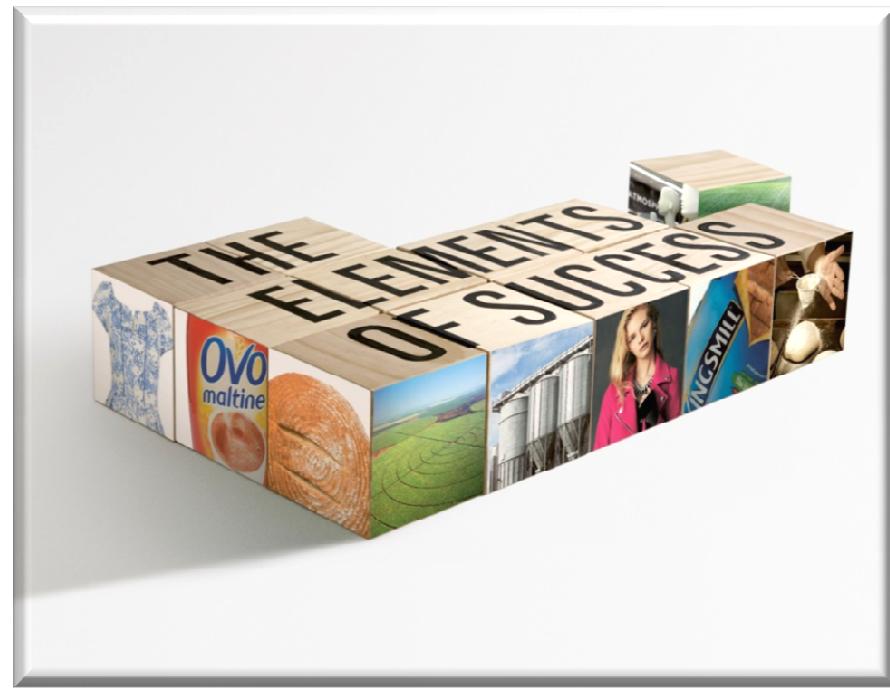


**Review of annual results  
for 52 weeks ended  
14 September 2013**

**5 November 2013**



# Financial Highlights

Associated  
British Foods  
plc

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- 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% at £1,093m, profit before tax up 15% to £876m and basic earnings per share up 6% at 74.8p

\* and \*\* - see notes at end

# Business Highlights

Associated  
British Foods  
plc

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- Another year of strong growth and cash generation
- Remarkable performance by Primark
- Grocery much improved
- Record profit from Agriculture
- AB Sugar in line with our expectations
- China Sugar and Ingredients rationalisation

# Income Statement

**Associated  
British Foods  
plc**

£m	2013	2012	Change
Revenue	13,315	12,252	+9%
Operating costs	(12,235)	(11,302)	
Exceptional item	-	(98)	
Share of joint ventures and associates	13	27	
Profits less losses on disposal of non-current assets	-	(6)	
Operating profit	1,093	873	
Adjusted operating profit*	1,185	1,077	+10%
Profits less losses on disposal of non-current assets	-	(6)	
Amortisation of non-operating intangibles	(92)	(100)	
Exceptional item	-	(98)	

# Income Statement

**Associated  
British Foods  
plc**

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£m	2013	2012	Change
Operating profit	1,093	873	+25%
Loss on sale/closure of businesses	(128)	(9)	
Net interest expense	(87)	(105)	
Other financial (expense)/income	<u>(2)</u>	<u>2</u>	
Profit before tax	876	761	+15%
Tax	<u>(242)</u>	<u>(178)</u>	
Profit after tax	634	583	
Non-controlling interests	<u>(43)</u>	<u>(28)</u>	
Attributable to equity shareholders	<u>591</u>	<u>555</u>	
Adjusted profit before tax**	<u>1,096</u>	<u>974</u>	+13%

