

**Review of interim results
for 24 weeks ended
2 March 2013**

23 April 2013



Financial Highlights

-
- “ Group revenue up 10% to £6,333m
 - “ Adjusted operating profit up 20% at £496m*
 - “ Adjusted profit before tax up 25% to £452m *
 - “ Adjusted earnings per share up 22% at 41.9p *
 - “ Interim dividend per share up 10% to 9.35p
 - “ Net debt of £1,337m after net capital investment of £334m
 - “ Operating profit up 21% to £459m, profit before tax up 26% at £415m and basic earnings per share up 23% to 38.9p

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

Business Highlights

- “ Excellent set of interim results
- “ Primark exceptional
 - . sales up 24%
 - . profit margin sharply ahead
- “ Strong first half at AB Sugar
- “ Grocery improvement
- “ Underlying stabilisation at AB Mauri
- “ Further improvement in cash flow
- “ Lower net debt

Income Statement

Associated
British Foods
plc

£m	2013	2012	Change
Revenue	6,333	5,766	+10%
Operating costs	(5,879)	(5,402)	
Share of joint ventures and associates	5	13	
Profits less losses on disposal of non-current assets	<u>-</u>	<u>1</u>	
Operating profit	459	378	
Adjusted operating profit	496	412	+20%
Profits less losses on disposal of non-current assets	-	1	
Amortisation of non-operating intangibles	(37)	(35)	

Income Statement

**Associated
British Foods
plc**

£m	2013	2012	Change
Operating profit	459	378	+21%
Net interest expense	(43)	(48)	
Other financial (expense)/income	(1)	(1)	
Profit before tax	<u>415</u>	<u>329</u>	+26%
Tax	(106)	(85)	
Profit after tax	<u>309</u>	<u>244</u>	
Adjusted profit before tax*	<u>452</u>	<u>363</u>	+25%

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

Tax

Associated
British Foods
plc

£m	2013		2012	
Underlying charge	116	25.7%	94	25.9%
Credit on intangible amortisation	(10)		(9)	
Reported charge	<u>106</u>	25.5%	<u>85</u>	25.8%

Earnings and Dividend Per Share

Associated
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plc

	2013	2012	Change
Adjusted earnings per share *	41.9p	34.4p	+22%
Earnings per share	38.9p	31.7p	+23%
Dividend per share	9.35p	8.5p	+10%

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

Balance Sheet

Associated
British Foods
plc

£m	2013	2012
Intangible assets (including goodwill)	1,771	1,850
PP&E and other non-current assets	5,248	5,046
Working capital	1,275	1,374
Biological assets - current	115	114
Current tax	(132)	(140)
Net debt	(1,337)	(1,592)
Other net financial assets	9	16
Deferred tax	(151)	(254)
Provisions	(92)	(130)
Net pension liability	(219)	(57)
	<u>6,487</u>	<u>6,227</u>
Equity shareholders funds	6,119	5,827
Non-controlling interests	368	400
	<u>6,487</u>	<u>6,227</u>

Cash Flow

Associated
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plc

£m	2013	2012
Adjusted operating profit (before joint ventures and associates)	491	399
Depreciation and amortisation of operating intangibles	236	182
Working capital	(251)	(308)
Capital expenditure - Primark	(136)	(139)
- Food	(187)	(177)
Purchase of intangibles	(12)	(10)
Tax	(109)	(70)
Net interest and other income	(34)	(33)
Pension costs less contributions	(2)	(4)
Other	(11)	(12)
Free cash flow	<u>(15)</u>	<u>(172)</u>
Dividends paid (including non-controlling interests)	(169)	(146)
Acquisitions less disposals	<u>(35)</u>	<u>(2)</u>
	<u>(219)</u>	<u>(320)</u>

