease)/increase in long-term loans		**(12)**	37	44
Sale of shares in subsidiary undertakings to non-controlling interests		**–**	–	4
Net cash from financing activities		**(134)**	90	(562)
Net decrease in cash and cash equivalents		**(145)**	(46)	(28)
Cash and cash equivalents at the beginning of the period		**245**	291	291
Effect of movements in foreign exchange		**10**	(4)	(18)
Cash and cash equivalents at the end of the period	7	**110**	241	245

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	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 15 September 2012		45	175	532	(17)	5,099	5,834	387	6,221
Total comprehensive income									
Profit for the period recognised in the income statement		–	–	–	–	307	307	2	309
Actuarial losses on defined benefit schemes		–	–	–	–	(121)	(121)	–	(121)
Deferred tax associated with defined benefit schemes		–	–	–	–	28	28	–	28
Items that will not be reclassified to profit or loss		–	–	–	–	(93)	(93)	–	(93)
Effect of movements in foreign exchange		–	–	250	–	–	250	(3)	247
Net loss on hedge of net investment in foreign subsidiaries		–	–	(50)	–	–	(50)	(7)	(57)
Deferred tax associated with movements in foreign exchange		–	–	–	–	1	1	–	1
Movement in cash flow hedging position		–	–	–	24	–	24	–	24
Deferred tax associated with movement in cash flow hedging position		–	–	–	(5)	–	(5)	–	(5)
Share of other comprehensive income of joint ventures and associates		–	–	–	–	2	2	–	2
Items that are or may be subsequently reclassified to profit or loss		–	–	200	19	3	222	(10)	212
Other comprehensive income		–	–	200	19	(90)	129	(10)	119
Total comprehensive income		–	–	200	19	217	436	(8)	428
Transactions with owners									
Dividends paid to equity shareholders	5	–	–	–	–	(158)	(158)	–	(158)
Net movement in own shares held		–	–	–	–	7	7	–	7
Dividends paid to non-controlling interests		–	–	–	–	–	–	(11)	(11)
Total transactions with owners		–	–	–	–	(151)	(151)	(11)	(162)
Balance as at 2 March 2013		45	175	732	2	5,165	6,119	368	6,487
Balance as at 17 September 2011		45	175	712	–	4,816	5,748	427	6,175
Total comprehensive income									
Profit for the period recognised in the income statement		–	–	–	–	250	250	(6)	244
Actuarial losses on defined benefit schemes		–	–	–	–	(21)	(21)	–	(21)
Deferred tax associated with defined benefit schemes		–	–	–	–	6	6	–	6
Items that will not be reclassified to profit or loss		–	–	–	–	(15)	(15)	–	(15)
Effect of movements in foreign exchange		–	–	(26)	–	–	(26)	(7)	(33)
Net gain on hedge of net investment in foreign subsidiaries		–	–	3	–	–	3	–	3
Current tax associated with movements in foreign exchange		–	–	–	–	(1)	(1)	–	(1)
Movement in cash flow hedging position		–	–	–	(2)	–	(2)	(1)	(3)
Deferred tax associated with movement in cash flow hedging position		–	–	–	1	–	1	–	1
Share of other comprehensive income of joint ventures and associates		–	–	–	–	(2)	(2)	–	(2)
Items that are or may be subsequently reclassified to profit or loss		–	–	(23)	(1)	(3)	(27)	(8)	(35)
Other comprehensive income		–	–	(23)	(1)	(18)	(42)	(8)	(50)
Total comprehensive income		–	–	(23)	(1)	232	208	(14)	194
Transactions with owners									
Dividends paid to equity shareholders	5	–	–	–	–	(133)	(133)	–	(133)
Net movement in own shares held		–	–	–	–	4	4	–	4
Dividends paid to non-controlling interests		–	–	–	–	–	–	(13)	(13)
Total transactions with owners		–	–	–	–	(129)	(129)	(13)	(142)
Balance as at 3 March 2012		45	175	689	(1)	4,919	5,827	400	6,227

