

**Review of interim results
for 24 weeks ended
1 March 2014**

23 April 2014



Financial Highlights

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- Group revenue down 2% to £6,206m
 - Adjusted operating profit up 1% at £497m*
 - Adjusted profit before tax up 4% to £468m *
 - Adjusted earnings per share up 10% at 45.8p *
 - Interim dividend per share up 4% to 9.70p
 - Net debt £827m after net capital investment of £328m
 - Operating profit up 2% to £463m, profit before tax up 6% at £434m and basic earnings per share up 12% to 43.2p

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

Business Highlights

- Strong performance from Grocery
- Primark excellent
- Encouraging improvement at Ingredients
- Sugar business in transition
 - significant operational efficiencies
 - lower prices
- Further financial progress

Income Statement

Associated
British Foods
plc

£m	2014	2013 (restated)	Change
Revenue	6,206	6,333	-2%
Operating costs	(5,743)	(5,882)	
Share of joint ventures and associates	(1)	5	
Profits less losses on disposal of non-current assets	<u>1</u>	<u>-</u>	
Operating profit	463	456	
Adjusted operating profit	497	493	+1%
Profits less losses on disposal of non-current assets	1	-	
Amortisation of non-operating intangibles	(35)	(37)	

Income Statement

Associated
British Foods
plc

£m	2014	2013 (restated)	Change
Operating profit	463	456	+2%
Net interest expense	(29)	(43)	
Other financial expense	-	(2)	
Profit before tax	<u>434</u>	<u>411</u>	+6%
Tax	<u>(100)</u>	<u>(105)</u>	
Profit after tax	<u>334</u>	<u>306</u>	
Adjusted profit before tax*	<u>468</u>	<u>448</u>	+4%

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

Tax

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£m	2014		2013 (restated)	
Underlying charge	110	23.5%	115	25.7%
Credit on intangible amortisation	(10)		(10)	
Reported charge	<u>100</u>	23.0%	<u>105</u>	25.5%

Earnings and Dividend Per Share

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	2014	2013 (restated)	Change
Adjusted earnings per share *	45.8p	41.5p	+10%
Earnings per share	43.2p	38.5p	+12%
Dividend per share	9.70p	9.35p	+4%

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

Balance Sheet

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£m	2014	2013 (restated)
Intangible assets (including goodwill)	1,484	1,771
PP&E and other non-current assets	4,970	5,248
Working capital	1,103	1,275
Biological assets - current	98	115
Current tax	(164)	(132)
Net debt	(827)	(1,337)
Other net financial (liabilities)/assets	(20)	9
Deferred tax	(145)	(158)
Provisions	(65)	(92)
Net pension liability	(72)	(188)
	<u>6,362</u>	<u>6,511</u>
Equity shareholders' funds	6,062	6,143
Non-controlling interests	300	368
	<u>6,362</u>	<u>6,511</u>

Cash Flow

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£m	2014	2013 (restated)
Adjusted operating profit (before joint ventures and associates)	498	488
Depreciation and amortisation of operating intangibles	198	236
Working capital	(81)	(251)
Provisions	(9)	-
Capital expenditure - Primark	(185)	(136)
- Food	(136)	(187)
Purchase of intangibles	(18)	(12)
Tax	(97)	(109)
Net interest and other income	(27)	(34)
Pension costs less contributions	3	1
Other	10	(11)
Free cash flow	<u>156</u>	<u>(15)</u>
Dividends paid (including non-controlling interests)	(187)	(169)
Acquisitions less disposals	(22)	(35)
	<u>(53)</u>	<u>(219)</u>

