



Review of interim results for 24 weeks ended 4 March 2017



19 April 2017

Financial Highlights

Group revenue	up 7%*	£7.3bn
Adjusted operating profit	up 23%*	£652m
Adjusted profit before tax	up 35%	£624m
Adjusted earnings per share	up 30%	59.7p
Interim dividend per share	up 10%	11.35p
Gross capital investment		£416m
Net cash		£190m

* constant currency

Business Highlights

- Excellent progress across the group
 - strong underlying growth
 - benefit of currency translation
- Primark
 - UK trading
 - selling space expansion
- Step change in Sugar profit
- Grocery, Ingredients profit and margin progress
- Strong cash flow

Income statement

£m	2017	2016 restated	Change	
			actual fx	constant fx
Revenue	7,296	6,117	+19%	+7%
Operating costs	(6,684)	(5,668)		
Share of joint ventures and associates	26	23		
Profits less losses on disposal of non-current assets	2	-		
Operating profit	640	472		
Adjusted operating profit	652	481	+36%	+23%
Profits less losses on disposal of non-current assets	2	-		
Amortisation of non-operating intangibles	(11)	(9)		
Transaction costs	(3)	-		

Income statement

£m	2017	2016	Change
		restated	
Operating profit	640	472	+36%
Profits on sale of businesses	255	-	
Net interest expense	(25)	(24)	
Other financial (expense)/income	(3)	4	
Profit before tax	867	452	+92%
Tax	(221)	(96)	
Profit after tax	646	356	
Adjusted profit before tax	624	461	+35%

Tax

£m	2017		2016	
			restated	
Underlying charge	142	22.7%	98	21.3%
Credit on intangible amortisation	(2)		(2)	
Charge on disposal of businesses and fixed assets	82		-	
Credit on transaction costs	(1)		-	
Reported charge	<u>221</u>	25.5%	<u>96</u>	21.2%

Earnings and Dividend Per Share

	2017	2016	Change
		restated	
Adjusted earnings per share	59.7p	45.8p	+30%
Earnings per share	80.5p	44.9p	+79%
Dividend per share	11.35p	10.3p	+10%

Balance Sheet

£m	2017	2016
		restated
Intangible assets (including goodwill)	1,467	1,425
PP&E and other non-current assets	5,703	5,025
Working capital	926	1,032
Biological assets – current	121	90
Current tax	(169)	(112)
Net cash/(debt)	190	(421)
Other net financial assets	75	56
Deferred tax	(90)	(101)
Provisions	(134)	(60)
Net pension (liability)/asset	(203)	16
	<u>7,886</u>	<u>6,950</u>
Equity shareholders' funds	7,803	6,783
Non-controlling interests	83	167
	<u>7,886</u>	<u>6,950</u>

Cash Flow

£m	2017	2016
		restated
Adjusted operating profit (before joint ventures and associates)	626	458
Depreciation and amortisation of operating intangibles	245	215
Working capital	(44)	(192)
Provisions	(9)	(7)
Capital expenditure - Primark	(252)	(172)
- Food	(142)	(160)
Purchase of intangibles	(22)	(16)
Tax	(164)	(87)
Net interest and other income	(20)	(19)
Pension costs less contributions	8	5
Dividends from joint ventures and associates	38	10
Other	(5)	(21)
Free cash flow	259	14
Dividends paid (including non-controlling interests)	(209)	(205)
Disposals less acquisitions	374	(9)
	424	(200)

Segmental Analysis

By business

	Revenue		Profit		Margin		ROCE	
	2017	2016	2017	2016	2017	2016	(annualised) 2017	2016
	£m	£m	£m	£m	%	%	%	%
				restated		restated		restated
Grocery	1,658	1,441	151	126	9.1	8.7	26.5	22.7
Sugar	1,081	811	123	3	11.4	0.4	16.6	0.4
Agriculture	552	491	23	22	4.2	4.5	14.6	14.4
Ingredients	730	596	61	40	8.4	6.7	14.9	11.8
Retail	3,222	2,667	323	313	10.0	11.7	26.0	32.0
Central costs	-	-	(31)	(25)	-	-	-	-
Continuing businesses	7,243	6,006	650	479	9.0	8.0	21.2	17.9
Disposed businesses	53	111	2	2				
Total	7,296	6,117	652	481	8.9	7.9	20.9	17.6

