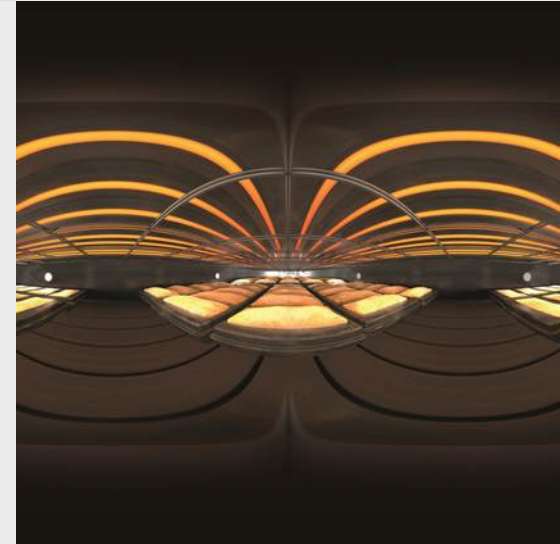




Review of annual results for 52 weeks ended 15 September 2018



Financial Highlights

Group revenue	up 3%*	£15.6bn
Adjusted operating profit	up 5%*	£1,404m
Adjusted profit before tax	up 5%	£1,373m
Adjusted earnings per share	up 6%	134.9p
Dividends per share	up 10%	45.0p
Gross investment		£1,165m
Net cash		£614m

* constant currency

Business Highlights

- Strong profit performances by Grocery, Agriculture, Ingredients and Primark
- Grocery
 - Twinings Ovaltine strong growth
 - Acetum acquired, good prospects
- Ingredients
 - profit nearly doubled since 2015
- Primark
 - margin improvement
 - strong UK trading
- AB Sugar
 - first year of volatile EU prices
 - Illovo highly profitable

Income statement

£m	2018	2017	Change	
			actual fx	constant fx
Revenue	15,574	15,357	+1%	+3%
Operating costs	(14,290)	(14,090)		
Share of joint ventures and associates	54	63		
Profits less losses on disposal of non-current assets	6	6		
Operating profit	1,344	1,336		
Adjusted operating profit	1,404	1,363	+3%	+5%
Profits less losses on disposal of non-current assets	6	6		
Amortisation of non-operating intangibles	(41)	(28)		
Acquired inventory fair value adjustments	(23)	-		
Transaction costs	(2)	(5)		

Income statement

£m	2018	2017	Change
Operating profit	1,344	1,336	+1%
(Loss)/profit on sale and closure of businesses	(34)	293	
Net interest expense	(35)	(50)	
Other financial income/(expense)	4	(3)	
Profit before tax	1,279	1,576	-19%
Tax	(257)	(365)	
Profit after tax	1,022	1,211	
Non-controlling interests	(15)	(13)	
Attributable to equity shareholders	1,007	1,198	
Adjusted profit before tax	1,373	1,310	+5%

Tax

£m	2018		2017	
Underlying charge	292	21.3%	293	22.4%
Credit on intangible amortisation	(29)		(15)	
Credit on acquired inventory fair value adjustments	(6)		-	
Charge/(credit) on transaction costs, disposal of businesses and fixed assets	0		87	
Reported charge	<u>257</u>	20.1%	<u>365</u>	23.2%

Earnings and Dividends Per Share

	2018	2017	Change
Adjusted earnings per share	134.9p	127.1p	+6%
Earnings per share	127.5p	151.6p	-16%
Dividends per share	45.0p	41.0p	+10%

Balance Sheet

£m	2018	2017
Intangible assets (including goodwill)	1,632	1,414
PP&E and other non-current assets	6,063	5,778
Working capital	825	727
Biological assets – current	84	90
Current tax	(106)	(142)
Net cash	614	673
Other net financial assets/(liabilities)	80	(34)
Deferred tax	(191)	(88)
Provisions	(140)	(132)
Net pension asset	435	126
Net assets	<u>9,296</u>	<u>8,412</u>
Equity shareholders' funds	9,211	8,339
Non-controlling interests	85	73
	<u>9,296</u>	<u>8,412</u>