Segmental Analysis

**Associated
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By business	Revenue		Profit		Margin		ROCE (annualised)	
	2014	2013	2014	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)
	£m	£m	£m	£m	%	%	%	%
Grocery	1,767	1,832	126	96	7.1	5.2	19.4	14.6
Sugar	1,027	1,323	64	162	6.2	12.2	7.8	19.2
Agriculture	625	641	19	20	3.0	3.1	14.2	16.0
Ingredients	509	527	15	-	2.9	-	5.3	n/a
Retail	2,278	1,997	298	237	13.1	11.9	32.3	26.7
Central costs	-	-	(25)	(24)	-	-	-	-
Continuing businesses	6,206	6,320	497	491	8.0	7.8	17.5	17.0
Disposed	-	13	-	2	-	-	-	-
	<u>6,206</u>	<u>6,333</u>	<u>497</u>	<u>493</u>	<u>8.0</u>	<u>7.8</u>	<u>17.5</u>	<u>17.0</u>

Segmental Analysis

**Associated
British Foods
plc**

By geography

	Revenue		Profit		Margin	
	2014	2013	2014	2013 (restated)	2014	2013 (restated)
	£m	£m	£m	£m	%	%
United Kingdom	2,603	2,676	267	341	10.3	12.7
Europe & Africa	1,964	1,849	149	138	7.6	7.5
The Americas	610	607	64	50	10.5	8.2
Asia Pacific	1,029	1,188	17	(38)	1.7	n/a
Continuing businesses	6,206	6,320	497	491	8.0	7.8
Disposed	-	13	-	2	-	-
	<u>6,206</u>	<u>6,333</u>	<u>497</u>	<u>493</u>	<u>8.0</u>	<u>7.8</u>

Sugar

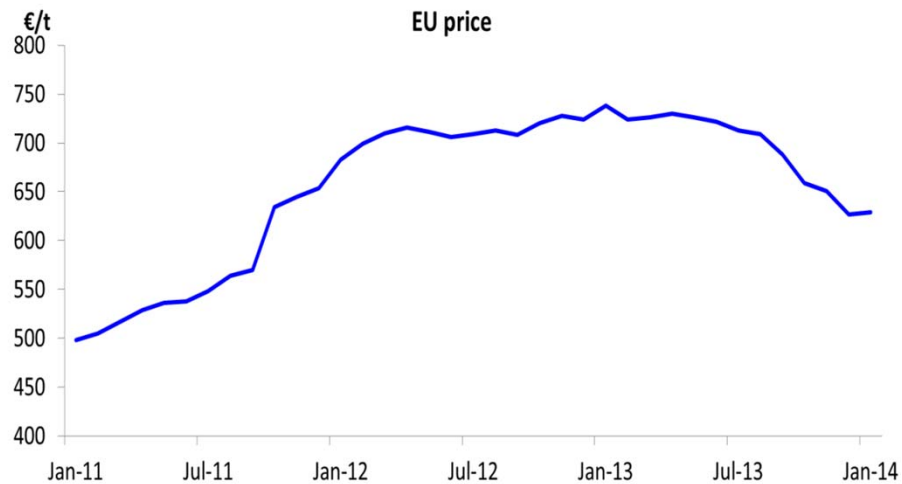
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		2014	2013	Change
Revenue	£m	1,027	1,323	-22%
Operating profit	£m	64	162	-60%
Margin		6.2%	12.2%	
ROCE (annualised)		7.8%	19.2%	