Segmental Analysis

By geography

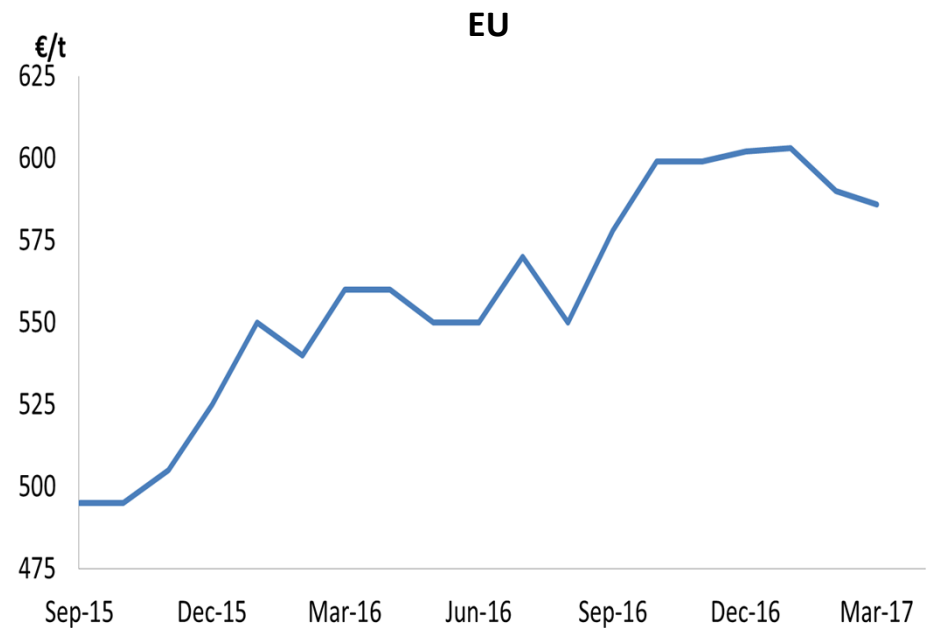
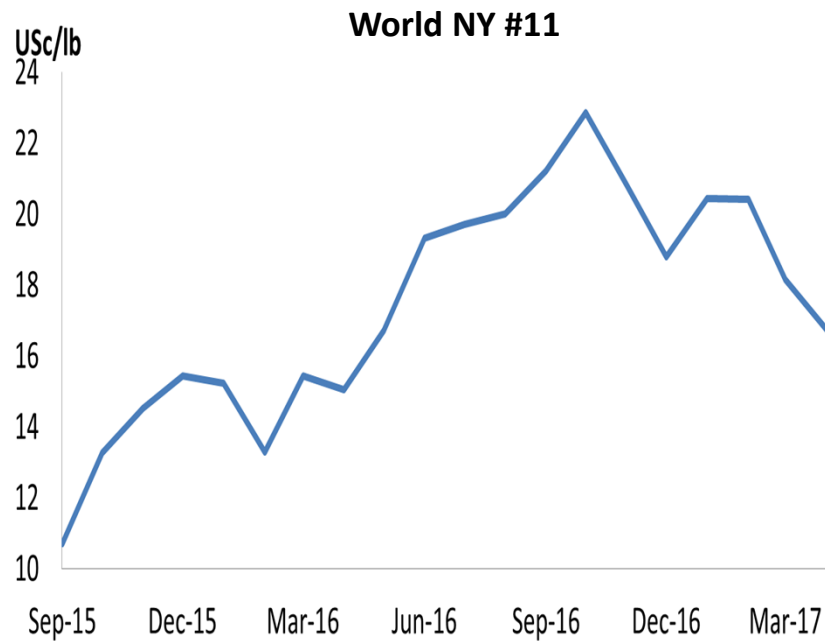
	Revenue		Profit		Margin	
	2017	2016	2017	2016	2017	2016
	£m	£m	£m	£m	%	%
				restated		restated
United Kingdom	2,589	2,488	204	210	7.9	8.4
Europe & Africa	2,800	2,080	278	158	9.9	7.6
The Americas	752	575	107	73	14.2	12.7
Asia Pacific	1,102	863	61	38	5.5	4.4
Continuing businesses	7,243	6,006	650	479	9.0	8.0
Disposed businesses	53	111	2	2		
Total	7,296	6,117	652	481	8.9	7.9

Sugar

		2017	2016	Change	
			restated	actual fx	constant fx
Revenue	£m	1,081	811	+33%	+16%
Operating profit	£m	123	3		
Margin		11.4%	0.4%		
ROCE		16.6%	0.4%		

- one of the world's lowest cost producers
- performance improvement savings
- South China cane sugar sold
- buy-out of Illovo minorities
- higher sugar prices
- all country operations profitable

