

**Review of annual results
for the 52 weeks ended
12 September 2009**

3 November 2009



Business Highlights

- Good results in difficult economic times
- Considerable progress in development of group
- Strong cash performance and balance sheet

Financial Highlights

- Group revenue up 12% to £9.3bn
- Adjusted operating profit up 8% to £720m*
- Adjusted profit before tax up 4% to £655m **
- Adjusted earnings per share up 5% to 57.7p**
- Dividends per share up 4% to 21.0p
- Net investment in capital expenditure and acquisitions less disposals of £832m
- EBITDA more than £1bn
- Net debt of £999m
- Operating profit up 13% at £625m, profit before tax down 6% to £495m and basic earnings per share up 1% at 45.5p

* and ** - see notes at end

Income Statement

Associated
British Foods
plc

£m	2009	2008	Change
Revenue	9,255	8,235	+12%
Operating costs	(8,639)	(7,660)	
Exceptional costs	-	(46)	
Share of jv's and associates	10	15	
Profits less losses on sale of PP&E	(1)	10	
Operating profit	625	554	

Adjusted operating profit*	720	664	+8%
Profits less losses on sale of PP&E	(1)	10	
Amortisation of non-operating intangibles	(82)	(74)	
Inventory fair value adjustment	(12)	-	
Exceptional items	-	(46)	

Income Statement

Associated
British Foods
plc

£m	2009	2008	Change
Operating profit	625	554	+13%
Profits less losses on sale of businesses	(65)	5	
Finance income	17	21	
Finance expense	(95)	(74)	
Other financial income	13	21	
Profit before tax	<u>495</u>	<u>527</u>	-6%
Tax	(112)	(136)	
Profit after tax	<u>383</u>	<u>391</u>	
Minority interests	(24)	(34)	
Attributable to equity shareholders	<u>359</u>	<u>357</u>	
Adjusted profit before tax**	<u>655</u>	<u>632</u>	+4%

Tax

	2009		2008	
	£m		£m	
Underlying charge	166	25.3%	154	24.4%
(Credit)/charge on disposal of businesses and PP&E	(25)		9	
Credit on goodwill & intangible amortisation	(25)		(21)	
Credit on inventory fair value adjustment	(4)		-	
Credit on exceptional items	-		(6)	
Reported charge	<u>112</u>	22.6%	<u>136</u>	25.8%

Earnings and Dividends Per Share

Associated
British Foods
plc

		2009	2008	Change
Adjusted earnings per share *	p	57.7	54.9	+5%
Earnings per share	p	45.5	45.2	+1%
Dividends per share	p	21.0	20.25	+4%

Balance Sheet

Associated
British Foods
plc

£m	2009	2008
Intangible assets (including goodwill)	1,913	1,815
PP&E and other non-current assets	3,905	3,349
Net assets classified as held for sale (excl cash)	102	19
Working capital	970	905
Biological assets - current	101	80
Current tax	(113)	(89)
Net debt	(999)	(791)
Other financial (liabilities)/assets	(64)	29
Deferred tax	(212)	(348)
Provisions	(421)	(186)
Net pension (liability)/asset	(106)	61
	<u>5,076</u>	<u>4,844</u>
Equity shareholders' funds	4,748	4,554
Minority interests	<u>328</u>	<u>290</u>
	<u>5,076</u>	<u>4,844</u>

Cash Flow

Associated
British Foods
plc

£m	2009	2008
Adjusted operating profit (before joint ventures and associates)	710	649
Depreciation and amortisation of operating intangibles	293	236
Working capital	117	(110)
Provisions	(20)	(6)
Capital expenditure - Primark	(159)	(152)
- Food	(386)	(350)
Purchase of intangibles	(24)	(70)
Tax	(135)	(110)
Net interest and other income	(77)	(55)
Pension cost less contributions	(40)	(18)
Other	(79)	(59)
Free cash flow	<u>200</u>	<u>(45)</u>
Dividends paid (incl minorities)	(184)	(177)
Quota renunciation compensation	101	-
(Acquisitions)/disposals	<u>(179)</u>	<u>(165)</u>
Net cash flow before financing	<u>(62)</u>	<u>(387)</u>

Segmental Analysis

By business

	Revenue		Profit [*]		Margin		ROCE	
	2009	2008	2009	2008	2009	2008	2009	2008
	£m	£m	£m	£m	%	%	%	%
Grocery	3,188	2,820	191	194	6.0	6.9	17.9	18.6
Sugar & agriculture	2,579	2,134	223	186	8.6	8.7	13.3	14.4
Ingredients	989	824	88	78	8.9	9.5	16.0	18.0
Retail	2,314	1,933	252	233	10.9	12.1	17.8	18.6
Inter company/central costs	-	-	(34)	(28)	n/a	n/a	n/a	n/a
Continuing businesses	<u>9,070</u>	<u>7,711</u>	<u>720</u>	<u>663</u>	<u>7.9</u>	<u>8.6</u>	<u>15.4</u>	<u>16.6</u>
Businesses disposed	<u>185</u>	<u>524</u>	<u>-</u>	<u>1</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>
	<u>9,255</u>	<u>8,235</u>	<u>720</u>	<u>664</u>	<u>7.8</u>	<u>8.1</u>	<u>15.4</u>	<u>16.6</u>

Segmental Analysis

By geography

	Revenue		Profit*		Margin	
	2009	2008	2009	2008	2009	2008
	£m	£m	£m	£m	%	%
United Kingdom	4,140	3,766	354	309	8.6	8.2
Europe & Africa	2,027	1,489	219	159	10.8	10.7
The Americas	1,068	860	85	105	8.0	12.2
Asia Pacific	1,835	1,596	62	90	3.4	5.6
Continuing businesses	9,070	7,711	720	663	7.9	8.6
Businesses disposed	185	524	-	1	n/a	n/a
	<u>9,255</u>	<u>8,235</u>	<u>720</u>	<u>664</u>	<u>7.8</u>	<u>8.1</u>