Segmental Analysis

**Associated
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plc

By business	Revenue		Profit		Margin		ROCE (annualised)	
	2013	2012	2013	2012	2013	2012	2013	2012
	£m	£m	£m	£m	%	%	%	%
Grocery	1,832	1,813	97	75	5.3	4.1	14.8	10.5
Sugar	1,323	1,203	163	172	12.3	14.3	19.3	19.1
Agriculture	641	597	20	16	3.1	2.7	16.0	14.1
Ingredients	540	538	2	18	0.4	3.3	0.6	5.1
Retail	1,997	1,615	238	154	11.9	9.5	26.9	18.0
Central costs	-	-	(24)	(23)				
Continuing businesses	<u>6,333</u>	<u>5,766</u>	<u>496</u>	<u>412</u>	<u>7.8</u>	<u>7.1</u>	<u>17.1</u>	<u>14.0</u>

Segmental Analysis

**Associated
British Foods**
plc

By geography

	Revenue		Profit		Margin	
	2013	2012	2013	2012	2013	2012
	£m	£m	£m	£m	%	%
United Kingdom	2,676	2,485	344	271	12.9	10.9
Europe & Africa	1,849	1,549	138	89	7.5	5.7
The Americas	620	607	52	50	8.4	8.2
Asia Pacific	1,188	1,125	(38)	2	n/a	0.2
Continuing businesses	<u>6,333</u>	<u>5,766</u>	<u>496</u>	<u>412</u>	<u>7.8</u>	<u>7.1</u>

Sugar

Associated
British Foods
plc

		2013	2012	Change
Revenue	£m	1,323	1,203	+10%
Operating profit	£m	163	172	-5%
Margin		12.3%	14.3%	
ROCE (annualised)		19.3%	19.1%	

- “ strong first half
- “ European margins maintained
- “ improvement at Illovo
- “ much lower prices in China



Sugar	2013	2012	Change
Revenue £m	1,323	1,203	+10%
Operating Profit £m	163	172	-5%

EU Sugar

UK

- “ sugar production down 13% at 1.15 million tonnes
 - . poor growing conditions in 2012
 - . processing challenges well managed
- “ Vivergo now operational

Spain

- “ delayed planting in south
- “ campaign extended in north
- “ production volumes lower

New proposals for Sugar Regime now beyond 2015



Waterlogged fields

**Associated
British Foods**
plc



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EU Sugar

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Vivergo

**Associated
British Foods**
plc



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EU Sugar

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Spain

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New proposals for Sugar Regime now beyond 2015



Energy cost reduction in British Sugar

Associated
British Foods
plc

Cantley



Sugar	2013	2012	Change
Revenue £m	1,323	1,203	+10%
Operating Profit £m	163	172	-5%

China

- “ much lower sugar prices
- “ production in north marginally lower than last year
 - lower sugar content
 - new Zhangbei factory operational for new season
- “ larger cane crop in south
- “ focus on cost reduction
 - . overhead reductions
 - . two smallest beet factories mothballed



Sugar	2013	2012	Change
Revenue £m	1,323	1,203	+10%
Operating Profit £m	163	172	-5%

Illovo

- “ profit well ahead - increased cane yield and sugar content
- “ Zambia and Swaziland operated well
- “ Tanzania potable alcohol distillery commissioning this summer
- “ new warehouse in South Africa operational



South African sugar warehouse

Associated
British Foods
plc



Agriculture

Associated
British Foods
plc

		2013	2012	Change
Revenue	£m	641	597	+7%
Operating profit	£m	20	16	+25%
Margin		3.1%	2.7%	
ROCE (annualised)		16.0%	14.1%	

- “ good performance by UK feed
- “ further growth at AB Vista
- “ weather affected UK crop successfully marketed by Frontier



Grocery

		2013	2012	Change
Revenue	£m	1,832	1,813	+1%
Operating profit	£m	97	75	+29%
Margin		5.3%	4.1%	
ROCE (annualised)		14.8%	10.5%	

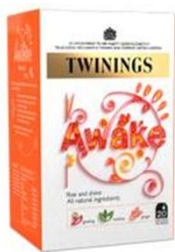
- “ continued growth at Twinings Ovaltine
- “ competitive markets for Allied Bakeries and Silver Spoon
- “ George Weston Foods on target
- “ ACH ahead of last year
- “ non-recurrence of last year's restructuring costs



Grocery	2013	2012	Change
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Operating Profit £m	97	75	+29%

Twinings Ovaltine

- “ Twinings double-digit revenue growth
- “ share gains in major markets
- “ successful marketing campaigns in UK, US and Australia
- “ strong Ovaltine growth in many emerging markets