Cash Flow

£m	2018	2017
Adjusted operating profit (before joint ventures and associates)	1,347	1,295
Depreciation and amortisation of operating intangibles	536	546
Working capital	(153)	126
Provisions	(30)	(1)
Capital expenditure - Primark	(434)	(487)
- Food	(353)	(336)
Purchase of intangibles	(81)	(43)
Sale of property, plant and equipment	23	49
Tax	(297)	(264)
Net interest and other income	(40)	(51)
Pension costs less contributions	4	12
Dividends received from joint ventures and associates	42	69
Other	(7)	9
Free cash flow	557	924
Dividends paid (including non-controlling interests)	(331)	(303)
(Acquisitions)/disposals net of tax	(207)	278
Net cash flow before financing	19	899

Segmental Analysis

By business

	Revenue		Profit		Margin		ROCE	
	2018	2017	2018	2017	2018	2017	2018	2017
	£m	£m	£m	£m	%	%	%	%
Grocery	3,420	3,381	335	303	9.8	9.0	25.9	24.7
Sugar	1,730	2,034	123	249	7.1	12.2	7.5	15.7
Agriculture	1,350	1,191	59	50	4.4	4.2	15.7	14.3
Ingredients	1,467	1,492	143	126	9.7	8.4	18.1	15.4
Retail	7,477	7,053	843	735	11.3	10.4	28.2	27.3
Central costs			(64)	(75)				
Continuing businesses	15,444	15,151	1,439	1,388	9.3	9.2	20.6	20.9
Disposed/closed businesses	130	206	(35)	(25)				
Total	15,574	15,357	1,404	1,363	9.0	8.9	20.1	20.5

Segmental Analysis

By geography

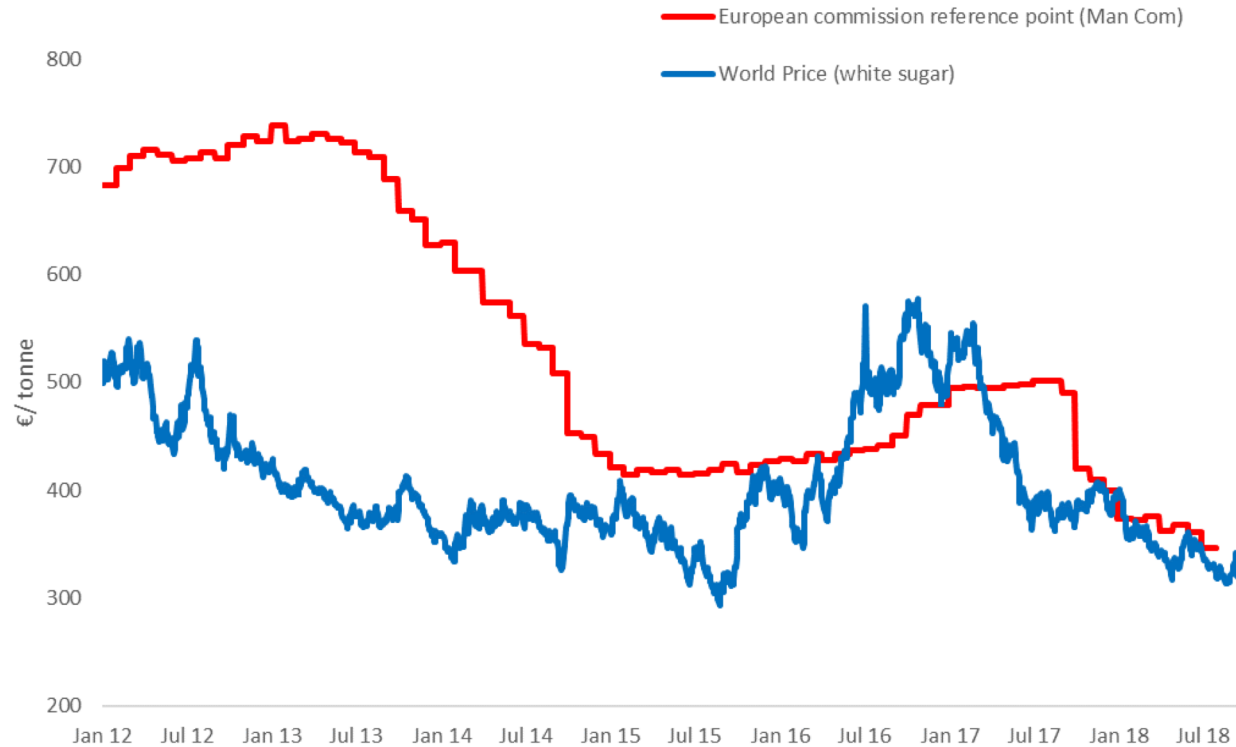
	Revenue		Profit		Margin	
	2018 £m	2017 £m	2018 £m	2017 £m	2018 %	2017 %
United Kingdom	5,863	5,622	557	530	9.5	9.4
Europe & Africa	5,851	5,805	528	555	9.0	9.6
The Americas	1,533	1,538	206	189	13.4	12.3
Asia Pacific	2,197	2,186	148	114	6.7	5.2
Continuing businesses	15,444	15,151	1,439	1,388	9.3	9.2
Disposed/closed businesses	130	206	(35)	(25)		
Total	15,574	15,357	1,404	1,363	9.0	8.9