# Tax

Associated  
British Foods  
plc

	2013 £m	2012 £m	
Underlying charge	265	24.2%	242
Credit on goodwill & intangible amortisation	(29)		(33)
Charge/(credit) on disposal of businesses and PP&E	6		(2)
Credit on exceptional item	-		(29)
Reported charge	242	27.6%	178

# Earnings and Dividends Per Share

Associated  
British Foods  
plc

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	2013	2012	Change
Adjusted earnings per share *	98.9p	87.2p	+13%
Earnings per share	74.8p	70.3p	+6%
Dividends per share	32.0p	28.5p	+12%

# Balance Sheet

**Associated  
British Foods  
plc**

£m	2013	2012
Intangible assets (including goodwill)	1,581	1,769
PP&E and other non-current assets	5,015	4,995
Working capital	1,042	984
Biological assets - current	112	109
Current tax	(166)	(150)
Net debt	(804)	(1,061)
Other financial (liabilities)/assets	(11)	(17)
Deferred tax	(151)	(177)
Provisions	(77)	(136)
Net pension liability	(44)	(95)
Net assets	<u>6,497</u>	<u>6,221</u>
Equity shareholders' funds	6,133	5,834
Non-controlling interests	<u>364</u>	<u>387</u>
	<u>6,497</u>	<u>6,221</u>

# Cash Flow

**Associated  
British Foods  
plc**

£m	2013	2012
Adjusted operating profit (before joint ventures and associates)	1,213	1,050
Depreciation and amortisation of operating intangibles	443	416
Working capital	(97)	43
Provisions	11	(17)
Capital expenditure - Primark	(228)	(326)
- Food	(365)	(374)
Purchase of intangibles	(22)	(13)
Tax	(252)	(191)
Net interest and other income	(97)	(98)
Pension cost less contributions	(29)	(38)
Other	2	(7)
Free cash flow	579	445
Dividends paid (incl minorities)	(261)	(223)
(Acquisitions)/disposals including loans to joint ventures	(45)	(19)
Net cash flow before financing	273	203

# Segmental Analysis

**Associated  
British Foods  
plc**

## By business

	Revenue		Profit <sup>*</sup>		Margin		ROCE	
	2013	2012	2013	2012	2013	2012	2013	2012
	£m	£m	£m	£m	%	%	%	%
Grocery	3,840	3,726	232	187	6.0	5.0	15.8	12.2
Sugar	2,677	2,666	435	510	16.2	19.1	23.4	26.5
Agriculture	1,410	1,265	47	40	3.3	3.2	16.4	16.5
Ingredients	1,088	1,067	1	27	0.1	2.5	0.1	4.4
Retail	4,273	3,503	514	356	12.0	10.2	26.1	19.2
Central costs	-	-	(50)	(48)	n/a	n/a	n/a	n/a
Continuing businesses	<u>13,288</u>	<u>12,227</u>	<u>1,179</u>	<u>1,072</u>	<u>8.9</u>	<u>8.8</u>	<u>18.4</u>	<u>17.0</u>
Businesses disposed	<u>27</u>	<u>25</u>	<u>6</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>13,315</b></u>	<u><b>12,252</b></u>	<u><b>1,185</b></u>	<u><b>1,077</b></u>	<u><b>8.9</b></u>	<u><b>8.8</b></u>	<u><b>18.5</b></u>	<u><b>17.0</b></u>

# Segmental Analysis

**Associated  
British Foods  
plc**

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## By geography

	Revenue		Profit*		Margin	
	2013	2012	2013	2012	2013	2012
	£m	£m	£m	£m	%	%
United Kingdom	5,728	5,248	715	638	12.5	12.2
Europe & Africa	3,790	3,328	386	325	10.2	9.8
The Americas	1,282	1,216	103	95	8.0	7.8
Asia Pacific	2,488	2,435	(25)	14	(1.0)	0.6
Continuing businesses	13,288	12,227	1,179	1,072	8.9	8.8
Businesses disposed	27	25	6	5	n/a	n/a
	13,315	12,252	1,185	1,077	8.9	8.8

