

**Review of annual results
for 52 weeks ended
15 September 2012**

6 November 2012



Financial Highlights

- Group revenue up 11% to £12.3bn
- Adjusted operating profit up 17% to £1,077m*
- Adjusted profit before tax up 17% to £974m **
- Adjusted earnings per share up 18% to 87.2p**
- Dividends per share up 15% to 28.5p
- Net capital investment of £707m
- Net debt of £1,061m
- Operating profit up 4% at £873m, profit before tax level at £761m and basic earnings per share up 2% at 70.3p

* and ** - see notes at end

Business Highlights

- Very good set of results
- Major restructurings undertaken
- Banner year for AB Sugar
- Primark accelerates
- Further growth from Twinings Ovaltine
- Difficult year for meat business in Australia and in yeast
- Strong group cash flow

Income Statement

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£m	2012	2011	Change
Revenue	12,252	11,065	+11%
Operating costs	(11,302)	(10,265)	
Exceptional item	(98)	-	
Share of joint ventures and associates	27	37	
Profits less losses on disposal of non-current assets	(6)	5	
Operating profit	873	842	
Adjusted operating profit*	1,077	920	+17%
Profits less losses on disposal of non-current assets	(6)	5	
Amortisation of non-operating intangibles	(100)	(83)	
Exceptional item	(98)	-	

Income Statement

Associated
British Foods
plc

£m	2012	2011	Change
Operating profit	873	842	+4%
Profit/(loss) on sale/closure of businesses	(9)	-	
Net interest expense	(105)	(92)	
Other financial income	2	7	
Profit before tax	761	757	level
Tax	(178)	(180)	
Profit after tax	583	577	
Non-controlling interests	(28)	(36)	
Attributable to equity shareholders	555	541	
Adjusted profit before tax**	974	835	+17%

Tax

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	2012		2011	
	£m		£m	
Underlying charge	242	24.8%	205	24.6%
Credit on goodwill & intangible amortisation	(33)		(25)	
Credit on disposal of businesses and PP&E	(2)		-	
Credit on exceptional item	(29)		-	
Reported charge	<u>178</u>	23.4%	<u>180</u>	23.8%

Earnings and Dividends Per Share

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	2012	2011	Change
Adjusted earnings per share *	87.2p	74.0p	+18%
Earnings per share	70.3p	68.7p	+2%
Dividends per share	28.5p	24.75p	+15%

Balance Sheet

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£m	2012	2011
Intangible assets (including goodwill)	1,769	1,893
PP&E and other non-current assets	4,995	4,961
Working capital	984	1,057
Biological assets - current	109	112
Current tax	(150)	(133)
Net debt	(1,061)	(1,285)
Other financial (liabilities)/assets	(17)	4
Deferred tax	(177)	(254)
Provisions	(136)	(136)
Net pension liability	(95)	(44)
	<u>6,221</u>	<u>6,175</u>
Equity shareholders' funds	5,834	5,748
Non-controlling interests	<u>387</u>	<u>427</u>
	<u>6,221</u>	<u>6,175</u>

Cash Flow

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£m	2012	2011
Adjusted operating profit (before joint ventures and associates)	1,050	883
Depreciation and amortisation of operating intangibles	416	330
Working capital	43	(199)
Provisions	(17)	(69)
Capital expenditure - Primark	(326)	(314)
- Food	(374)	(480)
Purchase of intangibles	(13)	(49)
Tax	(191)	(156)
Net interest and other income	(98)	(88)
Pension cost less contributions	(38)	(38)
Other	(7)	(5)
Free cash flow	445	(185)
Dividends paid (incl minorities)	(223)	(212)
(Acquisitions)/disposals including loans to joint ventures	(19)	(75)
Net cash flow before financing	203	(472)

Segmental Analysis

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By business

	Revenue		Profit [*]		Margin		ROCE	
	2012	2011	2012	2011	2012	2011	2012	2011
	£m	£m	£m	£m	%	%	%	%
Grocery ^{***}	3,726	3,671	187	244	5.0	6.6	12.2	17.6
Sugar	2,666	2,134	510	315	19.1	14.8	26.5	17.3
Agriculture	1,265	1,127	40	40	3.2	3.5	16.5	19.0
Ingredients ^{***}	1,092	1,090	32	61	2.9	5.6	4.3	8.3
Retail	3,503	3,043	356	309	10.2	10.2	19.2	18.2
Central costs	-	-	(48)	(48)	n/a	n/a	n/a	n/a
Continuing businesses	12,252	11,065	1,077	921	8.8	8.3	17.0	15.8
Businesses disposed	-	-	-	(1)	n/a	n/a	n/a	n/a
	12,252	11,065	1,077	920	8.8	8.3	17.0	15.8