Sugar

		2018	2017	Change	
Continuing businesses				actual fx	constant fx
Revenue	£m	1,730	2,034	-15%	-13%
Operating profit	£m	123	249	-51%	-49%
Margin		7.1%	12.2%		
ROCE		7.5%	15.7%		

- volatile EU prices affect UK and Spanish businesses
- Illovo continued to be highly profitable
- excellent result in China
- performance improvement savings
- shut down at Vivergo bioethanol

European price environment



- lower world sugar prices
- substantially higher EU production
- lower EU prices
- premium over world price for service and product quality

Operations

- British Sugar
 - working to enhance lowest-cost status in EU
 - production increase from 0.9 million tonnes to 1.37 million tonnes
- Azucarera
 - beet sugar production ahead
 - addressing high-cost beet over coming year
- Illovo
 - production 1.7 million tonnes
 - favourable weather, improved crop management
- China
 - better beet quality, excellent campaign
- ongoing improvement in cost base
 - agricultural development
 - process efficiencies
 - co-product revenues

Agriculture

		2018	2017	Change	
Continuing businesses				actual fx	constant fx
Revenue	£m	1,350	1,191	+13%	+14%
Operating profit	£m	59	50	+18%	+23%
Margin		4.4%	4.2%		
ROCE		15.7%	14.3%		

- feed volume and price growth
- investment in new UK premix factory
- China business much improved
- international growth in feed enzymes

Grocery

		2018	2017	Change	
Continuing businesses				actual fx	constant fx
Revenue	£m	3,420	3,381	+1%	+4%
Operating profit	£m	335	303	+11%	+14%
Margin		9.8%	9.0%		
ROCE		25.9%	24.7%		

- Twinings Ovaltine strong growth
- margin improvement at George Weston Foods
- unacceptable losses at Allied Bakeries
- first year contribution from Acetum

Grocery

		2018	2017
Revenue	£m	3,420	3,381
Operating profit	£m	335	303

Twinings Ovaltine

- Ovaltine
 - new products
 - strong growth in Thailand, Switzerland
 - international markets: China, Brazil, Nigeria, Vietnam
- Twinings
 - tea supply chain cost reduction
 - infusions in UK, US, Australia, Italy
 - Cold In'fuse launch



Cold In'fuse launch



In'fuse



Grocery

		2018	2017
Revenue	£m	3,420	3,381
Operating profit	£m	335	303

■ Australia

- significant cost reduction
- bread profit ahead
- Don KRC factory performance continued to improve

■ North America

- volume growth in US and Mexico
- favourable commodity oil costs



Grocery

		2018	2017
Revenue	£m	3,420	3,381
Operating profit	£m	335	303

■ Acetum

- leading producer of high-quality balsamic vinegar
- integration progressing well
- higher raw material cost



■ Jordans Dorset Ryvita/AB World Foods

- international growth
- new products



Grocery new products



Children's cereals



Three-in-one



Oven Bake

Grocery

		2018	2017
Revenue	£m	3,420	3,381
Operating profit	£m	335	303

- Allied Bakeries
 - shift to private label
 - continued investment in new products, Kingsmill advertising
 - wheat cost increase this summer
 - work to address unacceptable loss



Ingredients

		2018	2017	Change	
Continuing businesses				actual fx	constant fx
Revenue	£m	1,467	1,492	-2%	+6%
Operating profit	£m	143	126	+13%	+23%
Margin		9.7%	8.4%		
ROCE		18.1%	15.4%		

- ABF Ingredients outstanding performance
 - profit increased in all businesses
 - further enzyme development utilising new capacity in Finland
 - speciality lipids and protein extrusion growth

