For release 5 November 2013

ASSOCIATED BRITISH FOODS plc

Annual Results Announcement

Year ended 14 September 2013

For release 5 November 2013

Associated British Foods plc results for 52 weeks ended 14 September 2013

Another record year for ABF

Financial Highlights

- Group revenue up 9% to £13.3bn
- Adjusted operating profit up 10% to £1,185m*
- Adjusted profit before tax up 13% to £1,096m**
- Adjusted earnings per share up 13% to 98.9p**
- Dividends per share up 12% to 32.0p
- Net capital investment of £600m
- Net debt reduced to £804m
- Operating profit up 25% to £1,093m, profit before tax up 15% to £876m and basic earnings per share up 6% to 74.8p

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

“I am delighted to report that the group has again delivered a great set of results. Grocery was much improved, Agriculture achieved record profits, Sugar was in line with our expectations and it was a remarkable year for Primark.”

* 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 the sale and closure of businesses, and exceptional items.

All adjustments to profit measures are shown on the face of the consolidated income statement.

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Notes to Editors

Associated British Foods is a diversified international food, ingredients and retail group with sales of £13.3bn and 113,000 employees in 47 countries. It has significant businesses in Europe, southern Africa, the Americas, China and Australia.

Our aim is to achieve strong, sustainable leadership positions in markets that offer potential for profitable growth. We look to achieve this through a combination of growth of existing businesses, acquisition of complementary new businesses and achievement of high levels of operating efficiency.

ASSOCIATED BRITISH FOODS plc
ANNUAL RESULTS ANNOUNCEMENT
FOR THE 52 WEEKS ENDED 14 SEPTEMBER 2013

For release 5 November 2013

CHAIRMAN'S STATEMENT

In reporting on last year's fine performance I concluded my statement with the expectation that the group would make some further progress this year. This year's results exceeded those expectations with very good growth: revenue increased by 9%, adjusted operating profit was ahead by 10% and adjusted earnings per share were up 13% on last year. This operating performance resulted in a strong cash flow and a healthy reduction in the group's net debt.

Primark had an outstanding year, increasing profit by 44% and adding a further 800,000 sq ft, or 10%, to its already substantial estate. Grocery margins improved with a recovery in both the baking and meat businesses of George Weston Foods in Australia. The momentum of recent years in AB Agri continued and underlying trading in Ingredients achieved some stabilisation. AB Sugar performed well, delivering a result which, although below last year's high level, was in line with our expectations.

The decline in AB Sugar's profit in 2013 was the result of lower European production and higher beet costs for British Sugar. In June this year, the European Council of Ministers confirmed that EU sugar quotas for domestic production would end in 2017 and the market has already started to react. Pricing for the 2014 financial year is lower as a consequence of the greater availability of sugar globally and an increase in competition. We have worked for a number of years to lower the cost base and improve the efficiency of our European operations and we are confident of our ability to succeed in this new environment.

Capital expenditure was lower again this year. Investment included the completion of the new yeast plant in Mexico and the South African warehouse and Tanzanian distillery for Illovo, and further expenditure on our programme to reduce the cost base at Allied Bakeries with new bread plants at three of our UK bakeries. We continued to pursue the big retail expansion opportunity in Primark, especially in continental Europe, and we expect this to increase in the coming year.

Cash flow was strong with higher profit and a lower level of capital investment more than offsetting a working capital outflow and higher taxes paid. We are a substantial tax payer and, of the £252m of corporation tax paid by the group during the year, more than half was paid in the UK. Net debt at the year end had reduced to £804m.

Primark has continued to make significant progress with its ethical trade programme. We take this programme extremely seriously and have built a team of some 40 in-country ethical trading specialists, of whom eight are located in Bangladesh. The tragic events in April caused by the collapse of the Rana Plaza building near Dhaka, Bangladesh were deeply saddening. Our response to these events was based on our determination to alleviate hardship arising from this disaster as quickly as possible. We were able to achieve this as a result of the experience and capability of our in-country team. The operating review contains considerable detail about the company's response. The board remains committed to the highest ethical standards not just at Primark but across all of the group's businesses.

Corporate responsibility

Our principal value to society lies in what we do every day: providing people with access to good quality, affordable food and clothing. If the rapidly growing global population is to be fed, it will be fed by companies like Associated British Foods, working in developed and emerging economies to encourage reliable and efficient supply. There is a close alignment between our moral obligation and good business practice. We have a modern and efficient food supply chain and we are constantly improving our productivity, investing in new assets, reducing waste and making more from less. Of course, we must do this for each succeeding generation, so our actions must look to the longer term and must be sustainable. We consistently invest in our cost base and our

distribution reach. We use technology to improve productivity and to assure sources of supply but we must also use it to inform us of the impact of our actions on the environment. We label our products properly and market them appropriately to customers and we constantly strive to improve food safety. Our annual report includes examples of the application of our corporate responsibility philosophy, and much more detail is provided in our latest Corporate Responsibility Report which has been fully refreshed since first publication in 2010 and is available for download from our website.

Diversity

Our businesses around the world are largely staffed and managed by local teams and our workforce is consequently ethnically rich and diverse. We understand the importance of harnessing and nurturing talent, yet it is clear that women are not as well represented at senior levels within our organisation as they could be. This is a missed opportunity that we have begun to address. There is no common solution and this is reflected in our approach to gender diversity where we have piloted initiatives that can be copied, applied and adapted to local business conditions. While gender is a good place to start in tackling diversity, it is important that we work, not only to increase diversity in all its forms, but to ensure that it becomes part of our everyday business activity.

Remuneration

Our remuneration policy aims to reward employees for the performance of those parts of the business for which they are accountable and which they can directly influence. Management incentives are designed to encourage the right decisions being taken in the interests of the long-term health of the business. We seek to reward competitively for good performance but comparison with market data is just one of the factors taken into account when determining remuneration. Close attention is also paid to the nature and degree of autonomy of each role because management appreciate being given the freedom to act which encourages creativity, fosters a spirit of enterprise and ensures decisions are taken as close to our customers as possible. It is this combination of proper pay and job structure which enables us to attract and retain the calibre of management that has delivered these results.

Targets for long-term and short-term incentive arrangements are reviewed annually by the Remuneration committee, having regard to internal and external factors and the relationship between the level of payments made and the performance of the group over a number of years. Our executives understand that they are well remunerated and that this not only reflects the marketplace but also takes into account the performance and growth of the group, the degree of expertise required to fulfil the role and the level of individual experience. Our executives are properly rewarded for the work that they do and the responsibilities they bear.

Shareholders will note that the directors' remuneration report addresses the new reporting regime, albeit that we are not yet required to meet these standards until next year.

The board

The board has had the great benefit of a stable group of independent directors since 2007. The Senior Independent Director, Tim Clarke, was appointed in 2004 and has therefore served as a director for nine years. The UK Corporate Governance Code requires that Tim's independence is confirmed by the rest of the board, if he is to continue as an independent director. This they have done and we are delighted that Tim has agreed to continue his distinguished service to the group.

The three other independent directors were appointed in 2006 and 2007 and will complete nine years on the board in 2015 and 2016. Such a significant loss of experience in so short a period is to be avoided and, accordingly, we have decided to make an earlier appointment, expanding the board by one when the search that is currently under way has been completed. It is expected that, in due course, the board will revert to its current size.

Employees

I would like to thank all our employees for the contribution they have made to the group's success in the past year. The average number of people employed by the group increased during the year to 113,000 and, at a time of continuing unemployment in many of the markets in which we operate, and despite the continued drive for efficiency within our businesses, we are proud to have provided employment to 7,000 more people this year.

Dividends

I am pleased to report that a final dividend of 22.65p is proposed, to be paid on 10 January 2014 to shareholders on the register on 6 December 2013. Together with the interim dividend of 9.35p paid on 5 July 2013, this will make a total of 32.0p for the year, an increase of 12%.

Outlook

We expect a further reduction in profit from AB Sugar next year as EU sugar prices fall and the market rapidly adjusts ahead of regime reform in 2017. Primark's continued expansion together with revenue growth and margin improvement in Grocery are expected to deliver further increases in profit in those businesses. The lower level of borrowings and the retirement of more expensive long-term financing this year will lead to a reduced interest charge. As a result, and at this early stage, we continue to expect adjusted earnings per share for the coming year to be similar to 2013.

Charles Sinclair
Chairman

OPERATING REVIEW

I am delighted to report that the group has again delivered a great set of results. The group's revenue increased by 9% to £13.3bn and adjusted operating profit increased by 10% to £1,185m. The long-term performance of the group is important to us and this year's growth is in line with the compound annual revenue and profit growth achieved over the last ten years of 10% and 11% respectively. This success is a direct result of our business model, more description of which is presented in this year's annual report.

AB Sugar delivered an excellent profit this year which, although lower than last year, was in line with our expectations. The date and extent of EU sugar regime reform have now been clarified and sugar prices for our next financial year are already reflecting a transition. We have invested significantly in our European sugar assets over the years and the AB Sugar management team has plans for further efficiency improvements. As a result, we have established British Sugar as one of the lowest-cost sugar businesses in the world. Maintaining our dialogue with growers and strengthening our relationship with them will be necessary to build a sustainable and competitive sugar industry for the future.

The Primark results this year were remarkable with sales increasing by 22% and profit by 44%. Both the autumn/winter and spring/summer ranges sold out this year with little discount, which was testament to the success of our buying teams. Our newly opened and refurbished stores have never looked better and the increase in our selling space in continental Europe was significant. Expansion in our more established markets of the UK and Ireland focused on increasing selling space in major cities. In London, we opened our second store on Oxford Street, and extended our stores in Manchester, Newcastle and Mary Street, Dublin. In continental Europe, we increased selling space by 25% and were very encouraged by trading in all countries. Each new store opening generated excitement which gives us the confidence to believe that Primark is capable of much further growth and I look forward to the opening of our first store in France.