# Sugar

Associated  
British Foods  
plc

		2013	2012	Change
Revenue	£m	2,677	2,666	level
Operating profit	£m	435	510	-15%
Margin		16.2%	19.1%	
ROCE		23.4%	26.5%	



- lower European production, higher UK beet costs
- good progress at Illovo
- much lower prices in China
- performance improvement programme firmly established

Sugar	2013	2012	Change
Revenue £m	<b>2,677</b>	2,666	level
Operating Profit £m	<b>435</b>	510	-15%



### EU sugar

- sugar prices remained strong
- lower beet yields in UK
- lower beet volumes, good yields in Spain



Sugar	2013	2012	Change
Revenue £m	<b>2,677</b>	2,666	level
Operating Profit £m	<b>435</b>	510	-15%



### European sugar regime

- confirmation in June 2013 of changes
  - domestic quotas to cease September 2017
  - sugar import tariffs unchanged
- increase in sugar supply, lower prices
- growth by most efficient producers
- imperative for British Sugar, Azucarera
  - further efficiency improvement
- market already adjusting



Sugar	2013	2012	Change
Revenue £m	<b>2,677</b>	2,666	level
Operating Profit £m	<b>435</b>	510	-15%



### Illovo

- production ahead of last year
  - further recovery in South Africa
  - good performance from Zambia, Swaziland
- prices stable
- co-product development
  - potable alcohol distillery in Tanzania



# Potable alcohol distillery in Tanzania

Associated  
British Foods  
plc

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Sugar	2013	2012	Change
Revenue £m	<b>2,677</b>	2,666	level
Operating Profit £m	<b>435</b>	510	-15%



## China

- higher imports and domestic production led to much lower prices
- rationalisation of factory base from 7 to 4 in north
  - two factories mothballed
  - Chifeng sold
- further cost reduction under way
  - factory efficiency
  - overheads
- prices above their low point



# Agriculture

Associated  
British Foods  
plc

		2013	2012	Change
Revenue	£m	1,410	1,265	+11%
Operating profit	£m	47	40	+18%
Margin		3.3%	3.2%	
ROCE		16.4%	16.5%	



- strong performance from UK feed business, AB Connect
- weather-affected UK crop successfully marketed by Frontier
- further growth for AB Vista and Premier Nutrition
- good profit delivery in China

		2013	2012	Change
Revenue	£m	3,840	3,726	+3%
Operating profit	£m	232	187	+24%
Margin		6.0%	5.0%	
ROCE		15.8%	12.2%	



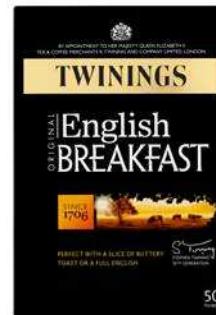
- strong profit increase
- reduction in restructuring costs
- Twinings Ovaltine excellent
- George Weston Foods much improved
- significant development at Allied Bakeries

Grocery	2013	2012	Change
Revenue £m	<b>3,840</b>	3,726	+3%
Operating Profit £m	<b>232</b>	187	+24%



### Twinings Ovaltine

- most profitable of our grocery businesses
- share gains in major markets
- Twinings strong revenue growth
- Ovaltine further progress in South America and Asia
- global supply chain
  - Twinings: UK, Poland and China
  - Ovaltine: Switzerland, China and Thailand



Grocery	2013	2012	Change
Revenue £m	<b>3,840</b>	3,726	+3%
Operating Profit £m	<b>232</b>	187	+24%



## Australia

- much improved performance
- Tip Top
  - margin improvement
  - brand building: “The One”, Abbott’s



# Abbott's television advertising

Associated  
British Foods  
plc

We are currently showing a TV advert for Abbott's Village bakery.  
If you would like to view this separately, please use the following URL:



<http://www.youtube.com/watch?v=jVsEMD6bhBl>

Grocery		2013	2012	Change
	Revenue £m	3,840	3,726	+3%
	Operating Profit £m	232	187	+24%



## Australia

- much improved performance
- Tip Top
  - margin improvement
  - brand building: “The One”, Abbott’s
- Don KRC
  - higher volumes
  - lower factory conversion costs



Grocery		2013	2012	Change
	Revenue £m	3,840	3,726	+3%
	Operating Profit £m	232	187	+24%



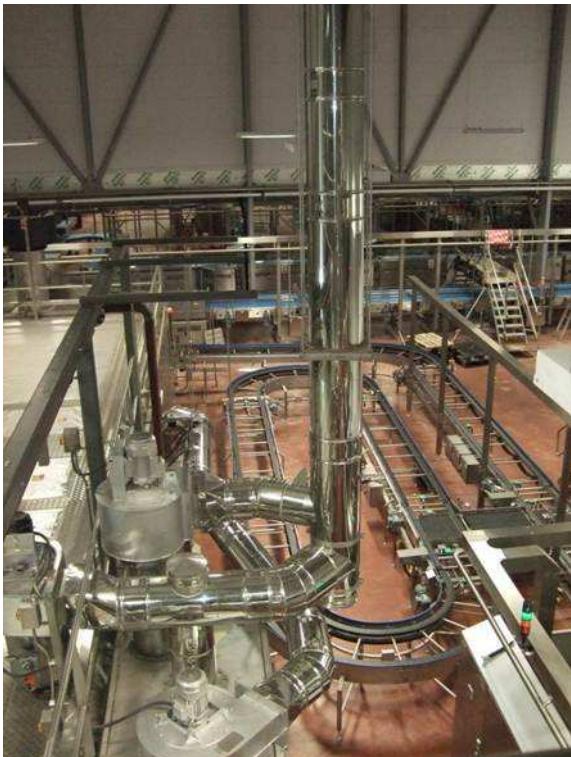
### Allied Bakeries

- competitive market
- volume growth
  - Co-op supply contract
  - Kingsmill number 2 bread brand in UK
- six year capital programme
  - nine new or refurbished bread lines
  - new bulk handling at four bakeries



# West Bromwich bakery

Associated  
British Foods  
plc



# Bakeries investment

Associated  
British Foods  
plc



Grocery		2013	2012	Change
	Revenue £m	<b>3,840</b>	3,726	+3%
	Operating Profit £m	<b>232</b>	187	+24%



### UK Grocery

- growth for Ryvita, Jordans, Patak's and Blue Dragon
- good first year for Elephant Atta
- competitive market for Silver Spoon



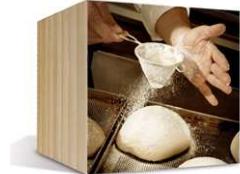
### ACH / Stratas

- improved performance in US
- Capullo relaunch drove volume increase

# Ingredients

Associated  
British Foods  
plc

		2013	2012	Change
Revenue	£m	1,088	1,067	+2%
Operating profit	£m	1	27	-96%
Margin		0.1%	2.5%	
ROCE		0.1%	4.4%	



- revenue and underlying profit in line with last year
- management changes at AB Mauri
- investment for cost reduction and growth
- rationalisation of operations

Ingredients	2013	2012	Change
Revenue £m	<b>1,088</b>	1,067	+2%
Operating Profit £m	1	27	-96%



### Rationalisation

- US whey protein business sold
- China yeast extract assets written down
- restructuring in Italy and India



### Investment

- new low-cost yeast plants in Mexico and China
- cereal extrusion factory in Indiana, US
- expansion of enzymes in Finland planned



		2013	2012	Change
Revenue	£m	4,273	3,503	+22%
Operating profit	£m	514	356	+44%
Margin		12.0%	10.2%	
ROCE		26.1%	19.2%	