Ingredients

		2018	2017	Change	
Continuing businesses				actual fx	constant fx
Revenue	£m	1,467	1,492	-2%	+6%
Operating profit	£m	143	126	+13%	+23%
Margin		9.7%	8.4%		
ROCE		18.1%	15.4%		

- AB Mauri sustained growth
 - significant improvements in operational performance
 - strong business in North America
 - Latin America growth despite economic difficulties
 - investments in technology and new products

Retail

		2018	2017	Change	
				actual fx	constant fx
Revenue	£m	7,477	7,053	+6%	+5%
Operating profit	£m	843	735	+15%	+13%
Margin		11.3%	10.4%		
ROCE		28.2%	27.3%		

- 5.2% sales growth
- store expansion – 0.9 million sq ft added
- merchandise well received all year
- strong digital and social media engagement
- significant margin improvement

Retail

■ UK

- sales up 5.3%
- like-for-like growth 1.2%
- further significant market share gain

■ Eurozone

- sales up 4.7%, especially strong in France, Italy and Belgium
- like-for-like sales down 4.7%
 - unseasonable weather
 - localised cannibalisation
 - soft trading in Germany but total sales ahead

■ US

- strong like-for-like sales
- smaller store format working well
- Brooklyn trading
- further stores to be added

Fashion credentials



Rainbow striped dress
£20/€25



Twinning jackets
kids £12/€15 and adults £20/€25

Licensed products

- unbeatable range
- global brands, TV series, superbands and leading computer games
- products feature across all store categories
- unique product experiences online and in store
- competitive prices, innovative designs and swift translation of concepts from screen to store



Health & Beauty



Sustainable cotton



Primark Cares



Autumn Winter 2018



Trousers £13/€16/\$18
Jumper £6/€8/\$10



Jumper
£13/€16/\$18



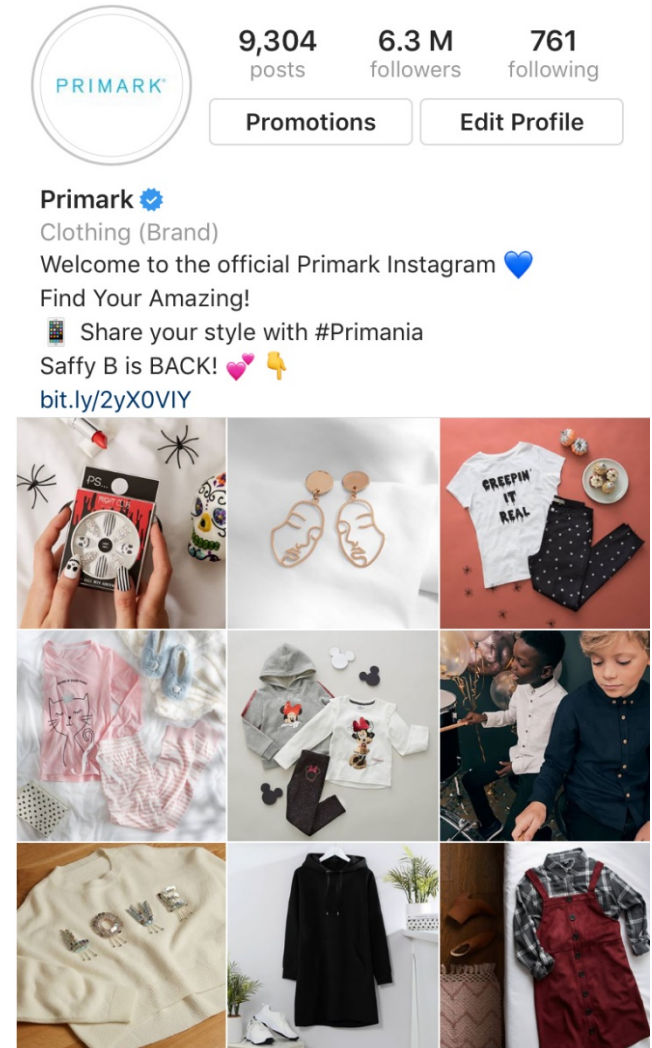
Jacket £20/€25/\$28
Skirt £10/€12/\$14



Jumper £13/€16/\$18
Check jacket
£35/€40/\$45

Digital and social media


- total social media following almost 13 million people
- video is key format
- Instagram
 - now 6.5 million followers
 - 3 new channels launched
- increased consumer engagement through #Primania
- two million people visit primark.com every week