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CONTINUED

		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 17 September 2011		45	175	712	–	4,816	5,748	427	6,175
Total comprehensive income									
Profit for the period recognised in the income statement		–	–	–	–	555	555	28	583
Actuarial losses on defined benefit schemes		–	–	–	–	(99)	(99)	–	(99)
Deferred tax associated with defined benefit schemes		–	–	–	–	23	23	–	23
Items that will not be reclassified to profit or loss		–	–	–	–	(76)	(76)	–	(76)
Effect of movements in foreign exchange		–	–	(192)	–	–	(192)	(49)	(241)
Net gain/(loss) on hedge of net investment in foreign subsidiaries		–	–	12	–	–	12	(1)	11
Deferred tax associated with movements in foreign exchange		–	–	–	–	3	3	–	3
Current tax associated with movements in foreign exchange		–	–	–	–	(4)	(4)	–	(4)
Movement in cash flow hedging position		–	–	–	(21)	–	(21)	–	(21)
Deferred tax associated with movement in cash flow hedging position		–	–	–	4	–	4	–	4
Items that are or may be subsequently reclassified to profit or loss		–	–	(180)	(17)	(1)	(198)	(50)	(248)
Other comprehensive income		–	–	(180)	(17)	(77)	(274)	(50)	(324)
Total comprehensive income		–	–	(180)	(17)	478	281	(22)	259
Transactions with owners									
Dividends paid to equity shareholders	5	–	–	–	–	(200)	(200)	–	(200)
Net movement in own shares held		–	–	–	–	8	8	–	8
Deferred tax associated with share-based payments		–	–	–	–	(2)	(2)	–	(2)
Dividends paid to non-controlling interests		–	–	–	–	–	–	(23)	(23)
Changes in ownership of subsidiaries		–	–	–	–	(1)	(1)	5	4
Total transactions with owners		–	–	–	–	(195)	(195)	(18)	(213)
Balance as at 15 September 2012		45	175	532	(17)	5,099	5,834	387	6,221

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, derivative 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 and 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 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		
	24 weeks ended 2 March 2013 £m	24 weeks ended 3 March 2012 £m	52 weeks ended 15 September 2012 £m	**24 weeks ended 2 March 2013 £m**	24 weeks ended 3 March 2012 £m	52 weeks ended 15 September 2012 £m
Operating segments						
Grocery	**1,832**	1,813	3,726	**97**	75	187
Sugar	**1,323**	1,203	2,666	**163**	172	510
Agriculture	**641**	597	1,265	**20**	16	40
Ingredients	**540**	538	1,092	**2**	18	32
Retail	**1,997**	1,615	3,503	**238**	154	356
Central	**–**	–	–	**(24)**	(23)	(48)
	6,333	5,766	12,252	**496**	412	1,077
Geographical information						
United Kingdom	**2,676**	2,485	5,248	**344**	271	638
Europe & Africa	**1,849**	1,549	3,328	**138**	89	325
The Americas	**620**	607	1,241	**52**	50	100
Asia Pacific	**1,188**	1,125	2,435	**(38)**	2	14
	6,333	5,766	12,252	**496**	412	1,077

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

1. Operating segments for the 24 weeks ended 2 March 2013

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	1,836	1,390	641	596	1,997	(127)	6,333
Internal revenue	(4)	(67)	–	(56)	–	127	–
Revenue from external customers	1,832	1,323	641	540	1,997	–	6,333
Adjusted operating profit before joint ventures and associates	93	169	16	(1)	238	(24)	491
Share of profit after tax from joint ventures and associates	4	(6)	4	3	–	–	5
Adjusted operating profit	97	163	20	2	238	(24)	496
Amortisation of non-operating intangibles	(9)	(11)	–	(17)	–	–	(37)
Profit before interest	88	152	20	(15)	238	(24)	459
Finance income						6	6
Finance expense						(49)	(49)
Other financial expense						(1)	(1)
Taxation						(106)	(106)
Profit for the period	88	152	20	(15)	238	(174)	309
Segment assets (excluding investments in joint ventures and associates)	2,837	2,810	368	1,428	2,532	174	10,149
Investments in joint ventures and associates	31	44	91	57	–	–	223
Segment assets	2,868	2,854	459	1,485	2,532	174	10,372
Cash and cash equivalents						218	218
Deferred tax assets						210	210
Employee benefits assets						2	2
Segment liabilities	(566)	(607)	(136)	(193)	(418)	(126)	(2,046)
Loans and overdrafts						(1,555)	(1,555)
Income tax						(132)	(132)
Deferred tax liabilities						(361)	(361)
Employee benefits liabilities						(221)	(221)
Net assets	2,302	2,247	323	1,292	2,114	(1,791)	6,487
Non-current asset additions	65	96	6	34	116	1	318
Depreciation	50	44	3	31	67	2	197
Amortisation	18	17	1	18	–	–	54
Impairment of property, plant and equipment	–	8	–	–	–	–	8
Impairment of operating intangibles	–	4	–	–	–	–	4
Impairment of goodwill	–	10	–	–	–	–	10