*** See note at end

Segmental Analysis

By geography

	Revenue		Profit*		Margin	
	2012	2011	2012	2011	2012	2011
	£m	£m	£m	£m	%	%
United Kingdom	5,248	4,788	638	491	12.2	10.3
Europe & Africa	3,328	2,735	325	213	9.8	7.8
The Americas	1,241	1,176	100	118	8.1	10.0
Asia Pacific	2,435	2,366	14	99	0.6	4.2
Continuing businesses	12,252	11,065	1,077	921	8.8	8.3
Businesses disposed	-	-	-	(1)	n/a	n/a
	<u>12,252</u>	<u>11,065</u>	<u>1,077</u>	<u>920</u>	<u>8.8</u>	<u>8.3</u>

Sugar

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		2012	2011	Change
Revenue	£m	2,666	2,134	+25%
Operating profit	£m	510	315	+62%
Margin		19.1%	14.8%	
ROCE		26.5%	17.3%	

- strong regional pricing
- higher sugar production
- improvement in agriculture and processing



Sugar	2012	2011	Change
Revenue £m	2,666	2,134	+25%
Operating Profit £m	510	315	+62%

EU sugar

- strong prices

UK

- sugar production up 30% at 1.3 million tonnes
 - record beet yield
 - high sucrose content
 - investment / continuous improvement drove factory performance
- Vivergo production on stream by end of calendar year

Spain

- excellent campaigns
 - record beet yields, better factory performance



Celebration of 100 years of UK beet processing

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First factory at Cantley



Sugar	2012	2011	Change
Revenue £m	2,666	2,134	+25%
Operating Profit £m	510	315	+62%

China

- further progress in North, production up 37% to 287,000 tonnes
 - planting area, beet yield, factory operations
- unchanged volumes in South
 - constrained by heavy rains
- lower prices
- Zhangbei relocation



Zhangbei operational for new campaign

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Sugar	2012	2011	Change
Revenue £m	2,666	2,134	+25%
Operating Profit £m	510	315	+62%

Illovo

- production up to 1.8 million tonnes
 - higher regional sucrose levels
 - recovery from South Africa drought
- Zambia and Swaziland close to capacity
- Malawi devaluation
- co-products increasingly important



		2012	2011	Change
Revenue	£m	1,265	1,127	+12%
Operating profit	£m	40	40	level
Margin		3.2%	3.5%	
ROCE		16.5%	19.0%	

- another good performance
- feed revenues ahead
 - higher volumes of sugar beet feed
 - difficult pig and poultry markets
- AB Vista sales coverage, Quantum Blue
- China progress
- Frontier
 - high demand for crop inputs
 - grain trading at more normal levels



Grocery

		2012	2011	Change
Revenue	£m	3,726	3,671	+1%
Operating profit	£m	187	244	-23%
Margin		5.0%	6.6%	
ROCE		12.2%	17.6%	

- significant restructuring to reduce cost base
- George Weston Foods
- UK grocery brands performed well
- Twinings Ovaltine growth



Grocery	2012	2011	Change
Revenue £m	3,726	3,671	+1%
Operating Profit £m	187	244	-23%

Twinnings Ovaltine

- revenue and profit growth
- marketing investment increased
- Twinings
 - share gains in major markets
 - strong growth in US, Australia
 - supply chain investment nearly complete
- Ovaltine exceptional growth
 - overcame challenge of Thailand floods
 - particular success in Brazil



Grocery	2012	2011	Change
Revenue £m	3,726	3,671	+1%
Operating Profit £m	187	244	-23%

Allied Bakeries

- lowering cost base by investment and restructuring
- major bakery investment programme
- restructuring
 - closure of two small bakeries
 - overhead reduction
- market remains competitive
- 50/50 became leader in healthier white bread



New plants at these bakeries

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Stockport - one of the most advanced bakeries in UK

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Walthamstow well advanced

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Grocery	2012	2011	Change
Revenue £m	3,726	3,671	+1%
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ACH / Stratas

- good Mazola performance
- substantial investment in new products
- Mexico competitive pressure, lower volumes
- Stratas operating margin improvement



Grocery	2012	2011	Change
Revenue £m	3,726	3,671	+1%
Operating Profit £m	187	244	-23%

Australia

- focus of the new management team
 - overhead reduction delivered
 - meat factory now performing better
 - bread margins stabilised
- challenging retail and competitor environment
- lower revenues and reduction in profitability



Ingredients

		2012	2011	Change
Revenue	£m	1,092	1,090	level
Operating profit	£m	32	61	-48%
Margin		2.9%	5.6%	
ROCE		4.3%	8.3%	

ABF Ingredients

- further progress

AB Mauri

- commercial plan in place
- management capability being established
- some restructuring costs



		2012	2011	Change
Revenue	£m	3,503	3,043	+15%
Operating profit	£m	356	309	+15%
Margin		10.2%	10.2%	
ROCE		19.2%	18.2%	