We were shocked and deeply saddened by the events in April 2013 when the Rana Plaza building in Bangladesh collapsed killing more than 1,100 people. A Primark supplier occupied the second floor of this eight storey building which was also the location of a number of other garment manufacturers. Our response focused on meeting the immediate needs of the victims and, in parallel, organising long-term compensation. We donated food to some 1,300 families shortly after the tragedy, and have since paid short-term financial support of six months' salary to more than 3,600 workers in the building, irrespective of their employer. Primark has committed to provide long-term financial compensation to victims who worked for its supplier, and their dependants. This was an unprecedented undertaking for us and was only possible with the support and close collaboration of international and local stakeholders including NGOs and trade unions.

The garment industry in Bangladesh has also experienced a number of factory fires in recent years. As a result, we signed the Accord on Fire and Building Safety in Bangladesh, a pioneering agreement between almost 100 apparel brands and retailers, international and local trade unions and NGOs. Primark was the first UK brand to sign this accord which is designed to ensure that sustainable improvements are made to working conditions in the garment industry and reinforces our commitment to health and safety in the workplace.

Grocery made good progress this year with revenue growth and profit ahead by 24%, mainly as a result of margin improvement from both good trading and the non-recurrence of restructuring costs. Twinings Ovaltine is our most profitable grocery business and it achieved excellent results, performing well in all of its major markets. I am pleased with the much improved result from George Weston Foods in Australia following the action taken by the management team which delivered higher volumes and lower conversion costs in the meat business and increased sales and margins in the bread business. The results in UK Grocery showed good progress from Jordans, Ryvita, Westmill and AB World Foods, offset by margin pressure in the bakeries and Silver Spoon.

The management team at AB Agri deserves much credit for its achievements over recent years. These have seen the development of the business into a profitable group that makes a major

contribution to agriculture, especially in the UK, focused on providing value-adding animal feed products and services. It is recognised for its innovation and the development of bespoke services to customers, and this year delivered a record profit.

Following last year's appointment of a new chief executive at AB Mauri, our yeast and bakery ingredients business, a number of further management changes have been made during the financial year. Some stabilisation in underlying trading has already been achieved and the new team is engaged in reviewing the cost base and structure of the business.

Although the level of capital expenditure was lower again this year, it still represents a substantial investment in the assets of the group. We completed a number of projects in AB Mauri and AB Sugar and took a major step forward in the programme to equip our UK bakeries with state-of-the-art bread plants. The rate of selling space expansion at Primark is increasing and we expect capital investment in the coming year to rise. We can fund this comfortably from the high level of cash generated from operations.

SUGAR

	2013	2012	change
Revenue £m	**2,677**	2,666	level
Adjusted operating profit £m	**435**	510	-15%
Adjusted operating profit margin	**16.2%**	19.1%	
Return on average capital employed	**23.4%**	26.5%	

After last year's record performance, AB Sugar delivered revenue and underlying adjusted operating profit in 2013 that were in line with management expectations at the beginning of the year which recognised that reduced European production, as a consequence of lower yields, and higher beet costs in the UK, would lead to a profit decline. Production volumes in Africa were ahead of last year and profit benefited from good sales demand and stable pricing. Profitability in China was lower than last year as a result of weak sugar prices throughout the year. Our performance improvement programme is now firmly established across all our businesses with the aim of increasing asset utilisation and reducing costs. The programme seeks to embed continuous improvement within all areas of our businesses by identifying and driving major change initiatives, tailoring capital expenditure to underpin our performance improvement and accelerating the implementation of co-product activities across the group.

British Sugar produced 1.15 million tonnes of sugar, lower than last year's 1.32 million tonnes as a result of poor growing conditions during 2012 which led to lower beet yields and sugar recovery. Sugar prices generally remained strong, consolidating the full year impact of last year's price increases. Co-product prices remained good with animal feed sales supported by exceptionally high wheat prices. These were offset to some extent by low, combined heat and power plant contributions, which were a feature of low electricity prices but high gas prices. We continued to invest in our production facilities with completion, during the year, of several major schemes focused on reducing energy consumption and increasing plant reliability. Looking forward to 2013/14, crop yields are expected to be slightly below average but we expect sugar production to at least achieve sales quota and to meet our bioethanol requirement. Beet costs for the forthcoming financial year were agreed in June 2012 at levels similar to those incurred in the campaign in this financial year.

In Spain, sugar beet volumes were lower than last year with a reduction in the area planted in the north. Heavy rains in the spring led to a delay in the completion of the campaign until the second week of May. Beet yields in both the north and south were very good and partly compensated for the lower volumes. Total beet sugar production was 405,000 tonnes, down from 468,000 tonnes in the previous year. 242,000 tonnes of imported raw sugar were refined at Guadalete and a further 95,000 tonnes were co-refined at the northern beet plants. Significant energy efficiency improvement work was completed during the year substantially reducing the energy cost per tonne of refined white sugar.

In June 2013, the European Council of Ministers confirmed that existing quota arrangements would continue until 30 September 2017 when sugar quotas for domestic production would end. Tariffs for sugar imports into the EU are not affected. AB Sugar expects this change to encourage growth in EU production by the most efficient producers of both sugar and isoglucose.

Negotiations with our EU customers regarding prices for the 2013/14 marketing year have been challenging. There has been a higher availability of sugar in the EU as a consequence of the conversion of non-quota sugar to quota, additional tariff rate quotas for imported sugars and low world sugar prices. In addition, competition has increased as other European producers look for new market opportunities ahead of regime change. Both of these factors have created a downward pressure on EU prices. The market is rapidly adjusting ahead of the regime reform in 2017. As a well-invested business, and one of the world's lowest-cost producers, we believe that we are well placed to succeed in this market with higher sugar volumes, albeit at lower prices.

Construction of Vivergo's bioethanol plant in Hull was completed last year and continues to make progress, albeit behind plan. Monthly production volumes are increasing and full production is expected in the new calendar year. The plant uses feed wheat and has the capacity to produce 420 million litres of bioethanol and 500,000 tonnes of high-protein, high-fibre animal feed.

Illovo's sugar production of 1.87 million tonnes for the financial year compared to 1.77 million tonnes last year, reflecting further recovery in the South African crop and good performances from the recently expanded facilities in Swaziland and Zambia. Prices throughout the year were generally stable although increased levels of imports into Tanzania and South Africa have brought some price pressure in these two countries. In Malawi, the currency has stabilised and domestic prices were increased in line with inflation. Pressure on prices across the region is expected to increase in the coming year.

The recently completed new custom-designed warehouse and distribution facility in Pietermaritzburg is fully operational and will provide improved storage and logistics benefits to the South African business. Construction of the new potable alcohol distillery in Tanzania was successfully completed within budget. This plant is now in the final stages of commissioning with the first sales made in October. The three downstream facilities in South Africa all operated well.

In China, sugar production in the south was higher than last year at 500,000 tonnes, principally due to an increase in the planted area, and in the north was in line with last year at 277,000 tonnes. An increase in sugar supply, from high levels of imports and improved domestic production, led to lower sugar prices. With exceptionally high government intervention stockholdings, the price outlook for the new financial year remains challenging. The business sustained a significant loss in the year and embarked upon a major cost reduction and factory efficiency programme. This included, in the first half, the decision to mothball our Baolongshan and Wangkui factories at the end of the campaign, with a non-cash charge of £22m included within adjusted operating profit. In early September we completed the sale of our beet factory at Chifeng where the regional government had announced its intention to redevelop the area. A charge of £15m has been taken as a loss on sale of businesses in the income statement.

AGRICULTURE

	2013	2012	change
Revenue £m	**1,410**	1,265	+11%
Adjusted operating profit £m	**47**	40	+18%
Adjusted operating profit margin	**3.3%**	3.2%	
Return on average capital employed	**16.4%**	16.5%	

Agriculture had a record year with revenues and profit well ahead of last year driven by a strong performance across the UK businesses and international growth for AB Vista.

The UK livestock sector experienced a mixed year. Dairy farmers saw milk price increases being largely offset by higher costs and poor quality and quantity of forage. Consolidation in the poultry

market depressed farm margins and the pig market continued its slow recovery from several years of low margins and high raw material costs. The continuing trend among UK consumers and retailers to prefer locally produced meat has provided a welcome stimulus to the UK industry and there are some signs of raw material costs beginning to fall.

Our UK feed business, AB Connect, saw strong demand for ruminant feeds, and poultry feed volumes grew in line with increased demand from UK consumers. Our international feed enzyme and micro-ingredients business, AB Vista, continued to grow faster than the market, particularly in North America with the success of our Quantum Blue phytase enzyme, sales of which were up more than 30% on last year. The business also became the second largest global supplier of betaine, a functional micro-ingredient extracted from sugar beet molasses.

Premier Nutrition traded well, particularly in UK poultry, and maintained its market-leading position in UK starter feeds. Further progress was achieved in its developing markets in Asia, and Central and Eastern Europe. AB Sustain's beef and dairy farm carbon footprint models have been improved further and were recertified by The Carbon Trust. In addition, its new biodiversity valuation programme 'Think.Nature' secured an endorsement from Natural England.

China continued to be a challenging market, particularly in pigs and poultry. Progress in poultry was hampered by an avian flu outbreak during the year but growth was achieved in our co-products business. Good raw material procurement and cost management underpinned profit delivery.

Frontier performed well in a year in which the supply of UK grain was poor and of variable quality. A higher volume of wheat imports increased the complexity and cost of the UK cereal supply chain which, together with global price volatility throughout the year, resulted in strong earnings from grain trading. A wet autumn in 2012 lowered wheat plantings thereby reducing demand for fertiliser and crop protection products. However, the cool spring and warm summer of 2013 provided good growing conditions for autumn planted crops and spring cereals creating a better harvest potential than was previously expected.

RETAIL

	2013	2012	% change
Revenue £m	**4,273**	3,503	+22%
Adjusted operating profit £m	**514**	356	+44%
Adjusted operating profit margin	**12.0%**	10.2%	
Return on average capital employed	**26.1%**	19.2%	

Primark's revenue was 22% ahead of last year at actual exchange rates, which benefited from the recent strengthening of the euro, and was 21% ahead at constant currency. This excellent result was driven by an increase in retail selling space, like-for-like sales growth of 5% for the full year, and superior sales densities in the larger new stores. Like-for-like growth during the year was affected by two periods of unseasonable weather; it was flattered at the start of this financial year with the benefit of seasonal autumnal weather compared with an unseasonably warm autumn in 2011, and was subdued during the very cold months of March and April 2013. Trading at other times of the year was strong, building upon the success of the comparable periods in the prior year. Trading in our stores in northern continental Europe was strong throughout the year and like-for-like growth in Spain, which was initially held back by the large number of new store openings, improved later in the year. Sales of the autumn/winter range in the new financial year are encouraging.