Geographical information	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	2,676	1,849	620	1,188	6,333
Segment assets	3,935	3,108	1,149	2,180	10,372
Non-current asset additions	122	118	26	52	318
Depreciation	88	52	12	45	197
Amortisation	16	11	14	13	54
Impairment of property, plant and equipment	–	–	–	8	8
Impairment of operating intangibles	–	–	–	4	4
Impairment of goodwill	–	–	–	10	10

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

1. Operating segments for the 24 weeks ended 3 March 2012

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	1,815	1,281	602	574	1,615	(121)	5,766
Internal revenue	(2)	(78)	(5)	(36)	–	121	–
Revenue from external customers	1,813	1,203	597	538	1,615	–	5,766
Adjusted operating profit before joint ventures and associates	69	173	13	13	154	(23)	399
Share of profit after tax from joint ventures and associates	6	(1)	3	5	–	–	13
Adjusted operating profit	75	172	16	18	154	(23)	412
Profits less losses on disposal of non-current assets	–	1	–	–	–	–	1
Amortisation of non-operating intangibles	(7)	(12)	–	(16)	–	–	(35)
Profit before interest	68	161	16	2	154	(23)	378
Finance income						5	5
Finance expense						(53)	(53)
Other financial expense						(1)	(1)
Taxation						(85)	(85)
Profit for the period	68	161	16	2	154	(157)	244
Segment assets (excluding investments in joint ventures and associates)	2,894	2,901	333	1,402	2,207	133	9,870
Investments in joint ventures and associates	23	51	78	57	–	–	209
Segment assets	2,917	2,952	411	1,459	2,207	133	10,079
Cash and cash equivalents						310	310
Deferred tax assets						174	174
Employee benefits assets						19	19
Segment liabilities	(574)	(524)	(117)	(166)	(315)	(113)	(1,809)
Loans and overdrafts						(1,902)	(1,902)
Income tax						(140)	(140)
Deferred tax liabilities						(428)	(428)
Employee benefits liabilities						(76)	(76)
Net assets	2,343	2,428	294	1,293	1,892	(2,023)	6,227
Non-current asset additions	59	67	8	46	122	1	303
Depreciation	50	45	3	22	52	1	173
Amortisation	14	12	1	17	–	–	44

Geographical information	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	2,485	1,549	607	1,125	5,766
Segment assets	3,760	2,946	1,102	2,271	10,079
Non-current asset additions	91	116	32	64	303
Depreciation	77	40	12	44	173
Amortisation	6	17	11	10	44

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

1. Operating segments for the 52 weeks ended 15 September 2012

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	3,734	2,808	1,275	1,163	3,503	(231)	12,252
Internal revenue	(8)	(142)	(10)	(71)	–	231	–
Revenue from external customers	3,726	2,666	1,265	1,092	3,503	–	12,252
Adjusted operating profit before joint ventures and associates	179	514	27	22	356	(48)	1,050
Share of profit after tax from joint ventures and associates	8	(4)	13	10	–	–	27
Adjusted operating profit	187	510	40	32	356	(48)	1,077
Profits less losses on disposal of non-current assets	–	1	–	–	–	(7)	(6)
Amortisation of non-operating intangibles	(16)	(22)	(1)	(61)	–	–	(100)
Exceptional items	(98)	–	–	–	–	–	(98)
Profits less losses on sale and closure of businesses	–	(6)	–	(3)	–	–	(9)
Profit before interest	73	483	39	(32)	356	(55)	864
Finance income						9	9
Finance expense						(114)	(114)
Other financial income						2	2
Taxation						(178)	(178)
Profit for the period	73	483	39	(32)	356	(336)	583
Segment assets (excluding investments in joint ventures and associates)	2,685	2,510	275	1,353	2,423	182	9,428
Investments in joint ventures and associates	24	47	87	56	–	–	214
Segment assets	2,709	2,557	362	1,409	2,423	182	9,642
Cash and cash equivalents						391	391
Deferred tax assets						189	189
Employee benefits assets						18	18
Segment liabilities	(573)	(413)	(104)	(204)	(526)	(118)	(1,938)
Loans and overdrafts						(1,452)	(1,452)
Income tax						(150)	(150)
Deferred tax liabilities						(366)	(366)
Employee benefits liabilities						(113)	(113)
Net assets	2,136	2,144	258	1,205	1,897	(1,419)	6,221
Non-current asset additions	153	160	14	96	329	3	755
Depreciation	105	95	7	47	132	8	394
Amortisation	33	24	3	62	–	–	122
Impairment of property, plant and equipment	92	–	–	3	–	–	95
Impairment of operating intangibles	6	–	–	–	–	–	6