Sugar prices



- second year of lower world sugar stocks
- EU stock levels significantly lower

European operations

- UK
 - lower beet cost
 - low production at 0.9 million tonnes
 - stronger euro

- Spain
 - increased production

- Improvement in cost base
 - agricultural development
 - process efficiencies
 - co-product revenues

Anaerobic digestion Bury St Edmunds



- fully owned since June 2016
- acceleration of cost reduction
- focus on regional sales and domestic consumers

Malawi consumer



Old



New

Tanzania consumer



Old



New

- fully owned since June 2016
- acceleration of cost reduction
- focus on regional sales and domestic consumers
- recovery from drought
- higher volumes

Agriculture

		2017	2016	Change	
				actual fx	constant fx
Revenue	£m	552	491	+12%	+8%
Operating profit	£m	23	22	+5%	-8%
Margin		4.2%	4.5%		
ROCE		14.6%	14.4%		

- revenue growth, higher commodity prices
- China progress
- strong performance from AB Vista
- development of speciality proteins

Grocery

		2017	2016	Change	
			restated	actual fx	constant fx
Revenue	£m	1,658	1,441	+15%	+2%
Operating profit	£m	151	126	+20%	+4%
Margin		9.1%	8.7%		
ROCE		26.5%	22.7%		

- Twinings Ovaltine strong growth
- continued recovery at George Weston Foods
- sale of US Herbs & Spices
- small acquisitions in sports nutrition

Grocery

		2017	2016
Revenue	£m	1,658	1,441
Operating profit	£m	151	126

■ Twinings Ovaltine

- strong profit increase
- Twinings share gains in major markets
- Ovaltine
 - growth in developing markets
 - new products in Thailand
- innovative marketing



3in1



powder



ready to drink

Australian Morning Tea



Grocery

		2017	2016
Revenue	£m	1,658	1,441
Operating profit	£m	151	126

- Allied Bakeries
 - margin decline from competition and inflation
 - higher sales volumes
 - new Kingsmill pack design
 - investment in new doughnut line in Wakefield
- Silver Spoon
 - competitive market, margin decline



Grocery

		2017	2016
Revenue	£m	1,658	1,441
Operating profit	£m	151	126

- Jordans Dorset Ryvita
 - progress in cereals
 - Ryvita crispbread decline slowed

- AB World Foods
 - good growth for Patak's and Blue Dragon
 - striking new Blue Dragon design



Grocery

		2017	2016
Revenue	£m	1,658	1,441
Operating profit	£m	151	126

■ ACH / Stratas

- higher vegetable oil volumes and margins
- share gains in home baking

■ Australia

- bread volume growth
- cost reductions at Don KRC
- much improved margin



Ingredients

		2017	2016	Change	
				actual fx	constant fx
Revenue	£m	730	596	+22%	+3%
Operating profit	£m	61	40	+53%	+27%
Margin		8.4%	6.7%		
ROCE		14.9%	11.8%		

■ AB Mauri

- good trading in North America
- Asia much improved
- South America performed well despite economic challenges

■ ABF Ingredients

- excellent performance by all businesses
- enzymes growth
- sustained growth in speciality lipids and protein extrusion

Current top sellers



Printed bardot dress - £6



Mascara - £2
Lipstick - £2
Powder - £2.50



Guns 'n' Roses Distressed Tee - £9



Embroidered flared sleeve top - £10



Pool sliders - £4

The gingham dress



News / Fashion News

By Goldstone
5/5 star

You'll have to be quick

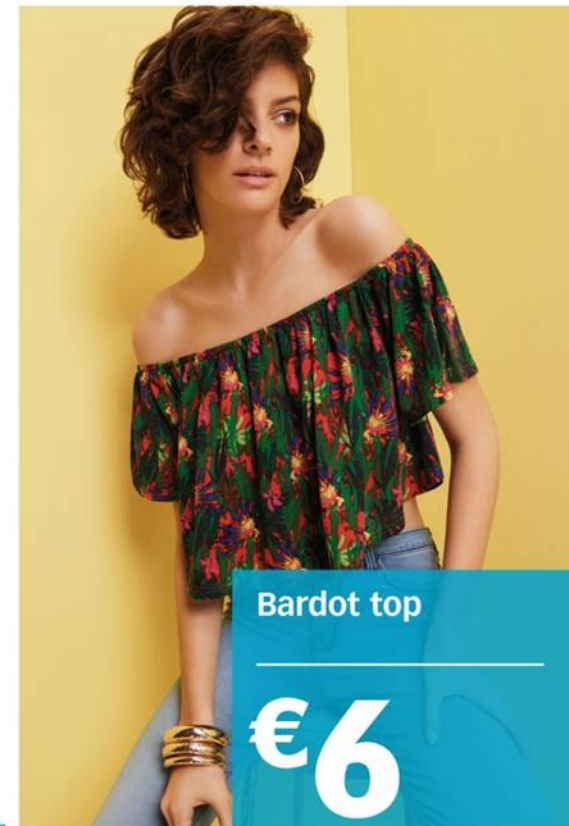
You know a dress is going to be a winner when everyone's talking about it before it's even hit the shelves.