Operating profit margin in the first half was higher than last year reflecting the benefit of lower cotton prices and lower markdowns. The strong trading over the summer also resulted in lower markdowns in the second half and the margin for the full year exceeded our expectations at 12.0%. A feature of this year was the achievement of satisfactory operating profit margins, more quickly than expected, in northern continental Europe. This was delivered by superior sales densities and a focus on operating costs. Adjusted operating profit was 44% higher than last year at £514m

reflecting the strong revenue growth. Movements in exchange rates had no material effect on profit.

Primark is an international brand with a global supply chain sourcing products from a number of countries in Europe and Asia. We have a responsibility to act and trade ethically and we have a duty of care to workers throughout the supply chain. We are signatories to the United Nations' Guiding Principles on Business and Human Rights. These were launched in 2012 and outline the responsibility of business and government to protect human rights by preventing and remedying the impact of abuse. This year we further strengthened our in-country teams of ethical trading specialists who are critical in supporting sustainable improvements within supplier factories, and providing greater visibility across the supply chain. We conducted 1,825 audits in the last calendar year and ethical trade training continues to be provided to every new Primark employee. We are also developing ways to support workers' livelihoods and wellbeing through longer-term initiatives such as the HERproject, focused on education regarding health and nutrition, and our Sustainable Cotton programme.

This was another very active year for Primark's property team and saw the group extend its operations into Austria for the first time with stores in Innsbruck and Vienna. We opened 16 new stores in total during the financial year, including our second store on London's Oxford Street which has 82,000 sq ft of selling space. We extended and refurbished the stores in Manchester, Newcastle, Chester and Mary Street, Dublin and closed the smaller of our two stores in Lincoln. This added 0.8m sq ft of selling space and brought the total to 257 stores and 9.0 million sq ft at the financial year end.

	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 2012	5,425	157	1,100	35	1,010	38	665	12	8,200	242
Change in year	335	4	230	6	20	-	215	5	800	15
September 2013	5,760	161	1,330	41	1,030	38	880	17	9,000	257
	+6%		+21%		+2%		+32%		+10%	

Our new store design provides an exciting, fashionable and fun shopping experience. Strategically placed mannequins help to inspire customers to choose outfits that are readily available on adjacent fixtures, and prominent signage and wider aisles enable easy navigation through the store. We are also enhancing customer service by providing a higher ratio of fitting rooms and cash registers to ensure a smoother experience when trying on outfits and paying for them.

The new financial year will see another busy schedule of store openings. We expect to add more than a million square feet of selling space during the year, with an extensive programme of 13 openings in time for Christmas 2013 including five in Spain and our first store in France, which will open in Marseille. We also have plans to open a further four stores in France during the financial year. Although our focus is to develop the business through expansion in our existing countries of operation, we continue to explore territories beyond this geographic footprint in the medium term.

We have invested further to improve the efficiency, and increase the capacity, of our logistics network. A purpose-built depot in Mönchengladbach, in the west of Germany, came into operation in August 2012 with 425,000 sq ft of warehouse space. This increased our total warehouse capability to 2.7 million sq ft, adding to the footprint of our existing depots in Ireland, the UK and Spain, and enabled a more flexible response to the needs of our customers in northern Europe.

We also undertook a substantial upgrade of our garment-on-hangers system in Magna Park in the UK, and extensions to the Spanish and German sites are planned for the new financial year to facilitate our growth across continental Europe.

New store openings:		
Spain	**Germany**	**The Netherlands**
Orihuela, La Zenia	Karlsruhe	Almere
Santander, Valle Real	Frankfurt, Zeil	
Santiago de Compostela		**UK**
Valladolid	**Austria**	Oxford Street East
Vitoria	Innsbruck	Thanet, Westwood Cross
Zaragoza, Puerto Venecia	Vienna North (G3)	Peterborough, Queensgate
		Milton Keynes
		West Bromwich
UK relocation:	**UK closure:**	
Sunderland, Bridges	Lincoln	

GROCERY

	2013	2012	% change
Revenue £m	**3,840**	3,726	+3%
Adjusted operating profit £m	**232**	187	+24%
Adjusted operating profit margin	**6.0%**	5.0%	
Return on average capital employed	**15.8%**	12.2%	

Grocery revenue increased by 3% but adjusted operating profit increased by 24%, a substantial improvement over last year with the benefit of the non-recurrence of restructuring costs, a strong performance from Twinings Ovaltine, and underlying growth in George Weston Foods in Australia in the second half.

Twinings Ovaltine again achieved excellent profit growth driven by higher sales volumes, improved pricing and an increase in total marketing investment with a focus on developing markets. Twinings achieved significant full year sales growth in all of its major markets, and particularly in the US where it was again the fastest growing tea brand. Despite more difficult trading in Thailand, Ovaltine made further progress in its developing markets of Asia and South America. Further investment was made during the year in cost reduction and efficiency projects across the business, notably at the tea factory in Poland and from the bringing in-house of liquid malt extract production in Thailand.

Allied Bakeries made significant progress this year in driving volume growth and reducing its cost base. A combination of organic volume growth and the new Co-op supply contract, which commenced in April this year, drove an increase in market share and established Kingsmill as the number two bread brand in the UK. Allinson bread benefited from advertising investment which saw the brand back on television for the first time in ten years, and Allinson Wholemeal regained its position as the number one brand in the Premium Wholemeal segment. We continued our capital investment programme to upgrade and modernise the bakeries. The new bread line at our Stockport bakery came on stream in September 2012 and in April this year we opened a new bread line at Walthamstow creating one of the most advanced bakeries in the UK. At West Bromwich another new bread line is on schedule to start commissioning during the autumn of 2013. This is the final stage of a five-year investment journey at West Bromwich, which will leave the site as one of the biggest and most modern in the world. However, the UK bakery market remained intensely competitive and there was some pressure on margins.

Silver Spoon's revenue and operating profit were below last year reflecting an especially competitive year within the UK packed sugar market. The long, warm summer resulted in less home baking although Billington's maintained its leading position in brown sugar as a result of increased press advertising and point of sale promotions. In the growing stevia sector, Truvia has become market leader with two product launches including a baking blend. Allinson flour

continued to grow strongly, where it is market leader in the bread flour sector, following a brand relaunch and increased distribution.

Jordans and Ryvita both had an excellent year with strong UK sales growth driven by the launch of new pack formats. Jordans achieved its highest market share since its acquisition five years ago. The relaunch of Ryvita crispbread in new foil-fresh packaging drove increased sales, and new varieties of Crackerbread and Thins have recently been introduced. Internationally, both brands achieved good sales growth, particularly in Canada, and in France the introduction of a small in-country marketing team strengthened our presence and drove an increase in market share. For the second year running the business won the “Waitrose Way” Championing British award for branded products; this year for its pioneering work with British farmers from whom it purchases 80% of its raw materials.

AB World Foods made good progress achieving revenue growth in the UK for Patak’s and Blue Dragon. Internationally, a number of new products were launched under these brands with recipes specifically formulated to meet national tastes. Those launched in Canada, Australia and Mexico performed particularly well. Westmill achieved revenue growth in its core brands: Elephant Atta, Lucky Boat noodles, Tolly Boy basmati rice and Patak’s, despite continued weakness in the UK ethnic restaurant and take away trade. The Elephant Atta brand, which was acquired in September 2012, traded well and production, warehousing and distribution were all successfully integrated during the year.

At ACH in the US, baking volumes recovered after a warm 2012 winter, and prices were increased to recover higher commodity costs. Flavours secured increased volumes with key customers, and Foodservice made progress as restaurant trade showed some improvement. Investment in new product development continued, supported by a higher level of marketing and advertising expenditure, particularly for the new Weber flavouring products which achieved good distribution. In Mexico, there has been an improvement in the overall economic environment and Capullo volumes increased following its successful relaunch in 2012.

At George Weston Foods in Australia, trading met expectations with recovery and improved profitability in the second half. The bread business achieved margin improvement through a combination of an improved product mix and price increases, despite a challenging trading environment where the major retailers are continuing to promote in-store bakery products. Good progress was made with cost reduction programmes to offset inflationary pressures. There was also a continued focus on brand building and innovation with Burgen, The One and Abbott’s all being relaunched during the year resulting in an increase in market share. The meat business performed in line with expectations, showing a significant improvement over last year with higher volumes and factory productivity gains resulting in improved margins and better customer service. Further efficiencies were achieved in sales distribution and warehousing, and administrative costs were reduced, all of which contributed to improved profitability.

INGREDIENTS

	2013	2012	% change
Revenue £m	**1,088**	1,067	+2%
Adjusted operating profit £m	**1**	27	-96%
Adjusted operating profit margin	**0.1%**	2.5%	
Return on average capital employed	**0.1%**	4.4%	

Revenue for the full year was 2% ahead of last year and underlying operating profit was in line. Adjusted operating profit includes a rationalisation charge of £21m for the cost of closing dry yeast production in Italy following the start-up of the new low-cost dry yeast plant in Mexico earlier in the year, and £5m of accelerated depreciation in China.

Following the difficulties experienced by the yeast business last year, the performance by AB Mauri this year was steady although markets remain very competitive and raw material costs high. The new management team is undertaking a review of margin improvement opportunities and

particularly a number of cost reduction and restructuring initiatives. There were solid performances from HispanoAmerica, Australia, New Zealand and the UK and particularly in the US where the impact of the failure of a major customer was mitigated by business development activities. Trading in China improved and bakery ingredients products made a good contribution.

Commissioning of the new yeast factory in Mexico, which was built to enhance our reach and competitiveness in the global dry yeast market, saw the start of a new phase of business development in Central America and the Caribbean. The performance of the new yeast factory at Yantai, China met expectations. The recently opened bakery ingredients facility in Cordoba, Spain was designed to develop the growing bakery ingredients market in Iberia and complements our existing yeast manufacturing and marketing business there.