Geographical information	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	5,248	3,328	1,241	2,435	12,252
Segment assets	3,689	3,002	1,051	1,900	9,642
Non-current asset additions	270	278	65	142	755
Depreciation	184	95	25	90	394
Amortisation	15	49	26	32	122
Impairment of property, plant and equipment	–	–	–	95	95
Impairment of operating intangibles	–	–	–	6	6

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

2. Exceptional items

In the 2012 full year results, an exceptional charge of £98m was made to impair property, plant and equipment (£92m) and operating intangibles (£6m) in the Australian meat business. An exceptional tax credit of £29m arose on this item.

3. Income tax expense

	24 weeks ended 2 March 2013 £m	24 weeks ended 3 March 2012 £m	52 weeks ended 15 September 2012 £m
Current tax expense			
UK – corporation tax at 23.5%/25.5%/25.1%	**56**	37	108
Overseas – corporation tax	**51**	39	110
UK – overprovided in prior periods	**–**	–	(6)
Overseas – overprovided in prior periods	**–**	–	(2)
	107	76	210
Deferred tax expense			
UK deferred tax	**–**	3	(14)
Overseas deferred tax	**(1)**	6	(20)
UK – underprovided in prior periods	**–**	–	3
Overseas – overprovided in prior periods	**–**	–	(1)
	(1)	9	(32)
Total income tax expense in income statement	**106**	85	178
Reconciliation of effective tax rate			
Profit before taxation	**415**	329	761
Less share of profit from joint ventures and associates	**(5)**	(13)	(27)
Profit before taxation excluding share of profit after tax from joint ventures and associates	**410**	316	734
Nominal tax charge at UK corporation tax rate of 23.5%/25.5%/25.1%	**96**	81	184
Different tax rates on overseas earnings	**(2)**	1	(19)
Expenses not deductible for tax purposes	**9**	3	3
Disposal of assets covered by tax exemptions or unrecognised capital losses	**–**	–	2
Deferred tax not recognised	**3**	–	14
Adjustments in respect of prior periods	**–**	–	(6)
	106	85	178
Income tax recognised directly in equity			
Deferred tax associated with defined benefit schemes	**(28)**	(6)	(23)
Deferred tax associated with share-based payments	**–**	–	2
Deferred tax associated with movement in cash flow hedging position	**5**	(1)	(4)
Deferred tax associated with movements in foreign exchange	**(1)**	–	(3)
Current tax associated with movements in foreign exchange	**–**	1	4
	(24)	(6)	(24)

In 2012, it was announced that the UK corporation tax rate, which was to have been reduced from 26% to 25% with effect from 1 April 2012, would be reduced further to 24% with effect from 1 April 2012, and to 23% with effect from 1 April 2013. These lower rates had not been substantively enacted by the end of the reporting period and therefore were not reflected in the interim report for 2012. Following substantive enactment before the full year end, the impact of these rate reductions on current and deferred tax was reflected in the consolidated financial statements for the year ended 15 September 2012.