Top post on Instagram



primark

primark Ok seriously, how AMAZING are these chip cup slippers? Only £8/€10 & in store now! (Available in:  #Primark #PrimarkXDisney

Load more comments

juhlodi @fah_lodi pra que comer? Vou economizar na comida e ser feliz xD

babieninastudiesuccess @mamzelle_tita

mamzelle_tita @summer.girl.nina.bun ny ça même moi j'oserais pas et pourtant :)

inshfs @hedia_hfs

carol.fernandesm @lara.velloso

larissapabreu @thaispalhano

margheritabis @laura_abis

moniettenberger @_carina_wimmer



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NOVEMBER 25, 2017

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Key collaborations



New collaborations



New stores



Brooklyn, New York



Westfield, London



Valencia, Spain

Primark – selling space expansion

	2018		2017	
	# of stores	sq ft 000	# of stores	sq ft 000
UK	185	7,125	182	6,835
Spain	45	1,764	44	1,675
Germany	27	1,686	22	1,401
Republic of Ireland	37	1,087	37	1,083
Netherlands	19	902	18	849
France	13	649	11	562
USA	9	507	8	485
Portugal	10	348	9	300
Belgium	6	292	5	227
Austria	5	242	5	242
Italy	4	203	4	203
	360	14,805	345	13,862

Primark – selling space expansion FY 19

- over 1 million sq ft of net additional selling space
- Birmingham Pavilions, at 160,000 sq ft will become largest store
- large stores:
 - Milton Keynes, UK
 - Toulouse, Bordeaux France
 - Berlin, Germany
 - Brussels, Belgium
 - Seville, Almeria Spain
 - Utrecht, Netherlands
- opening in Ljubljana, Slovenia

Primark – medium term expansion

- current rate of selling space expansion to continue
- major existing markets: Spain, Italy, France, US eastern seaboard
- entry into central and eastern Europe including Poland

Summary of these results

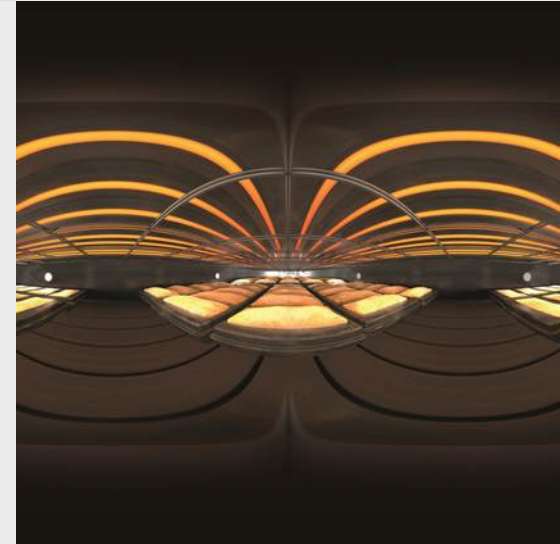
- good year across the group
- Grocery margin, profit growth
- Ingredients profit nearly doubled since 2015
- Primark
 - margin improvement
 - strong UK trading
 - US performing well
- AB Sugar
 - first year of volatile EU prices
 - Illovo highly profitable
- gross investment of £1.2bn

Outlook

- Brexit
 - limited medium-term consequences for ABF food businesses and Primark
 - abrupt exit poses a risk to UK food supply chain
- adjusted earnings per share in line with this year
- AB Sugar full year effect of low EU sugar prices
- Primark
 - selling space expansion will continue
 - margin in line with this year at current exchange rates
- Grocery
 - margin, profit improvement
- strong balance sheet and clear opportunities for further investment



Review of annual results for 52 weeks ended 15 September 2018



Exchange rates

Average rates used to translate the income statement	2018	2017
US\$	1.35	1.27
euro	1.13	1.15
South African rand	17.52	16.96
Australian \$	1.76	1.67

Closing rates used to translate the balance sheet	2018	2017
US\$	1.31	1.36
euro	1.12	1.14
South African rand	19.46	17.87
Australian \$	1.82	1.70

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 shown before the amortisation of non-operating intangibles, profits less losses on the disposal of non-current assets, transaction costs and amortisation of acquired inventory fair value adjustments. 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 2017 results at 2018 average exchange rates.