At ABF Ingredients, increased demand in the US for extruded ingredients has resulted in our existing production facility reaching full capacity. A new cereal extrusions factory has been built at Evansville, Indiana which is now being commissioned. Further growth was achieved in bakery, feed and speciality enzymes, with a particularly good response to new products launched last year. The growth achieved by Enzymes since the factory in Finland was expanded in 2009 has resulted in this factory also reaching full capacity, and further expansion is now being planned. The yeast extracts business in China was affected by the reduced availability and high price of sugar beet molasses with limited opportunity to improve profitability through price increases. Production of yeast extracts in China in the current market and with high input costs is uneconomical and we have taken a charge of £72m within the loss on sale and closure of businesses in the income statement, to write down the carrying value of the associated assets and to provide for restructuring costs. We have also written down the value of our yeast assets in India due to increasingly strict regulatory requirements for waste discharge.

In August we completed the disposal of our small US whey protein operation. Although profitable, we have not been able to develop sufficiently differentiated products and the consolidation of the dairy protein industry presented an opportunity to exit this market. A charge of £26m has been taken as a loss on disposal of the business reflecting a profit on the disposal of the tangible assets net of a write-off of the associated goodwill.

Since the financial year end we have entered into an agreement to acquire, subject to approval by the relevant competition authority, a bakery ingredients business with sales of £50m and operations in western Europe. This business will strengthen AB Mauri's operations in the region by broadening its product range in key craft markets beyond a yeast-only offering.

SUMMARY

Looking ahead to the next few years we see excellent prospects for Primark and further margin recovery in Grocery. However, this year we have seen an earlier than anticipated weakening of EU sugar prices, ahead of the now confirmed reform of the European sugar regime in 2017, and, as we stated in our September statement, this is expected to reduce AB Sugar's profits further. With the strength of the group's balance sheet and strong cash generation, we have every reason to be confident in the continuing development of the group.

George Weston
Chief Executive

FINANCIAL REVIEW

GROUP PERFORMANCE

Group revenue increased by 9% to £13.3bn and adjusted operating profit was up 10% at £1,185m. Movements in foreign currency exchange rates had no material net effect on revenues but at constant exchange rates, adjusted operating profit was 12% ahead of last year. In calculating adjusted operating profit, the amortisation charge on non-operating intangibles, any profits or losses on disposal of non-current assets and any exceptional items are excluded. On an unadjusted basis, operating profit was 25% ahead of last year at £1,093m benefiting from the non-recurrence of last year's exceptional impairment charge of £98m.

A net loss of £128m arose on the sale or closure of businesses this year of which disposals and closures in our Ingredients segment accounted for £113m and the loss on disposal of our sugar business in Chifeng, north China amounted to £15m. These losses are excluded from the calculation of adjusted earnings. Within the amount charged for the Ingredients business is a loss of £26m in respect of the disposal of our US whey protein operation which was completed in August 2013. This included a profit on the disposal of the tangible assets net of a write-off of the associated goodwill. Although profitable, we have not been able to develop sufficiently differentiated products and the consolidation of the dairy protein industry presented an opportunity to exit this market. A charge of £72m was made to write down the carrying value of certain Ingredients assets in China and to provide for restructuring costs, and a charge of £13m was also made to write down the value of our yeast plants in India due to increasingly strict regulatory requirements for waste discharge.

Finance expense less finance income of £87m compared with a net charge of £105m last year. This reduction reflected the group's strong cash flow and the resultant lower average level of net debt during the year. The redemption of British Sugar's £150m 10¾% debenture on 4 July 2013 contributed a small saving on the interest charge but, with the group's very low marginal cost of borrowing, this will have a more significant impact in the new financial year.

Profit before tax increased from £761m to £876m. On an adjusted basis, where the amortisation of non-operating intangible assets and any exceptional items are excluded together with any profits or losses on the sale of non-current fixed assets and the sale and closure of businesses, profit before tax increased by 13% to £1,096m.

TAXATION

We recognise the importance of complying fully with all applicable tax laws as well as paying and collecting the right amount of tax in every country in which the group operates. We have had a board-adopted tax policy for many years which is based on seven tax principles that are embedded in the financial and non-financial processes and controls of the group. Our tax principles are included in the appendix to our corporate responsibility report.

The tax charge for the year of £242m included an underlying charge of £265m at an effective rate of 24.2% (2012 – 24.8%) on the adjusted profit before tax. The reduction in the effective rate is a result of the mix of profits earned in different tax jurisdictions and the reduction in the UK corporation tax rate from 24% to 23%, with effect from 1 April 2013. Further reductions to 21% and 20% are due to take effect on 1 April 2014 and 1 April 2015 respectively. The legislation to effect these rate changes was enacted before the balance sheet date and as deferred tax is measured at the rates that are expected to apply in the periods when the underlying timing differences reverse, closing UK deferred tax balances have been calculated using a rate of 20%. The tax charge included a credit of £18m from the calculation of deferred tax liabilities reflecting this reduction.

The group is a substantial UK tax payer and although the rate of corporation tax has reduced, out of total tax paid in the year of £252m (2012 - £191m), the amount paid in the UK increased from £107m to £133m as a result of the higher profits earned by our UK businesses.

The overall tax charge for the year benefited from a £29m (2012 - £33m) credit for tax relief on the amortisation of non-operating intangible assets and goodwill arising from previous acquisitions. A tax charge of £6m arose on the property and business disposals.

EARNINGS AND DIVIDENDS

Earnings attributable to equity shareholders were £591m, £36m higher than last year, and the weighted average number of shares in issue during the year used to calculate earnings per share was 790 million (2012 - 789 million). Earnings per ordinary share were 6% higher than last year at 74.8p. Adjusted earnings per share, which provides a more consistent measure of performance, increased by 13% from 87.2p to 98.9p.

The interim dividend was increased by 10% to 9.35p and a final dividend has been proposed at 22.65p which represents an overall increase of 12% for the year. The proposed dividend is expected to cost £179m and will be charged next year. Dividend cover, on an adjusted basis, is just over three times.

BALANCE SHEET

Non-current assets of £6,921m were broadly unchanged from last year. Intangible assets were £188m lower, mainly reflecting the amortisation and impairment charges for the year and foreign exchange translation losses of £30m. Property, plant and equipment increased by £11m with capital expenditure in the year largely offset by depreciation and impairment charges.

Working capital at the year end was £58m higher than last year but average working capital across the year expressed as a percentage of sales showed further improvement. Net borrowings at the year end were £257m lower than last year at £804m as a consequence of the very strong cash flow.

A currency loss of £134m arose on the translation into sterling of the group's foreign currency denominated net assets. This resulted from a strengthening of sterling at the end of the year, against the rand and the Australian dollar which more than offset the effect of its weakening against the euro and the US dollar. The group's net assets increased by £276m to £6,497m.

Return on capital employed (ROCE) for the group increased from 17.0% to 18.5% this year. Grocery and Primark both delivered an improvement through much higher profits and Agriculture was level with last year, but lower profits resulted in a reduction in the returns for Sugar and Ingredients. ROCE is calculated by expressing adjusted operating profit as a percentage of the average capital employed for the year.

CASH FLOW

Net cash flow from operating activities was very strong again this year, increasing from £1,240m to £1,276m. This increase was driven by the higher profit and the addition of non-cash items of amortisation, depreciation and impairment charges which, in total, were slightly higher this year. This was partly offset by a working capital outflow of £97m compared to last year's inflow of £43m and higher corporation taxes paid.

We continued to invest in the future growth of the group but the £600m spent on property, plant and equipment and intangibles net of disposals during the year was a reduction on last year's investment of £707m. Primark spent £228m on the acquisition of new stores and the fit-out of new and existing stores. Expenditure elsewhere included the completion of a number of large projects including the new yeast plant in Mexico, the South African warehouse and the distillery in Tanzania for Illovo. Further expenditure was incurred on our programme to reduce the cost base at Allied Bakeries with new bread lines at three of our UK bakeries. No new acquisitions were made in the period but £75m was paid out, almost all of which related to deferred consideration on acquisitions made in prior years.

FINANCING

The financing of the group is managed by a central treasury department. The group has total committed borrowing facilities amounting to £2.4bn, which comprise: £710m of US private placement notes maturing between 2014 and 2024; £1.15bn provided under a syndicated, revolving credit facility which matures in July 2015; a £120m loan from the European Investment Bank maturing in January 2015 and almost £400m of local committed facilities in Africa and Spain. During the financial year we repaid, from existing cash resources, US$120m of private placement notes and British Sugar's £150m 10¾% debenture. At the year end, £1.0bn was drawn down under these committed facilities. The group also had access to £773m of uncommitted credit lines under which £160m was drawn at the year end. Cash and cash equivalents totalled £362m at the year end.

The financial strength and flexibility of the group is enhanced by diversifying our sources of funding and having certainty of finance over a long period. The strength and breadth of the 12 banks in the syndicate reflect the scale and international presence of the group. The syndicated bank finance will be renegotiated, in the ordinary course of events, in the months prior to maturity to ensure the group continues to have access to funding of an appropriate level and duration. The average fixed interest coupon on the private placement notes is 5.3%.

PENSIONS

Pensions are accounted for in accordance with IAS 19 *Employee benefits* and, on this basis, liabilities in the group's defined benefit pension schemes exceeded employee benefit assets by £44m compared with last year's deficit of £95m. The UK scheme accounts for 91% of the group's total pension assets and the increase in the market value of these assets during the year was slightly more than the increase in the present value of scheme liabilities. By agreement with the Trustees, the Company agreed to eliminate the deficit identified at the time of the triennial actuarial valuation of the UK pension scheme in 2008 with five annual payments of £30m each. Despite a small surplus at the most recent triennial valuation in 2011, the Company agreed to make the remaining two payments, the last of which was in March 2013. Total contributions to defined benefit plans in the year amounted to £69m (2012 - £71m).