- remarkable year for Primark
- strong trading
- margin much higher
- 25% space added in continental Europe

# Primark trading

Associated  
British Foods  
plc

Retail	2013	2012	Change
Revenue £m	<b>4,273</b>	3,503	+22%
Operating Profit £m	<b>514</b>	356	+44%



- trading
  - 5% like-for-like growth
  - both autumn/winter and spring/summer sold well
  - good Christmas and summer months
  - northern Europe strong
  - like-for-likes in Spain improved in second half
- margin improvement
  - lower cotton costs in first half
  - fewer mark downs
  - good margins in northern Europe achieved



# Store highlights of the year

Associated  
British Foods  
plc

- 0.8 million sq ft of space added
- second store opened on Oxford Street
- major extensions and refit in Manchester, Newcastle, Chester and Dublin
- store opened on Frankfurt's Zeil
- first two stores in Austria
- six stores in Spain



# Primark - selling space expansion

Associated  
British Foods  
plc

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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
September 2012	5,425	157	1,100	35	1,010	38	665	12	8,200	242
September 2013	5,760	161	1,330	41	1,030	38	880	17	9,000	257
	+6%		+21%		+2%		+32%		+10%	

# Manchester

Associated  
British Foods  
plc

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In store

Associated  
British Foods  
plc

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# Store front at Zoetermeer

Associated  
British Foods  
plc





# Christmas at Primark

Associated  
British Foods  
plc

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**Buy now while stocks last...**

**Associated  
British Foods  
plc**

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# Further selling space expansion

Associated  
British Foods  
plc

- expect to add over 1 million sq ft in this financial year
- extensive programme of 13 openings up to Christmas 2013
- five stores in France
- focus on developing existing business model



# Primark.com – What's new

Associated  
British Foods  
plc

The screenshot shows the homepage of Primark.com's 'What's new' section. At the top, there's a navigation bar with links for File, Edit, View, Favorites, Tools, and Help. The URL http://www.primark.com/whats-new is visible in the address bar, along with the ABF plc logo. A 'WHAT'S NEW' button is highlighted in blue. On the right side of the header, there are links for Sign in / Sign up, a Facebook UK link, and a 'SHOW OPTIONS' dropdown.

The main content area features a large blue banner with the text "Welcome to Primark.com". It says: "We thought it was about time for a refresh (right?!) Browse our brand new website for exclusive previews of new collections, articles, trends, and Primania our very own street style community. Enjoy!" Below this, a "Click here to read more" button is visible. To the right of the banner, there's a photo of a man and a woman posing together.

Below the banner, there are three circular "Editor's picks" sections:

- £20 Outfit challenge**: Shows a woman with long dark hair wearing a black hat and a patterned top.
- WIN £50 - Primania competition**: Shows a woman standing in front of a striped wall.
- We're getting social!**: Shows a pink circle with the text "#ThanksAMillion @primark".

At the bottom of the page, there's a footer with links for About Primark, Ethical Trading, Careers, Customer Service, Gift Card, and Subscribe to Newsletter. A cookie consent message is also present at the bottom.

The screenshot shows a web browser window displaying the Primaria section of the Primark website. The URL in the address bar is <http://www.primark.com/primania>. The page features a dark header with the Primark logo and navigation links for 'WHAT'S NEW', 'PRIMANIA' (which is highlighted in pink), and 'OUR STORES'. A 'facebook' link is also present. The main content area is titled 'Primania 176 Looks' and includes a call-to-action: 'Put your Primark on and show it off. Post, browse, rate and share looks - this is your fashion playground.' Below this, there's a grid of five outfit photos. To the right, a sidebar highlights 'Trending Primania looks: Monochrome' with a 'VIEW THE TREND' button. At the bottom, there are two more outfit photos and a 'UPLOAD YOUR LOOK' button.

PRIMARK\*

WHAT'S NEW PRIMANIA OUR STORES

facebook UK

Sign in / Sign up

Primania 176 Looks

Put your Primark on and show it off. Post, browse, rate and share looks - this is your fashion playground.