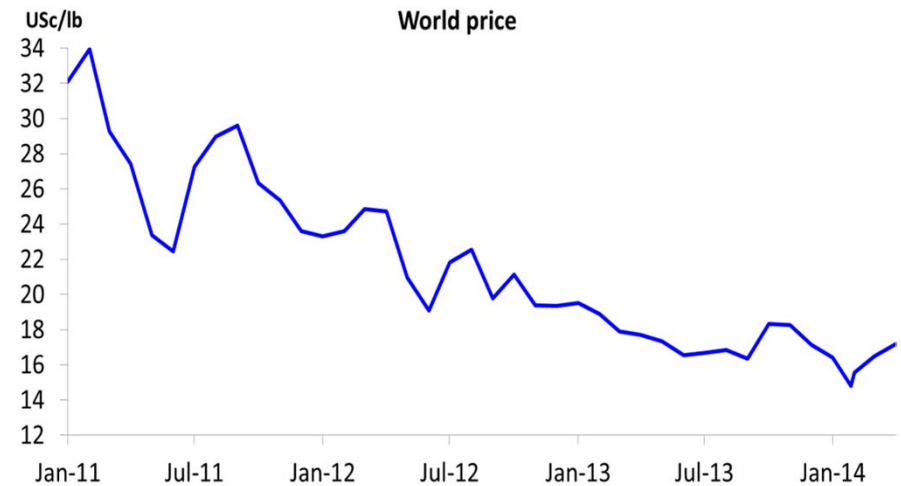
- much lower EU and world prices
- good campaigns in UK, Illovo and southern China
- continuous improvement programme delivering results



Sugar prices



Source: European Commission Average



Source: New York No. 11

- EU
 - supply shortage drove price sharply higher
 - price now falling ahead of 2017 regime change
- world price falls to very low level

- highest UK production since 2006
 - high sugar content in beet
 - 1.32 million tonnes sugar
- Illovo
 - production ahead at 1.84 million tonnes
 - potable alcohol in Tanzania
- China
 - record campaign in south
 - production held back in north by flooding
 - significant overhead and efficiency improvement

Continuous improvement activities

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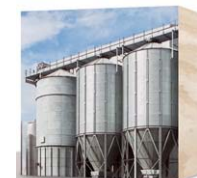


Agriculture

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		2014	2013	Change
Revenue	£m	625	641	-2%
Operating profit	£m	19	20	-5%
Margin		3.0%	3.1%	
ROCE (annualised)		14.2%	16.0%	

- lower UK feed revenues as commodity prices eased
- AB Vista performance strong
- Frontier
 - strong demand for seed and crop inputs
 - more difficult grain trading market
- China growth



Grocery

Associated
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		2014	2013	Change
Revenue	£m	1,767	1,832	-4%
Operating profit	£m	126	96	+31%
Margin		7.1%	5.2%	
ROCE (annualised)		19.4%	14.6%	

- substantial increase in profit
 - turnaround in Australia
 - margin improvement at ACH
- continued growth for Twinings Ovaltine



Grocery	2014	2013	Change
Revenue £m	1,767	1,832	-4%
Operating Profit £m	126	96	+31%



Australia

- much improved performance
- progress for major bread brands
- higher volumes and better productivity for meat



ACH

- continued Capullo momentum following relaunch
- new Spice Islands products
- Mazola volumes higher, lower input costs



Grocery	2014	2013	Change
Revenue £m	1,767	1,832	-4%
Operating Profit £m	126	96	+31%



Twinings Ovaltine

- continued strong performance
 - double digit growth for green teas and infusions in UK
 - fastest growing tea brand in US
- new packaging plant for Ovaltine in Nigeria



Grocery	2014	2013	Change
Revenue £m	1,767	1,832	-4%
Operating Profit £m	126	96	+31%



UK Grocery

Allied Bakeries

- volume and margins ahead
- product innovation
 - square crumpets
 - Great White



- long-term investment programme nearing completion

Grocery	2014	2013	Change
Revenue £m	1,767	1,832	-4%
Operating Profit £m	126	96	+31%



UK Grocery

Jordans Ryvita

- sales and market share growth
- Granola relaunched in resealable packaging
- Ryvita Thins success



Silver Spoon

- competitive pressure on granulated sugar

Ingredients

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		2014	2013	Change
Revenue	£m	509	527	-3%
Operating profit	£m	15	-	n/a
Margin		2.9%	n/a	
ROCE (annualised)		5.3%	n/a	



AB Mauri

- early signs of improvement
- non-recurrence of 2013 restructuring costs
- Veracruz factory operational