With effect from 15 September 2013 the provisions of IAS 19 Revised will be adopted by the group and the comparative results for the financial year 2013 will be restated as a prior year adjustment. Under the revised Accounting Standard the reported operating profit for 2013 will be reduced by £4m to reflect a change in the treatment of administration costs and the other financial expense will increase by £3m due to the replacement of the expected rate of return on assets with the discount rate. There was little difference between the expected rates of return on assets and the discount rates in the group's schemes in 2013 hence the small adjustment.

On 1 October 2012 new legislation came into effect which required all eligible UK employees to be automatically enrolled into a qualifying pension scheme. With 40,000 employees in the UK, this was a major exercise for the group. We conducted an extensive awareness campaign in the months leading up to our selected implementation date of 1 February 2013, which resulted in an additional 15,000 employees joining the existing defined contribution section of the Associated British Foods Pension Scheme. The charge for the year for the group's defined contribution schemes, which is equal to the contributions made, amounted to £66m (2012 - £53m).

John Bason
Finance Director

The annual report and accounts is available at www.abf.co.uk and will be despatched to shareholders on 7 November 2013. The annual general meeting will be held at Congress Centre, 28 Great Russell Street, London. WC1B 3LS at 11am on Friday, 6 December 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

Each business is responsible for its own risk management assessment which is reported to the group's Director of Financial Control annually. Our decentralised business model empowers the boards and management of our businesses to identify, evaluate and manage the risks they face on a timely basis. Key risks and internal control procedures are reviewed at group level by the board.

We require all businesses to implement appropriate levels of risk management to ensure compliance with all relevant legislation, our group health, safety and environment policies, our overriding business principles and group policies relating to them, taking into account business needs and local circumstances.

Each business is responsible for regularly assessing its health, safety and environmental risks with managers, operators, contracting companies and specialist staff working together to identify hazards. Appropriate operational procedures and controls are put in place to mitigate risks and all employees are provided with appropriate information, training and supervision. Further details of our risk mitigation activities can be found in our Corporate Responsibility report at www.abf.co.uk/responsibility.

The board reviews annually the material financial and non-financial risks facing our businesses and, on a rolling cycle basis, reviews the effectiveness of the risk management process and the resources that our individual businesses devote to them. The principal risks currently identified by our businesses and reviewed by the board are:

People		
Issue	**Risk**	**Mitigation**
Product safety	Reputational damage caused by food hygiene or product safety incidents. Non-compliance with regulatory requirements. Public concerns over materials used in packaging and ingredients in products.	Food safety is put before economic considerations. Our businesses employ quality control specialists and operate strict policies to ensure consistently high standards are maintained in our operations and in the sourcing and handling of raw materials. Food safety systems are regularly reviewed for efficacy and legal compliance. We participate in independent food health and safety audits. Quality and food safety audits are undertaken at our manufacturing sites. Documented and tested product recall procedures are embedded in all our businesses and are regularly reviewed. We proactively monitor the regulatory and legislative environment as well as emerging scientific research.
Health and nutrition	Health concerns over fat, salt and calorie content of foods. Responding correctly to the spectrum of food poverty and malnutrition versus obesity. Inappropriate advertising to children.	Recipes are regularly reviewed and reformulation is conducted to improve the nutritional value of products, with a focus on reducing fat, salt and calorie content where possible. Our UK Grocery group has signed the UK government's 'Public Health Responsibility Deal' and associated pledges to reduce salt, remove trans fats and promote healthy eating and lifestyle options to our employees. All of our grocery products are labelled with nutritional information. Our UK Grocery portfolio contains only a small number of products specifically intended for children. These products are marketed responsibly, following accepted codes of practice and within the parameters of a clear, operational business policy. We are looking further to continue programmes related to health and nutrition, and to develop partnerships to help educate people about health and nutrition.

Workplace health and safety	Potential for fatal accidents and serious injuries to employees, contractors and visitors. Loss of healthy workforce and supply chain due to diseases such as HIV/AIDs, TB and malaria in high-risk countries.	Group health and safety policy and practices are embedded with a strong ethos of workplace safety across the group. We maintain a programme of audits to verify implementation and support continuous improvement. Accountable senior executives and specialists are appointed. We provide health and safety training and continue to share guidance and best practice with our businesses. We have extended the internal and external auditing of health, safety and management reporting. We continue to invest in health and safety management.
Employee rights	Non-compliance with internationally recognised standards. Inability to recruit and retain high-calibre people at all levels necessary to achieve business performance targets and maintain profitable growth. Maintaining our duty of care to employees, contractors and workers in our supply chain.	We aim to ensure compliance with the United Nations Universal Declaration of Human Rights in the management of all our businesses. Employees throughout the group are recruited, trained and rewarded according to performance alone. Whistleblowing policy and procedures in place. We will consider how our approach to managing employee rights can be shared with principal suppliers.
Management succession	Failure to plan for succession to key roles could lead to a lack of management continuity and suboptimal operational or financial performance.	Each business has a succession plan which is reviewed with group management twice a year, and with the board, annually. Development of our senior managers is co-ordinated by the Group HR Director and the Head of Executive Development. A small number of executive search companies have been briefed to introduce us to talented executives from other companies who could add value to the group.
Suppliers and supply chain reliability	Damage to brands caused by supply chain weakness, e.g. poor conditions for workers. Problems with supply reliability caused by natural disasters and other incidents. Understanding the sustainability and responsible business practices of our suppliers.	Maintain programme of supplier audits where appropriate. Extensive audit programme for labour standards of suppliers. We have introduced a Supplier Code of Conduct which is being implemented across all our businesses, tailored to their requirements. We continue to work, in partnership with suppliers and NGOs, to improve working conditions, e.g. via training. Refocus on worker safety and safe working conditions. We have built up an intensive programme of ethical audits in Primark's supply chain. Primark has maintained its classification as a leader, by the Ethical Trade Initiative, and we are mapping second tier suppliers (subcontractors). The Grocery division conducted an independent review of the environmental and ethical risks in its supply chains to increase understanding. External communication and transparency on the management of our supply chain in Primark and Grocery has been enhanced. Business continuity and disaster recovery plans are regularly reviewed.
Ethical business practices	Unacceptable business practices which contravene our Business Principles. Reputational damage through the irresponsible business practices of	All businesses are signed up to the group's Business Principles and Anti-Bribery and Corruption Policy. A programme of training and compliance has been implemented for all employees. Appointment of anti-bribery and corruption specialists.

	individuals. Penalties imposed through bribery, corruption or unfair competition.	Businesses work co-operatively to ensure visibility of reputational risk within supply chains and draw upon best practice management expertise across the group including Primark and Twinings.
Environment		
Environment management including climate change	Long-term increase in energy prices. Physical threats to operations from climate change, e.g. flooding. Climate change impact altering growth rates of raw materials we use. Increasing cost to operations to adapt to climate change and mitigate impact. Negative impact on the environment and the communities which depend on land used by our operations.	Compliance with the group's Environment Policy and annual reporting of environmental impact. Best available techniques are employed to reduce energy consumption – statutory requirement for all sites subject to the EU's Pollution Prevention and Control regime. Agricultural raw materials are sourced from a wide range of geographical locations and suppliers. We have a continued focus on reducing our environmental impact and implementing changes to our operations to maximise opportunities such as recycling more waste and using more renewable sources of fuel. We have implemented infrastructural protections against weather-related risks such as floods. Measuring and reporting our Greenhouse Gas emissions for the group in 2014. Measuring the CO_2e emissions of our transport for the first time. Substantial investment is made to improve environmental risk management, with a focus on reducing CO_2e emissions, when investing in new capital projects.
Air pollution	Unacceptable impact on environment. Offence caused to local communities by emissions to air from factories.	Establish effective procedures across our business to contain or minimise emissions. Plant and process changes are assessed in advance before authorisation is sought. Comply with emission standards in country of operation, as a minimum. Continue to monitor procedures and swiftly redress non-compliance.
Disposal of waste and effluent	Legal sanction and reputational damage because of non-compliance with regulations and licences. Negative impact on the local environment. Managing quality of water discharge. Increasing cost of waste and managing responsible waste disposal.	Responsibility is assigned to senior executives in all businesses and specialists employed. Comply with standards in country of operation as a minimum. Group wide focus on segregating all waste so that more can be reused or recycled wherever practicable. Work with waste contractors to help us measure the amount of waste disposed or sent for beneficial use. Improvements in the packaging of our products resulting in less waste. Continued investment in our effluent treatment plants and the treatment of waste water. Our UK Grocery group supports the Courtauld 2 Commitment to reduce packaging waste, the Food and Drink Federation "Fivefold Environmental Ambition" and the Institute of Grocery Distribution Water Savings Initiative.
Water use and availability	Securing access to sources of water and maintaining water availability for all. Ensuring good practices in sharing and managing water supplies with local communities. Potential increasing cost of	Water-intensive sites in areas of water stress identified, and efforts focused on water reduction in these areas. Investing heavily in the quality of our water usage data to enable improved measurement and management of water use and water quality. Investment in irrigation systems. We published our first Water Disclosure in 2013 to the Carbon Disclosure Project. Illovo published its first Water Disclosure in 2012.