Grocery	2013	2012	Change
Revenue £m	1,832	1,813	+1%
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UK Grocery

- “ growth for Ryvita, Jordans, Patak's and Blue Dragon brands
- “ competitive market for Silver Spoon
- “ Allied Bakeries
 - . recovered higher wheat cost
 - . Kingsmill brand extensions
 - . completion of Walthamstow investment



Walthamstow bread plant

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Grocery	2013	2012	Change
Revenue £m	1,832	1,813	+1%
Operating Profit £m	97	75	+29%

Australia

- “ trading in line with recovery plan
- “ Tip Top
 - price increases now recovering wheat costs
 - %The One+performing well
- “ Don KRC improving
 - higher volumes
 - better factory costs and customer service



Ingredients

		2013	2012	Change
Revenue	£m	540	538	level
Operating profit	£m	2	18	-89%
Margin		0.4%	3.3%	
ROCE (annualised)		0.6%	5.1%	

“ revenue and underlying profit in line with last year

ABF Ingredients

- “ further growth in enzymes
- “ new cereal extrusion factory under construction in US at Evansville

AB Mauri

- “ new team in place
- “ stabilisation in trading
- “ new yeast plant in Mexico
commissioning to plan
£15m provision for restructuring European dry yeast



Retail

Associated
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plc

		2013	2012	Change
Revenue	£m	1,997	1,615	+24%
Operating profit	£m	238	154	+55%
Margin		11.9%	9.5%	
ROCE (annualised)		26.9%	18.0%	

- “ exceptionally strong first half
- “ 7% like-for-like growth
- “ margin much higher
- “ active period of new store openings



Retail	2013	2012	Change
Revenue £m	1,997	1,615	+24%
Operating Profit £m	238	154	+55%

“ trading

- . excellent ranges in store
- . benefit of comparison with weak start to prior year
- . good Christmas
- . slower during cold weather since New Year
- . northern continental Europe strong

“ margin improvement

- . lower cotton costs
- . weaker US dollar
- . lower markdowns



Store highlights of half year

- “ 0.7 million sq ft of space added
- “ second store of 82,000 sq ft opened on Oxford Street
- “ store opened on Frankfurt\$ Zeil
- “ first stores in Austria
- “ major extension to Mary Street, Dublin opened
- “ six stores in Spain

Primark - selling space expansion

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	UK		Iberia		Republic of Ireland		Northern Continental Europe		Total	
	sq ft £000	stores	sq ft £000	stores	sq ft £000	stores	sq ft £000	stores	sq ft £000	stores
Half year 2012	5,360	156	890	28	1,010	38	600	11	7,860	233
Half year 2013	5,670	161	1,325	41	1,030	38	875	17	8,900	257
	+6%		+49%		+2%		+46%		+13%	

Further selling space expansion

- “ expect to add further 100,000 sq ft in remainder of financial year
- “ pace of store openings accelerates after year end
- “ first steps into France expected next financial year

Newcastle

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Further selling space expansion

- “ expect to add further 100,000 sq ft in remainder of financial year
- “ pace of store openings accelerates after year end
- “ first steps into France expected next financial year

Looking ahead

- “ Strong first half performance
- “ Some modest earnings growth in second half
- “ Good progress in earnings expected for this financial year

Summary

- “ Primark exceptional
- “ Strong first half at AB Sugar
- “ Grocery improvement
- “ Underlying stabilisation at AB Mauri
- “ Further improvement in cash flow, lower net debt
- “ Excellent set of interim results
- “ Good progress in earnings expected for this financial year

**Review of interim results
for 24 weeks ended
2 March 2013**

23 April 2013



Exchange rates

Average rates for the first half used to translate the income statement	2013	2012	
US\$	1.59	1.57	
euro	1.22	1.18	
South African rand	13.88	12.52	
Australian \$	1.53	1.53	
Rates used to translate the balance sheet	2013 HY	2012 FY	2012 HY
US\$	1.50	1.62	1.58
euro	1.16	1.23	1.20
South African rand	13.61	13.35	11.91
Australian \$	1.47	1.54	1.48

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