It has recently been announced that the UK corporation tax rate will be further reduced to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. Again, these rates have not yet been substantively enacted and so are not reflected in the interim results for 2013. If substantively enacted, these rate reductions will be reflected in the results for the full year ending 14 September 2013.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS CONTINUED

4. Earnings per ordinary share

	24 weeks ended 2 March 2013 pence	24 weeks ended 3 March 2012 pence	52 weeks ended 15 September 2012 pence
Adjusted earnings per share	**41.9**	34.4	87.2
Disposal of non-current assets	**–**	0.1	(0.8)
Sale and closure of businesses	**–**	–	(1.1)
Exceptional items	**–**	–	(12.4)
Tax effect on above adjustments	**–**	–	3.9
Amortisation of non-operating intangibles	**(4.7)**	(4.4)	(12.7)
Tax credit on non-operating intangibles amortisation and goodwill	**1.3**	1.1	4.2
Non-controlling interests' share of amortisation of non-operating intangibles net of tax	**0.4**	0.5	2.0
Earnings per ordinary share	**38.9**	31.7	70.3

5. Dividends

	24 weeks ended 2 March 2013 pence	24 weeks ended 3 March 2012 pence	52 weeks ended 15 September 2012 pence
Per share			
2011 final	**–**	16.85	16.85
2012 interim	**–**	–	8.50
2012 final	**20.00**	–	–
	20.00	16.85	25.35

	£m	£m	£m
Total			
2011 final	**–**	133	133
2012 interim	**–**	–	67
2012 final	**158**	–	–
	158	133	200

The 2012 final dividend of 20.0p per share was approved on 7 December 2012 and totalled £158m when paid on 11 January 2013. The 2013 interim dividend of 9.35p per share, total value of £74m, will be paid on 5 July 2013 to shareholders on the register on 7 June 2013.

6. Acquisitions and disposals

There were no acquisitions or disposals in the period. The cash outflow on purchase of subsidiaries, joint ventures and associates in the cash flow statement of £43m comprised a £2m investment in a joint venture and £41m deferred consideration paid in respect of previous acquisitions. The cash inflow on sale of subsidiaries, joint ventures and associates of £13m comprised deferred consideration received in respect of previous disposals.

7. Analysis of net debt

	At 15 September 2012 £m	Cash flow £m	Exchange adjustments £m	**At 2 March 2013 £m**
Cash at bank and in hand, cash equivalents and overdrafts	245	(145)	10	**110**
Short-term borrowings	(392)	(86)	(15)	**(493)**
Loans over one year	(914)	12	(52)	**(954)**
	(1,061)	(219)	(57)	**(1,337)**

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 52 weeks ended 15 September 2012. There have been no material changes in these relationships in the 24 weeks ended 2 March 2013 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 2 March 2013 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 52 weeks ended 15 September 2012 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 52 weeks ended 15 September 2012.

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 52 weeks ended 15 September 2012.

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. Note 24 on pages 96 to 107 of the 2012 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 auditor and were approved by the board of directors on 23 April 2013. They do not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The comparative figures for the 52 weeks ended 15 September 2012 have been abridged from the group's 2012 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 auditor 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.

This 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 52 weeks ended 15 September 2012. Whilst there have been a number of minor changes to standards which become applicable for the year ending 14 September 2013, none has been assessed as having a significant impact on the group.

The condensed consolidated statement of comprehensive income has been amended to meet the revised requirements of IAS 1 *Presentation of Financial Statements*. This is a presentational change only and no figures or descriptions have changed.

CAUTIONARY STATEMENTS, RISKS AND UNCERTAINTIES, AND RESPONSIBILITY STATEMENT

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.

Risks and and uncertainties

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 48 to 51 of the group's statutory financial statements for the 52 weeks ended 15 September 2012, 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 Conduct 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.

On behalf of the board

George Weston
Chief Executive
23 April 2013

John Bason
Finance Director
23 April 2013

Charles Sinclair
Chairman
23 April 2013

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 2 March 2013 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 Conduct Authority ('the UK FCA'). 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 FCA.

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 2 March 2013 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Richard Pinckard
for and on behalf of KPMG Audit Plc

Chartered Accountants
15 Canada Square
London
E14 5GL

23 April 2013

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number 293262

Company Secretary
Paul Lister

Registrar and transfer office
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Chartered Accountants

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George G Weston, Chief Executive
John G Bason, Finance Director
Emma Adamo
Tim Clarke*‡√†
Lord Jay of Ewelme, GCMG*‡√†
Javier Ferrán*√†
Peter Smith*‡√†

* member of the Remuneration committee

‡ member of the Audit committee

√ member of the Nomination committee

† independent non-executive director

Tim Clarke is the Senior Independent Director

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