	water. Operating in water stress areas.	Look to build long-term partnerships to address water issues at a local level. Finalise the standardised approach to water measurement across the group so that we can target investment and build an effective water risk management programme.
Resource efficiency	Unnecessary costs from inefficient use of natural resources. Maintaining a sustainable supply of raw materials.	Use of raw materials optimised. Use of packaging minimised consistent with food safety and product protection. Fuel consumption in transport is minimised.
Use of commodities such as palm oil, soya and cocoa	Damage to the environment and communities reliant on commodities. Damage to the reputation of the business from unsustainable sourcing of certain commodities.	Group commitment that all businesses will use Certified Sustainable or Identity Preserved palm oil by 2015. Membership of various industry bodies to collaborate on solutions including the Roundtable on Responsible Soya. Twinings is a founder member of the Ethical Tea Partnership. Commissioned independent assessment of commodity and country risks. Planning review of suppliers and sourcing strategy for certain high risk commodities.
Genetically modified (GM) crops	Consumer concern over use of GM food ingredients.	Continue to label all food containing genetically modified ingredients. Continue to monitor consumer trends. Consultation with other businesses, Governments and industry bodies regarding GM products and undertake further research to gain deeper insight into the issue.
Financial and regulatory		
Competition rules	Penalties for failing to comply with 1998 Competition Act, the 2003 Enterprise Act, relevant EU law and all relevant competition legislation.	Clear policy direction and close support from specialist in-house legal department. Compulsory awareness training.
Global economic slowdown and changing consumer demand	Demand for our products declines due to uncertainty over economic outlook and impact on disposable incomes.	Mitigated by diversity of business portfolio and geographic reach. Substantial investment in research and development, product quality, advertising and promotion, and focus on cost management.
Financial, currency and commodity risks	Loss sustained as a result of failure of internal controls or fraud, and exposure to foreign currencies, interest rates, counterparty credit risk, liquidity risk, and changes in market prices especially for energy and commodities.	Adherence to the group's financial control framework and anti-fraud policy. Treasury operations are conducted within a framework of board-approved policies and guidelines. Sufficient funding is maintained by way of external loans and committed bank facilities, which are renewed or extended on a timely basis, having regard to the group's projected funding needs. Financial transactions are dealt through financial institutions with a credit rating of A or better. Details of the group's accounting and risk management policies with respect to financial instruments and associated quantitative and qualitative disclosures are set out in note 24 on pages 113-123 in the Annual Report.
Tax compliance	Failure to comply with local tax law resulting in underpayment of tax and exposure to related interest and penalties.	The group has a financial control framework and a board adopted tax policy requiring all businesses to comply fully with all relevant local tax law. Provision is made for known issues based on management's interpretation of country specific tax law and the likely outcome. Any interest and penalties on tax issues are provided for in the tax charge.

IT security breach	Data loss or theft. Business disruption.	Group IT Security policies and procedures are rolled out across the businesses. Employee awareness campaigns are undertaken to highlight key activities to minimise IT security risks. Technical security controls are in place over key IT platforms. An experienced Head of IT Security has been appointed. He is tasked with identifying security risks and working with the businesses to implement mitigating controls. Internal audit reviews of compliance with policies and procedures are undertaken.
Loss of a major site	The loss of one of our key sites could present significant operational difficulties.	Our businesses have in place business continuity plans to manage the impact of such an event and group insurance programmes to mitigate the financial consequences.
Regulatory and political	Failure to recognise political or cultural differences in the many countries in which we operate could directly impact the success of our operations. Proposals to end sugar quotas in 2017.	We remain vigilant to future changes and the risk presented by operating in emerging markets. We engage with governments and NGOs to ensure the views of our stakeholders are represented and we try to anticipate, and contribute to, important changes in public policy. Our financial control requirements are consistently applied wherever we operate.
Major capital projects and acquisitions	Risk of overspending initial cost estimates, overrunning construction timelines and failure to meet design specifications.	All major projects are managed by dedicated teams who work in close liaison with business management. Project plans are reviewed and approved by group management and, for larger projects, by the board. Updates on progress are provided throughout the project.

CAUTIONARY STATEMENTS

This report 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.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole.

Pursuant to Disclosure and Transparency Rules, Chapter 4, the following sections of the Company's annual report contain a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face:

1. The Chairman's statement on pages 8 and 9;
2. Operating review on pages 20 to 35 which includes a review of the external environment, future development and performance measures;
3. Financial review on pages 36 to 39;
4. Other disclosures: 'Research and development';
5. Other disclosures: 'Financial instruments';
6. Other disclosures: 'Property, plant and equipment';
7. Other disclosures: 'Power of the directors'; and
8. Other disclosures: 'Principal risks and uncertainties'

The contents of this announcement, including the responsibility statement above, have been extracted from the annual report and accounts for the 52 weeks ended 14 September 2013 which can be found at www.abf.co.uk and will be despatched to shareholders on 7 November 2013. Accordingly this responsibility statement makes reference to the financial statements of the Company and the group and to the relevant narrative appearing in that annual report and accounts rather than the contents of this announcement.

On behalf of the board

Charles Sinclair
Chairman

George Weston
Chief Executive

John Bason
Finance Director

5 November 2013

CONSOLIDATED INCOME STATEMENT

For the 52 weeks ended 14 September 2013

Continuing operations	Note	2013 £m	2012 £m
Revenue	1	**13,315**	12,252
Operating costs before exceptional items		**(12,235)**	(11,302)
Exceptional items		**-**	(98)
		1,080	852
Share of profit after tax from joint ventures and associates		**13**	27
Profits less losses on disposal of non-current assets		**-**	(6)
Operating profit		**1,093**	873
Adjusted operating profit	1	**1,185**	1,077
Profits less losses on disposal of non-current assets		**-**	(6)
Amortisation of non-operating intangibles		**(92)**	(100)
Exceptional items		**-**	(98)
Profits less losses on sale and closure of businesses	2	**(128)**	(9)
Profit before interest		**965**	864
Finance income		**13**	9
Finance expense		**(100)**	(114)
Other financial (expense)/income		**(2)**	2
Profit before taxation		**876**	761
Adjusted profit before taxation		**1,096**	974
Profits less losses on disposal of non-current assets		**-**	(6)
Amortisation of non-operating intangibles		**(92)**	(100)
Exceptional items		**-**	(98)
Profits less losses on sale and closure of businesses		**(128)**	(9)
Taxation – UK		**(113)**	(91)
– Overseas (excluding tax on exceptional items)		**(129)**	(116)
– Overseas (on exceptional items)		**-**	29
	3	**(242)**	(178)
Profit for the period		**634**	583
Attributable to			
Equity shareholders		**591**	555
Non-controlling interests		**43**	28
Profit for the period		**634**	583
Basic and diluted earnings per ordinary share (pence)	4	**74.8**	70.3
Dividends per share paid and proposed for the period (pence)	5	**32.0**	28.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 14 September 2013

	2013	2012
	£m	£m
Profit for the period recognised in the income statement	**634**	583
Other comprehensive income		
Actuarial gains/(losses) on defined benefit schemes	**24**	(99)
Deferred tax associated with defined benefit schemes	**(5)**	23
Items that will not be reclassified to profit or loss	**19**	(76)
Effect of movements in foreign exchange	**(114)**	(241)
Net (loss)/gain on hedge of net investment in foreign subsidiaries	**(20)**	11
Deferred tax associated with movements in foreign exchange	**2**	3
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed	**7**	-
Current tax associated with movements in foreign exchange	**-**	(4)
Movement in cash flow hedging position	**6**	(21)
Deferred tax associated with movement in cash flow hedging position	**(2)**	4
Items that are or may be subsequently reclassified to profit or loss	**(121)**	(248)
Other comprehensive income for the period	**(102)**	(324)
Total comprehensive income for the period	**532**	259
Attributable to		
Equity shareholders	**526**	281
Non-controlling interests	**6**	(22)
Total comprehensive income for the period	**532**	259

CONSOLIDATED BALANCE SHEET

At 14 September 2013

	2013	2012
	£m	£m
Non-current assets		
Intangible assets	**1,581**	1,769
Property, plant and equipment	**4,552**	4,541
Biological assets	**97**	89
Investments in joint ventures	**182**	174
Investments in associates	**36**	40
Employee benefits assets	**52**	18
Deferred tax assets	**273**	189
Other receivables	**148**	151
Total non-current assets	**6,921**	6,971
Current assets		
Inventories	**1,581**	1,500
Biological assets	**112**	109
Trade and other receivables	**1,342**	1,236
Derivative assets	**27**	33
Cash and cash equivalents	**362**	391
Total current assets	**3,424**	3,269
TOTAL ASSETS	**10,345**	10,240
Current liabilities		
Loans and overdrafts	**(394)**	(538)
Trade and other payables	**(1,881)**	(1,752)
Derivative liabilities	**(38)**	(50)
Income tax	**(166)**	(150)
Provisions	**(47)**	(98)
Total current liabilities	**(2,526)**	(2,588)
Non-current liabilities		
Loans	**(772)**	(914)
Provisions	**(30)**	(38)
Deferred tax liabilities	**(424)**	(366)
Employee benefits liabilities	**(96)**	(113)
Total non-current liabilities	**(1,322)**	(1,431)
TOTAL LIABILITIES	**(3,848)**	(4,019)
NET ASSETS	**6,497**	6,221
Equity		
Issued capital	**45**	45
Other reserves	**175**	175
Translation reserve	**440**	532
Hedging reserve	**(13)**	(17)
Retained earnings	**5,486**	5,099
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS	**6,133**	5,834
Non-controlling interests	**364**	387
TOTAL EQUITY	**6,497**	6,221

CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 14 September 2013

	2013 £m	2012 £m
Cash flow from operating activities		
Profit before taxation	**876**	761
Profits less losses on disposal of non-current assets	**-**	6
Profits less losses on sale and closure of businesses	**128**	9
Finance income	**(13)**	(9)
Finance expense	**100**	114
Other financial expense/(income)	**2**	(2)
Share of profit after tax from joint ventures and associates	**(13)**	(27)
Amortisation	**130**	122
Depreciation	**405**	394
Impairment of property, plant and equipment	**27**	92
Impairment of operating intangibles	**4**	6
Impairment of goodwill	**10**	-
Net change in the fair value of biological assets	**(26)**	(28)
Share-based payment expense	**15**	8
Pension costs less contributions	**(29)**	(38)
Increase in inventories	**(112)**	(125)
(Increase)/decrease in receivables	**(158)**	3
Increase in payables	**173**	165
Purchases less sales of current biological assets	**(2)**	(3)
Increase/(decrease) in provisions	**11**	(17)
Cash generated from operations	**1,528**	1,431
Income taxes paid	**(252)**	(191)
Net cash from operating activities	**1,276**	1,240
Cash flows from investing activities		
Dividends received from joint ventures and associates	**11**	11
Purchase of property, plant and equipment	**(593)**	(700)
Purchase of intangibles	**(22)**	(13)
Purchase of non-current biological assets	**(1)**	(1)
Sale of property, plant and equipment	**15**	6
Purchase of subsidiaries, joint ventures and associates	**(75)**	(45)
Sale of subsidiaries, joint ventures and associates	**35**	2
Loans to joint ventures	**(4)**	24
Purchase of non-controlling interests	**(1)**	-
Interest received	**10**	10
Net cash from investing activities	**(625)**	(706)
Cash flows from financing activities		
Dividends paid to non-controlling interests	**(29)**	(23)
Dividends paid to equity shareholders	**(232)**	(200)
Interest paid	**(107)**	(108)
Financing:		
Decrease in short-term loans	**(258)**	(533)
(Decrease)/increase in long-term loans	**(23)**	298
Sale of shares in subsidiary undertakings to non-controlling interests	**1**	4
Movements from changes in own shares held	**(10)**	-
Net cash from financing activities	**(658)**	(562)
Net decrease in cash and cash equivalents	**(7)**	(28)
Cash and cash equivalents at the beginning of the period	**245**	291
Effect of movements in foreign exchange	**5**	(18)
Cash and cash equivalents at the end of the period	**243**	245