SHOW OPTIONS

Trending Primania looks  
**Monochrome**

We love to see you rocking the Monochrome trend, here's our selection of the latest looks as modeled by you.

VIEW THE TREND

PRIMANIA

Share your latest Primark finds...

- Post your latest Primark looks
- Tell us how you've styled it
- Get involved and give Primarks to looks you love
- Be in with a chance to win prizes

UPLOAD YOUR LOOK

ABOUT PRIMARK ETHICAL TRADING CAREERS CUSTOMER SERVICE GIFT CARD SUBSCRIBE TO NEWSLETTER

To provide you with the best experience on this website, cookies are used. By using this site you consent to our use of cookie. However, you can change your cookie settings at any time. [More info on cookies](#)

# Looking ahead to new financial year

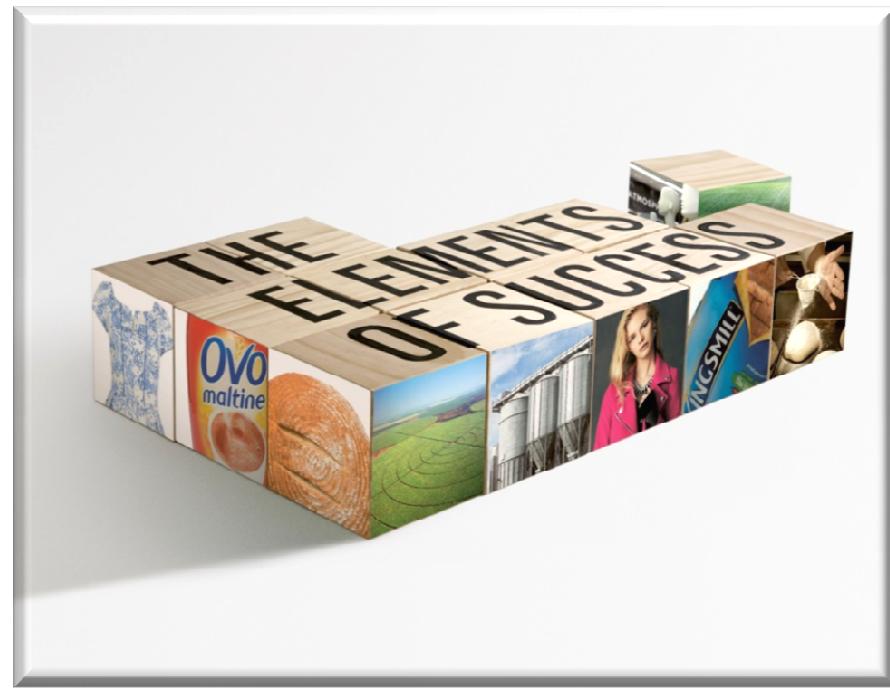
Associated  
British Foods  
plc

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- Adjusted earnings per share expected to be similar to 2013
- Further reduction in profit from AB Sugar
- Lower cost of financing
- Stabilisation of Ingredients
- Further improvement in Grocery
- Accelerated store openings for Primark

**Review of annual results  
for 52 weeks ended  
14 September 2013**

**5 November 2013**



# Exchange rates

Associated  
British Foods  
plc

Average rates used to translate the income statement	2013	2012
US\$	1.56	1.57
euro	1.19	1.21
South African rand	14.37	12.67
Australian \$	1.56	1.53
Rates at year end used to translate the balance sheet	2013	2012
US\$	1.59	1.62
euro	1.19	1.23
South African rand	15.76	13.35
Australian \$	1.72	1.54

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**

- \* 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 sale and closure of businesses, and exceptional items

All figures stated after amortisation of non-operating intangibles, profits less losses on disposal of non-current assets, profits less losses on sale and closure of businesses, and exceptional items are shown on the face of the consolidated income statement.