THE TIMES | Saturday April 1 2017



Summer



Retail

		2017	2016	Change	
				actual fx	constant fx
Revenue	£m	3,222	2,667	+21%	+11%
Operating profit	£m	323	313	+3%	-2%
Margin		10.0%	11.7%		
ROCE		26.0%	32.0%		

- 12% sales growth, comparable week, constant currency
- extensive new store opening programme
- strong market share gains
- currency-related margin decline

Retail

- UK
 - sales up 7%
 - 2% like-for-like growth
 - total clothing market share well ahead
 - strong offering in existing and new categories

- Continental Europe
 - selling space up 20%
 - huge potential in all markets
 - many existing stores overtrading, destination
 - new stores very well received
 - some cannibalisation
 - Hamburg opening

Hamburg



US

- 7 stores now trading
- Staten Island has started very well
- store offering continues to develop and evolve
- Boston store extended

Staten Island



Digital and social media

- 9.5 million followers
- grown by over 100,000 per month
- across all geographies and languages
- mobile usage now 60% of all digital visits
- 10% more content viewed on Primark.com
- greater use of video



Instagram - the Chip cup!



Selling space expansion

- 0.8 million sq ft added
- 12% weighted average increase
- 16 new stores in 8 countries
- flagship in Amsterdam
- Oxford Street East extended

Amsterdam - Damrak



Amsterdam - Damrak



Oxford Street East



Primark selling space

	HY 17		HY 16	
	# of stores	sq ft 000	# of stores	sq ft 000
UK	176	6,622	166	6,113
Spain	42	1,565	41	1,503
Germany	22	1,401	19	1,208
Republic of Ireland	37	1,084	36	1,028
Netherlands	16	770	13	585
France	10	503	6	270
USA	6	375	2	158
Portugal	9	300	8	267
Austria	5	242	4	192
Belgium	4	166	4	166
Italy	2	99	-	-
	329	13,127	299	11,490

Further expansion

- 0.3 million sq ft already added in second half

Charleroi	Belgium
Granada	Spain
Staten Island	US
Uxbridge	UK
Zwolle	Netherlands
Downtown Crossing extended	US

- Now expect to add close to 1.5 million sq ft this financial year

Summary

- Excellent progress across the group
 - strong underlying growth
 - benefit of currency translation
- Primark
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 - selling space expansion
- Step change in Sugar profit
- Grocery, Ingredients profit and margin progress
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Outlook

- Underlying revenue momentum to continue in second half
- Second half rate of profit growth lower than first half
- Expectation for full year improved
- Good growth in adjusted earnings



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19 April 2017




2016 half year restatement - for cane roots

£m	As reported	Adjustment	Restated
Adjusted operating profit	486	(5)	481
Taxation	(97)	1	(96)
Adjusted profit after tax	367	(4)	363
Adjusted earnings per share (pence)	46.1	(0.3)	45.8
Basic earnings per share (pence)	45.2	(0.3)	44.9
Property, plant & equipment	4,736	28	4,764
Biological assets (non-current)	83	(83)	0
Deferred tax liabilities	(234)	13	(221)
Net assets	6,992	(42)	6,950

Exchange rates

Average rates used to translate the income statement	2017	2016
US\$	1.25	1.49
euro	1.16	1.36
South African rand	17.06	22.01
Australian \$	1.66	2.09

Closing rates used to translate the balance sheet	2017	2016
US\$	1.23	1.40
euro	1.16	1.27
South African rand	16.03	21.96
Australian \$	1.62	1.93



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

Notes

Adjusted operating profit is stated before the amortisation of non-operating intangibles, profits less losses on disposal of non-current assets and transaction costs. These items, together with profits less losses on the sale and closure of businesses, are excluded from adjusted profit before tax and adjusted earnings per share. Constant currency is derived by translating the 2016 results at 2017 average exchange rates.