ABF Ingredients

- growth in bakery and feed enzymes
- new US extrusion factory operational

Retail

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		2014	2013	Change
Revenue	£m	2,278	1,997	+14%
Operating profit	£m	298	237	+26%
Margin		13.1%	11.9%	
ROCE (annualised)		32.3%	26.7%	

- excellent performance
 - substantially higher profit
 - margin increase
 - like-for-like growth on the back of strong comparatives
 - extensive store opening programme



Retail	2014	2013	Change
Revenue £m	2,278	1,997	+14%
Operating Profit £m	298	237	+26%

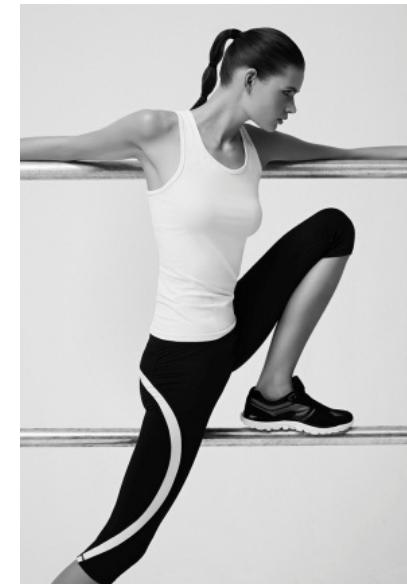
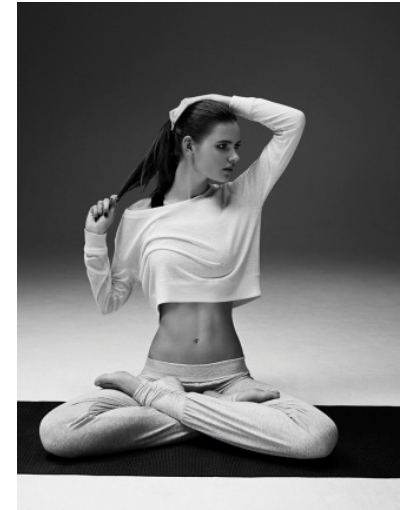


- trading
 - 4% like-for-like growth
 - double-digit for Spain and Portugal
 - northern continental Europe very strong
 - excellent Christmas
 - successful first openings in France
- margin improvement
 - warehouse and distribution efficiencies
 - lower freight rates



Spring collection / sportswear

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Store highlights of half year

- 0.6 million sq ft of space added
- first two stores in France: Marseille 63,000 sq ft and Dijon 44,000 sq ft
- six new stores in Spain
- three new stores in UK
- closure of smaller stores following relocations

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 2013	5,670	161	1,325	41	1,030	38	875	17	8,900	257
Half year 2014	5,905	162	1,500	46	1,030	38	1,205	23	9,640	269
	+4%		+13%		-		+38%		+8%	