- revenue and profit ahead 17% constant currency
- selling space expansion accelerated to 0.9 million sq ft
- like-for-like growth of 3%
- improved second half margin



- spring/summer range well received
- margin
 - lower cotton costs from second half
 - absorption of higher VAT rates
 - weaker euro
- Continental Europe
 - superior sales densities
 - good margins
- excitement at all new store openings
- new store design



Primark - selling space expansion

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	UK		Iberia		Republic of Ireland		Northern Continental Europe		Total	
	sq ft '000	stores	sq ft '000	stores	sq ft '000	stores	sq ft '000	stores	sq ft '000	stores
September 2011	5,190	154	760	24	1,010	38	320	7	7,280	223
September 2012	5,425	157	1,100	35	1,010	38	665	12	8,200	242
	+5%		+45%		-		+108%		+13%	

Major drivers of selling space expansion

- large stores in Germany
 - Berlin, Essen, Dortmund, Saarbrücken, Hannover opened
 - supported by new warehouse
- UK and Ireland city centres
 - new stores: Oxford Street East
 - expansions: Newcastle, Dublin, Manchester
- major increase in Iberia
 - from 24 to 41 over 15 months to December 2012



New German stores

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Berlin



Dortmund



Essen



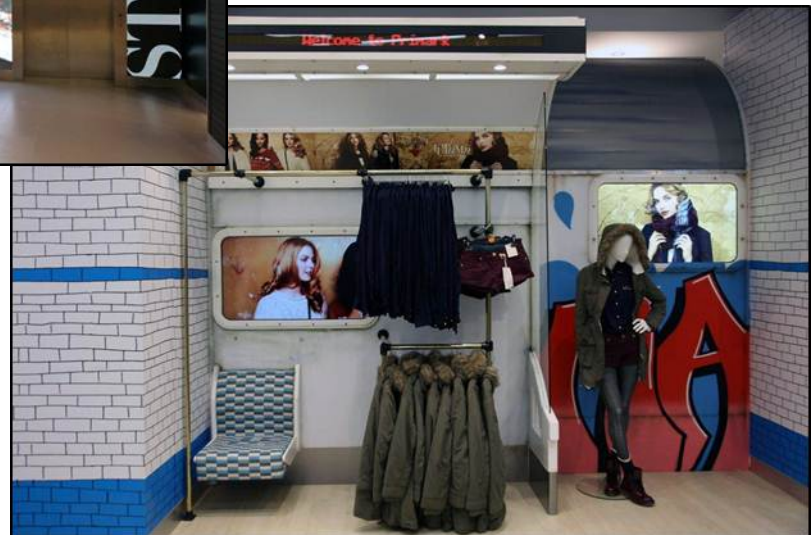
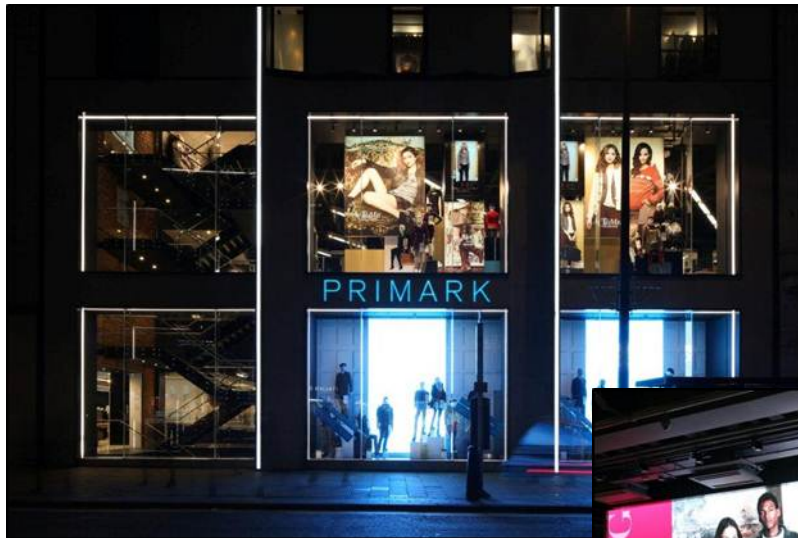
First container at Mönchengladbach