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 14 September 2013

	Attributable to equity shareholders							
	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	-	-	-	-	(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
Total comprehensive income								
Profit for the period recognised in the income statement	-	-	-	-	591	591	43	634
Actuarial gain/(losses) on defined benefit schemes	-	-	-	-	26	26	(2)	24
Deferred tax associated with defined benefit schemes	-	-	-	-	(5)	(5)	-	(5)
Items that will not be reclassified to profit or loss	-	-	-	-	21	21	(2)	19
Effect of movements in foreign exchange	-	-	(86)	-	-	(86)	(28)	(114)
Net loss on hedge of net investment in foreign subsidiaries	-	-	(13)	-	-	(13)	(7)	(20)
Deferred tax associated with movements in foreign exchange	-	-	-	-	2	2	-	2
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed	-	-	7	-	-	7	-	7
Movement in cash flow hedging position	-	-	-	6	-	6	-	6
Deferred tax associated with movement in cash flow hedging position	-	-	-	(2)	-	(2)	-	(2)
Items that are or may be subsequently reclassified to profit or loss	-	-	(92)	4	2	(86)	(35)	(121)
Other comprehensive income	-	-	(92)	4	23	(65)	(37)	(102)
Total comprehensive income	-	-	(92)	4	614	526	6	532
Transactions with owners								
Dividends paid to equity shareholders	-	-	-	-	(232)	(232)	-	(232)
Net movement in own shares held	-	-	-	-	5	5	-	5
Dividends paid to non-controlling interests	-	-	-	-	-	-	(29)	(29)
Total transactions with owners	-	-	-	-	(227)	(227)	(29)	(256)
Balance as at 14 September 2013	45	175	440	(13)	5,486	6,133	364	6,497

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT
For the 52 weeks ended 14 September 2013

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, enzymes, lipids yeast extracts and cereal specialities.
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	**52 weeks ended 14 September 2013 £m**	52 weeks ended 15 September 2012 £m	**52 weeks ended 14 September 2013 £m**	52 weeks ended 15 September 2012 £m
Grocery	**3,840**	3,726	**232**	187
Sugar	**2,677**	2,666	**435**	510
Agriculture	**1,410**	1,265	**47**	40
Ingredients	**1,088**	1,067	**1**	27
Retail	**4,273**	3,503	**514**	356
Central	**-**	-	**(50)**	(48)
	13,288	12,227	**1,179**	1,072
Businesses disposed:				
Ingredients	**27**	25	**6**	5
	13,315	12,252	**1,185**	1,077
Geographical information				
United Kingdom	**5,728**	5,248	**715**	638
Europe & Africa	**3,790**	3,328	**386**	325
The Americas	**1,282**	1,216	**103**	95
Asia Pacific	**2,488**	2,435	**(25)**	14
	13,288	12,227	**1,179**	1,072
Businesses disposed:				
The Americas	**27**	25	**6**	5
	13,315	12,252	**1,185**	1,077

1. Operating segments for the 52 weeks ended 14 September 2013

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	3,851	2,808	1,410	1,193	4,273	(247)	13,288
Internal revenue	(11)	(131)	-	(105)	-	247	-
External revenue from continuing businesses	3,840	2,677	1,410	1,088	4,273	-	13,288
Businesses disposed	-	-	-	27	-	-	27
Revenue from external customers	3,840	2,677	1,410	1,115	4,273	-	13,315
Adjusted operating profit before joint ventures and associates	224	450	35	(7)	514	(50)	1,166
Share of profit after tax from joint ventures and associates	8	(15)	12	8	-	-	13
Businesses disposed	-	-	-	6	-	-	6
Adjusted operating profit	232	435	47	7	514	(50)	1,185
Amortisation of non-operating intangibles	(19)	(21)	(1)	(51)	-	-	(92)
Profits less losses on sale and closure of businesses	-	(15)	-	(113)	-	-	(128)
Profit before interest	213	399	46	(157)	514	(50)	965
Finance income						13	13
Finance expense						(100)	(100)
Other financial expense						(2)	(2)
Taxation						(242)	(242)
Profit for the period	213	399	46	(157)	514	(381)	634
Segment assets (excluding joint ventures and associates)	2,666	2,432	319	1,159	2,677	187	9,440
Investments in joint ventures and associates	33	34	99	52	-	-	218
Segment assets	2,699	2,466	418	1,211	2,677	187	9,658
Cash and cash equivalents						362	362
Deferred tax assets						273	273
Employee benefits assets						52	52
Segment liabilities	(539)	(398)	(121)	(207)	(619)	(112)	(1,996)
Loans and overdrafts						(1,166)	(1,166)
Income tax						(166)	(166)
Deferred tax liabilities						(424)	(424)
Employee benefits liabilities						(96)	(96)
Net assets	2,160	2,068	297	1,004	2,058	(1,090)	6,497
Non-current asset additions	165	158	10	70	220	6	629
Depreciation	108	86	7	49	151	4	405
Amortisation	37	37	3	53	-	-	130
Impairment of property, plant and equipment	-	8	-	19	-	-	27
Impairment of operating intangibles	-	4	-	-	-	-	4
Impairment of goodwill	-	10	-	-	-	-	10
Impairment of property, plant and equipment on closure of business	-	3	-	74	-	-	77
Impairment of goodwill on sale of business	-	14	-	-	-	-	14

Geographical information

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	5,728	3,790	1,309	2,488	13,315
Segment assets	3,863	3,096	1,022	1,677	9,658
Non-current asset additions	260	209	51	109	629
Depreciation	177	102	28	98	405
Amortisation	35	26	39	30	130
Impairment of property, plant and equipment	-	19	-	8	27
Impairment of operating intangibles	-	-	-	4	4
Impairment of goodwill	-	-	-	10	10
Impairment of property, plant and equipment on closure of business	-	-	-	77	77
Impairment of goodwill on sale of business	-	-	-	14	14

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT continued
For the 52 weeks ended 14 September 2013

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	1,138	3,503	(231)	12,227
Internal revenue	(8)	(142)	(10)	(71)	-	231	-
External revenue from continuing businesses	3,726	2,666	1,265	1,067	3,503	-	12,227
Businesses disposed	-	-	-	25	-	-	25
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	17	356	(48)	1,045
Share of profit after tax from joint ventures and associates	8	(4)	13	10	-	-	27
Businesses disposed	-	-	-	5	-	-	5
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 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	-	-	-	-	-	92
Impairment of operating intangibles	6	-	-	-	-	-	6
Impairment of property, plant and equipment on closure of business	-	-	-	3	-	-	3

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	-	-	-	92	92
Impairment of operating intangibles	-	-	-	6	6
Impairment of property, plant and equipment on closure of business	-	-	-	3	3

2. Profits less losses on sale and closure of businesses

2013

Loss on sale and closure of businesses of £128m comprised £113m for disposals and closures in the Ingredients segment and £15m for the loss on disposal of the sugar business in Chifeng, north China. Included within the amount charged in the Ingredients segment is a loss of £26m in respect of the disposal of our US whey protein operation, which was completed in August 2013, a charge of £72m to write down the carrying value of certain Ingredients assets in China and to provide for restructuring costs and a charge of £13m to write down the value of yeast plants in India.

2012

Loss on sale and closure of businesses of £9m comprised a £15m non-cash charge for the write-off of Illovo's investment in pre-project expenditure in Mali (Sugar and Europe & Africa segments), offset by a £9m credit for recognition of deferred profit on the disposal of the group's Polish sugar operations in November 2009 (Sugar and Europe & Africa segments) together with other small charges totalling £3m.

3. Income tax expense

	52 weeks ended 14 September 2013 £m	52 weeks ended 15 September 2012 £m
Current tax expense		
UK – corporation tax at 23.5% (2012 – 25.1%)	**143**	108
Overseas – corporation tax	**145**	110
UK – overprovided in prior periods	**(9)**	(6)
Overseas – overprovided in prior periods	**(10)**	(2)
	269	210
Deferred tax expense		
UK deferred tax	**(21)**	(14)
Overseas deferred tax	**2**	(20)
UK – underprovided in prior periods	**-**	3
Overseas – overprovided in prior periods	**(8)**	(1)
	(27)	(32)
Total income tax expense in income statement	**242**	178
Reconciliation of effective tax rate		
Profit before taxation	**876**	761
Less share of profit after tax from joint ventures and associates	**(13)**	(27)
Profit before taxation excluding share of profit after tax from joint ventures and associates	**863**	734
Nominal tax charge at UK corporation tax rate of 23.5% (2012 – 25.1%)	**203**	184
Benefit of lower tax rates	**(34)**	(19)
Expenses not deductible for tax purposes	**24**	3
Profits/losses on disposal of assets covered by tax exemptions or unrecognised capital loses	**39**	2
Deferred tax not recognised	**37**	14
Adjustments in respect of prior periods	**(27)**	(6)
	242	178
Income tax recognised directly in equity		
Deferred tax associated with defined benefit schemes	**5**	(23)
Deferred tax associated with share-based payments	**-**	2
Deferred tax associated with movement in cash flow hedging position	**2**	(4)
Deferred tax associated with movements in foreign exchange	**(2)**	(3)
Current tax associated with movements in foreign exchange	**-**	4
	5	(24)

The UK corporation tax rate was reduced from 24% to 23% with effect from 1 April 2013, and further reductions to 21% and 20% are due to take effect on 1 April 2014 and 1 April 2015 respectively. The legislation to effect these rate changes was enacted before the balance sheet date and UK deferred tax has therefore been calculated using a rate of 20%. This rate change results in an £18m reduction in the tax charge in the income statement.