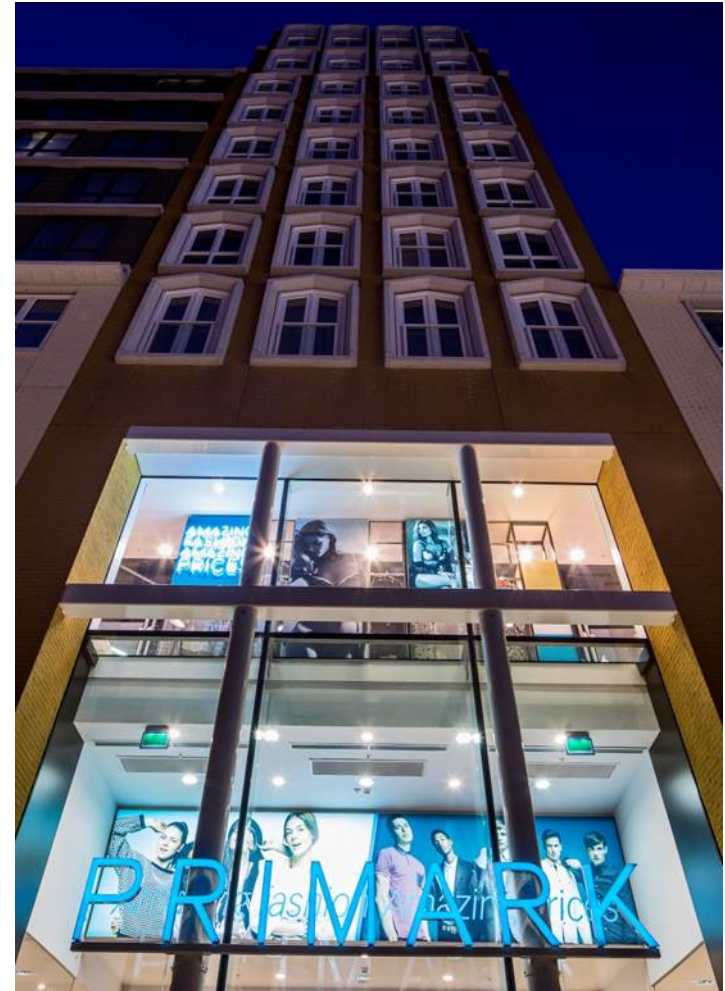
New stores

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Paris (O'Parinor)



Nijmegen



Welcome to Primark

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Nijmegen



Dijon



Marseille

Villeneuve La Garenne

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Retail Week store design award Oxford Street East

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Further expansion

- expect to add further 500,000 sq ft in second half
- rate of selling space growth accelerates
- first Paris stores opened, third store by year end
- major new stores opening in Cologne, Cardiff, Berlin
- relocation for first Spanish store, doubling size
- warehouse capacity increase in Germany, Spain
- USA from late 2015

Primark to open in north-east USA

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- Population of 50 million
- Entry consistent with previous markets
- Warehousing in region



Downtown Crossing, Boston

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- located in heart of Boston
- historic Burnham Building, site of famous Filene's Department Store
- part of major regeneration project
- 70,000 sq ft over four floors
- opening towards end 2015



Looking ahead

- No change to earnings guidance
- lower Sugar profits
- translation impact of sterling strength
- Primark well ahead
- Grocery and Ingredients improvement
- lower interest and tax charges
- adjusted earnings per share similar to 2013

**Review of interim results
for 24 weeks ended
1 March 2014**

23 April 2014



Exchange rates

Average rates for the first half used to translate the income statement	2014	2013	
US\$	1.63	1.59	
euro	1.20	1.22	
South African rand	16.96	13.88	
Australian \$	1.78	1.53	
Rates used to translate the balance sheet	2014 HY	2013 FY	2013 HY
US\$	1.67	1.59	1.50
euro	1.21	1.19	1.16
South African rand	17.88	15.76	13.61
Australian \$	1.87	1.72	1.47

The results for the year ended 14 September 2013, and the interim results for the 24 weeks ended 2 March 2013, have been restated upon adoption of IAS 19 *Employee Benefits* Revised. The impact of this restatement on the income statement and segmental analysis is summarised below:

	24 weeks ended 2 March 2013		Year ended 14 September 2013	
	restated	previously reported	restated	previously reported
Adjusted operating profit (£m)	493	496	1,180	1,185
Adjusted profit before tax (£m)	448	452	1,088	1,096
Adjusted earnings (£m)	328	331	775	781
Adjusted earnings per share (p)	41.5	41.9	98.1	98.9
<u>Segmental analysis</u>				
Adjusted operating profit:				
Grocery (£m)	96	97	230	232
Sugar (£m)	162	163	434	435
Retail (£m)	237	238	513	514
Central (£m)	(24)	(24)	(51)	(50)

These adjustments only affect the United Kingdom geographic segment.

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