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Oxford Street East

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Chelmsford

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Newcastle extension

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Before 43,500 sq ft



After 113,900 sq ft



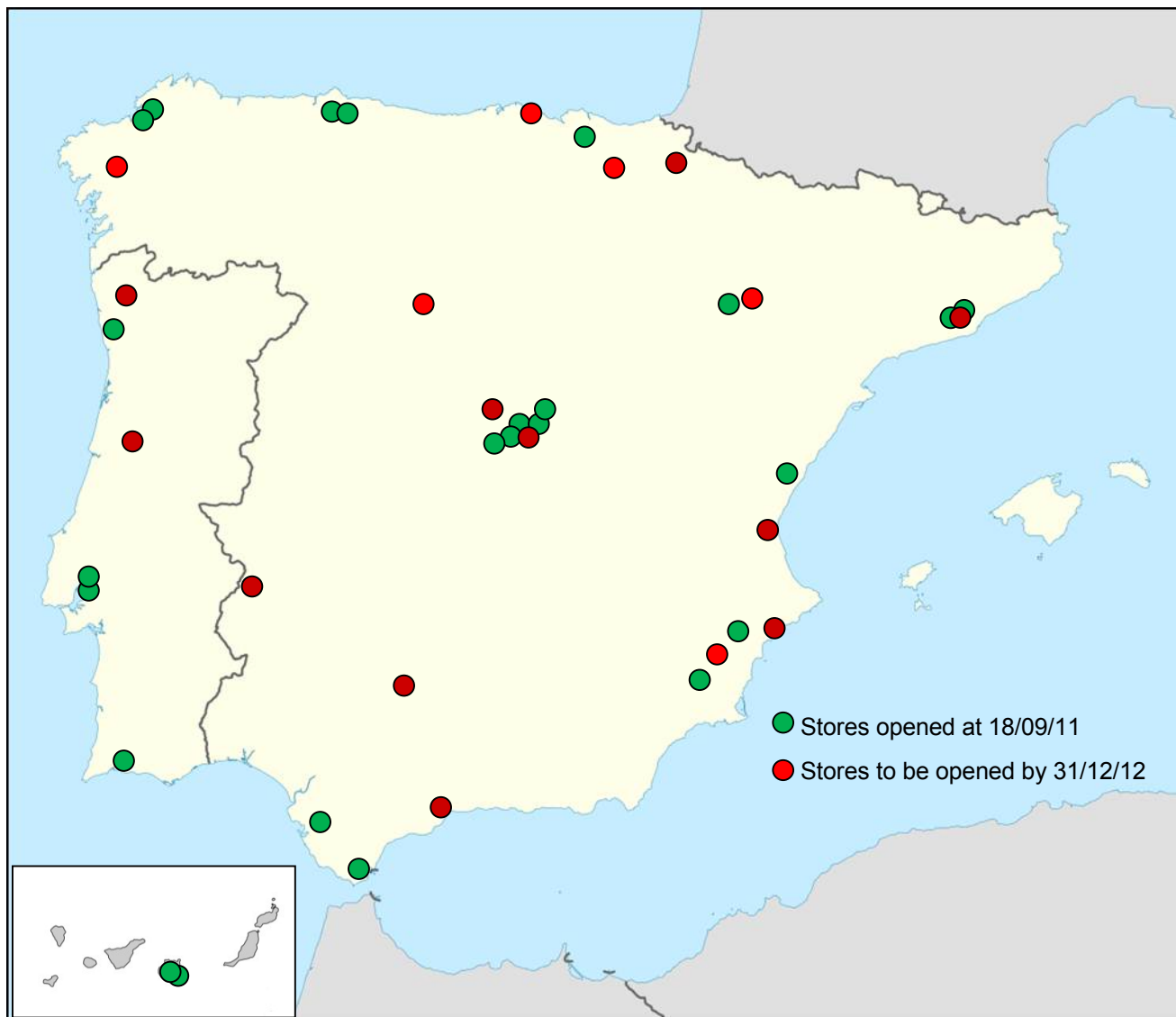
Mary Street, Dublin extension

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Iberia – growth from 24 stores to 41 stores in 15 months

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Long-term investment

		2002	2007	2012	CAGR
Sales	£m	4,545	6,800	12,252	+10%
Adjusted operating profit	£m	395	622	1,077	+11%
Adjusted eps	p	38.7	52.9	87.2	+8%
Dividends	p	13.25	19.50	28.50	+8%

- Job creation
- Sustained investment in our businesses
- Consistency of purpose and financial discipline

Looking ahead to new financial year

- Group to make some further progress
- Some reduction in AB Sugar
- Good growth in Primark
- Recovery in Grocery
- Capital expenditure high in Primark, lower in Food
- Continued investment

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Exchange rates

Average rates used to translate the income statement	2012	2011
US\$	1.57	1.60
euro	1.21	1.15
South African rand	12.67	11.09
Australian \$	1.53	1.57
Rates at year end used to translate the balance sheet	2012	2011
US\$	1.62	1.58
euro	1.23	1.15
South African rand	13.35	11.72
Australian \$	1.54	1.53

This presentation pack is directed only at investment professionals falling within article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 and to other persons to whom the presentation pack may lawfully be promoted.

Notes

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

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

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

*** 2011 reclassified following change in management responsibility for Australian cake business