A tax credit of £29m arising on the exceptional impairment charge in 2012 was included within the overseas deferred tax credit.

4. Earnings per share

The calculation of basic earnings per share at 14 September 2013 was based on the net profit attributable to equity shareholders of £591m (2012 - £555m), and a weighted average number of shares outstanding during the year of 790 million (2012 – 789 million). The calculation of the weighted average number of shares excludes the shares held by the Employee Share Ownership Plan Trust on which the dividends are being waived.

Adjusted earnings per ordinary share, which exclude the impact of profits less losses on disposal of non-current assets and the sale and closure of businesses, amortisation of non-operating intangibles, exceptional items and any associated tax credits, is shown to provide clarity on the underlying performance of the group.

The diluted earnings per share calculation takes into account the dilutive effect of share incentives. The diluted, weighted average number of shares is 790 million (2012 – 789 million). There is no difference between basic and diluted earnings.

	52 weeks ended 14 September 2013 pence	52 weeks ended 15 September 2012 pence
Adjusted earnings per share	**98.9**	87.2
Disposal of non-current assets	**-**	(0.8)
Sale and closure of businesses	**(16.2)**	(1.1)
Exceptional items	**-**	(12.4)
Tax effect on above adjustments	**(0.8)**	3.9
Amortisation of non-operating intangibles	**(11.7)**	(12.7)
Tax credit on non-operating intangibles amortisation and goodwill	**3.7**	4.2
Non-controlling interests' share of amortisation of non-operating intangibles net of tax	**0.9**	2.0
Earnings per ordinary share	**74.8**	70.3

5. Dividends

	2013 pence per share	2012 pence per share	**2013 £m**	2012 £m
2011 final	**-**	16.85	**-**	133
2012 interim	**-**	8.50	**-**	67
2012 final	**20.00**	-	**158**	-
2013 interim	**9.35**	-	**74**	-
	29.35	25.35	**232**	200

The 2013 interim dividend was declared on 23 April 2013 and paid on 5 July 2013. The 2013 final dividend of 22.65 pence, total value of £179m, will be paid on 10 January 2014 to shareholders on the register on 6 December 2013.

Dividends relating to the period were 32.0 pence per share totalling £253m (2012 – 28.5 pence per share totalling £225m).

6. Exceptional items

In 2012, an exceptional charge of £98m was made to impair property, plant and equipment assets (£92m) and operating intangible assets (£6m) in the Australian meat business. An exceptional tax credit of £29m arose on the recognition of the resultant deferred tax asset.

7. Acquisitions and disposals

2013

During 2013, the group completed no new business combinations. Cash flow on purchase of subsidiaries, joint ventures and associates of £75m comprised £71m of deferred consideration in respect of previous business combinations, a £2m investment in a joint venture and a £2m adjustment to goodwill for a previous acquisition. Goodwill and deferred consideration were both reduced by £7m in respect of deferred consideration for previous acquisitions no longer payable.

Loss on sale and closure of businesses of £128m comprised £113m for disposals and closures in the Ingredients segment and £15m for the loss on disposal of the sugar business in Chifeng, north China. Included within the amount charged in the Ingredients segment is a loss of £26m in respect of the disposal of our US whey protein operation, which was completed in August 2013. Cash consideration for the US disposal was £20m, tangible assets disposed amounted to £8m and goodwill disposed was £27m. Provisions made were £4m and foreign exchange differences recycled from equity were £7m. A charge of £72m was made to write down the carrying value of certain Ingredients assets in China and to provide for restructuring costs, and a charge of £13m to write down the value of yeast plants in India.

Cash flow on sale of subsidiaries, joint ventures and associates of £35m comprised £20m in respect of the US whey protein business and £15m of deferred consideration received for previous disposals.

2012

During 2012 the group acquired Elephant Atta, the UK's leading ethnic flour brand, for a consideration of £34m. Additionally a number of smaller acquisitions were made with a total cash consideration of £3m, and deferred consideration payable on prior year acquisitions was increased by £9m. Total consideration therefore amounted to £46m. Net identifiable assets and liabilities acquired were £38m, comprising non-operating intangibles of £36m, inventory of £3m, cash of £1m, trade payables of £1m and short-term borrowings of £1m. Goodwill arising was £8m.

Cash flow on purchase of subsidiaries, joint ventures and associates of £45m comprises £37m cash consideration, less £1m cash acquired, and a £9m investment in joint ventures.

Loss on sale and closure of businesses of £9m comprised a £15m non-cash charge for the write-off of Illovo's investment in pre-project expenditure in Mali (Sugar and Europe & Africa segments), offset by a £9m credit for recognition of deferred profit on the disposal of the group's Polish sugar operations in November 2009 (Sugar and Europe & Africa segments) together with other small charges totalling £3m. Cash flow on sale of subsidiaries, joint ventures and associates of £2m in the cash flow statement comprises receipts of deferred consideration in respect of previous business disposals.

8. Analysis of net debt

	At 15 September 2012 £m	Cash flow £m	Non-cash items £m	Exchange adjustments £m	**At 14 September 2013 £m**
Cash at bank and in hand, cash equivalents and overdrafts	245	(7)	-	5	**243**
Short-term borrowings	(392)	258	(135)	(6)	**(275)**
Loans over one year	(914)	23	135	(16)	**(772)**
	(1,061)	274	-	(17)	**(804)**

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 of £119m are included as a component of cash and cash equivalents for the purpose of the cash flow statement. Non-cash movements previously shown net within cash flow have been shown separately.

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT continued
For the 52 weeks ended 14 September 2013

9. Related party transactions

The group has a controlling related party relationship with its parent company, which is also its ultimate parent company. The group also has a related party relationship with its associates and joint ventures and with its directors. In the course of normal operations, related party transactions entered into by the group have been contracted on an arm's length basis.

Material transactions and year end balances with related parties were as follows:

	Sub note	2013 £'000	2012 £'000
Charges to Wittington Investments Limited in respect of services provided by the Company and its subsidiary undertakings		**338**	330
Dividends paid by ABF and received in a beneficial capacity by:			
(i) trustees of the Garfield Weston Foundation	1	**8,277**	7,143
(ii) directors of Wittington Investments Limited who are not trustees of the Foundation		**1,297**	1,120
(iii) directors of the Company who are not trustees of the Foundation and are not directors of Wittington Investments Limited		**30**	21
(iv) a member of the Weston family employed within the Associated British Foods group	2	**864**	746
Sales to fellow subsidiary undertakings on normal trading terms	3	**2**	135
Sales to companies with common key management personnel on normal trading terms	4	**16,538**	14,710
Commissions paid to companies with common key management personnel on normal trading terms	4	**787**	300
Amounts due from a company with common key management personnel	4	**2,227**	1,531
Sales to joint ventures on normal trading terms		**18,488**	18,177
Sales to associates on normal trading terms		**19,460**	17,598
Purchases from joint ventures on normal trading terms		**397,449**	292,687
Purchases from associates on normal trading terms		**20,805**	21,898
Amounts due from joint ventures		**163,170**	152,136
Amounts due from associates		**1,790**	898
Amounts due to joint ventures		**30,806**	24,808
Amounts due to associates		**1,059**	2,398

1. The Garfield Weston Foundation ('the Foundation') is an English charitable trust, established in 1958 by the late W Garfield Weston. The Foundation has no direct interest in the Company, but as at 14 September 2013 was the beneficial owner of 683,073 shares (2012 – 683,073 shares) in Wittington Investments Limited representing 79.2% (2012 – 79.2%) of that company's issued share capital and is, therefore, the Company's ultimate controlling party. At 14 September 2013 trustees of the Foundation comprised two children and two grandchildren of the late W Garfield Weston and five children of the late Garry H Weston.
2. A member of the Weston family who is employed by the group and is not a director of the Company or Wittington Investments Limited and is not a trustee of the Foundation.
3. The fellow subsidiary undertakings are Fortnum and Mason plc and Heal & Son Limited.
4. The companies with common key management personnel are the George Weston Limited group, in Canada, and Selfridges & Co Ltd.

Amounts due from joint ventures comprise £15m (2012 - £16m) of finance lease receivables and £130m (2012 - £126m) of loan receivables. The remainder of the balance is trading balances. The loan receivables are all non-current (2012 – all non-current), and all but £3m (2012 - £3m) of the finance lease receivables are non-current.

10. Other information

The financial information set out above does not constitute the Company's statutory accounts for the 52 weeks ended 14 September 2013, or the 52 weeks ended 15 September 2012. Statutory accounts for 2012 have been delivered to the Registrar of Companies and those for 2013 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts. Their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain a statement under section under section 498(2) or (3) of the Companies Act 2006 in respect of the accounts.

11. Basis of preparation

Associated British Foods plc ('the Company') is a company domiciled in the United Kingdom. The consolidated financial statements of the Company for the 52 weeks ended 14 September 2013 comprise those of the Company and its subsidiaries (together referred to as 'the group') and the group's interest in joint ventures and associates.

The consolidated financial statements were authorised for issue by the directors on 5 November 2013.

The consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU. Under IFRS, management is required to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on experience. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised from the period in which the estimates are revised.

The consolidated financial statements are presented in sterling, rounded to the nearest million. They are prepared on the historical cost basis except that biological assets and certain financial instruments are stated at fair value. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The consolidated financial statements of the group are prepared to the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 weeks ended 14 September 2013. To avoid delay in the preparation of the consolidated financial statements, the results of certain subsidiaries, joint ventures and associates are included up to 31 August 2013. The results of Illovo are included for the period to 30 September 2013 in line with Illovo's local reporting date. Adjustments are made as appropriate for significant transactions or events occurring between 31 August and 30 September.

12. Significant accounting policies

The accounting policies applied by the group in this annual results announcement are the same as those applied by the group in its consolidated financial statements for the year ended 14 September 2013.