Sugar	2009	2008	Change
Revenue £m	1,575	1,267	+24%
Operating Profit £m	189	153	+24%

Overview

- changes to EU sugar regime behind us
- EU position strengthened
 - Azucarera Ebro acquisition
 - sale of Polish sugar
 - access to LDC sugars
- ambitious expansion continuing in Africa
- difficult year in China



Sugar	2009	2008	Change
Revenue £m	1,575	1,267	+24%
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EU sugar

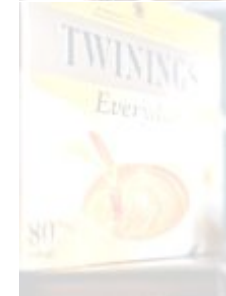
- supply and demand broadly balanced, prices more stable
- profit increase, recent trend of decline reversed
- no further regime changes until October 2015

UK

- favourable growing conditions, high yield and extraction rates
- 1.19 million tonnes sugar
- strong euro, favourable energy cost benefit

Spain

- good early progress



Sugar	2009	2008	Change
	Revenue £m	1,575	1,267
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UK biofuels

- Wissington
 - strong profit contribution

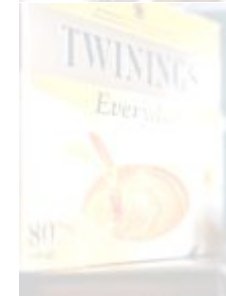
- Vivergo
 - construction progressing well at Hull
 - commissioning due autumn 2010
 - AB Agri contracted to supply wheat from Frontier and sell distillers grain co-products



Sugar	2009	2008	Change
Revenue £m	1,575	1,267	+24%
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Illovo

- excellent operating result, profit ahead
 - higher local market prices
 - world sugar price increase
 - currency gain outside South Africa
- recent rand strength
- Zambia capacity doubled
- South Africa streamlined
 - Umfolozi and Pongola mills sold
 - new joint venture at Gledhow
- rand 3bn rights issue to fund expansion plans



Nakambala

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Sugar	2009	2008	Change
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China

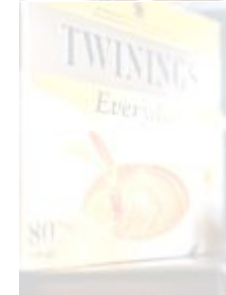
- a difficult year
- low first half sugar prices
- prices rallied in second half

South – cane sugar

- profitable business
- new mill commissioned – now five mills

North East – beet sugar

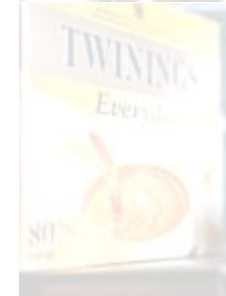
- Yi'an completed
- focus production on seven factories
- management capability built
- agricultural yield improvement



Agriculture	2009	2008	Change
Revenue £m	1,004	867	+16%
Operating Profit £m	34	33	+3%

AB Agri

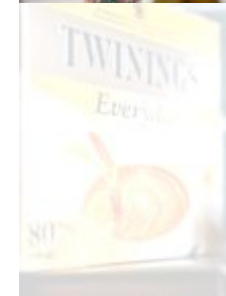
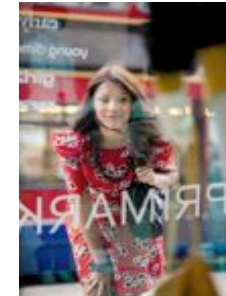
- another exceptional year
- UK animal feeds
 - increased presence in UK blends market
 - Carbon Trust accredited greenhouse gas reduction model for dairy farms
- Frontier
 - excellent grain trading performance
 - increased demand for agricultural inputs
- AB Vista
 - enzymes development and sales growth
- China
 - good profit growth
 - new mill in Henan opened



Retail	2009	2008	Change
Revenue £m	2,314	1,933	+20%
Operating Profit £m	252	233	+8%

Primark

- excellent trading throughout year
- 7% like-for-like sales growth
- 12 new stores including five in Spain, one each in Netherlands, Germany and Portugal
- operating profit margin decline
 - fixed overhead of new UK distribution centre
 - gross margin decline in second half – weakness of sterling but some mitigation from better buying, lower freight cost and sales mix



Bristol store

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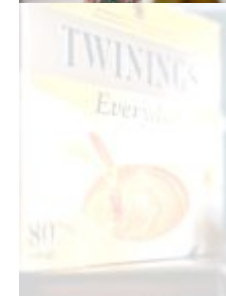
Primark - selling space expansion

	UK		Republic of Ireland		Spain		Other		Total	
	sq ft '000	stores	sq ft '000	stores	sq ft '000	stores	sq ft '000	stores	sq ft '000	stores
Sep 2008	4,140	134	970	38	270	9	-	-	5,380	181
Sep 2009	4,380	136	970	38	410	14	120	3	5,880	191
	+6%		-		+52%		n/a		+9%	

Retail	2009	2008	Change
Revenue £m	2,314	1,933	+20%
Operating Profit £m	252	233	+8%

Currently planned to open in 2009/10

- UK - four new stores
- Spain - four new stores
- Germany - Frankfurt
- Portugal - Porto
- Belgium - Liege



Grocery	2009	2008	Change
	Revenue £m	3,188	2,820
Operating Profit £m	191	194	-2%



Overview

- major developments
 - packaged oil joint venture in US
 - integration of meat business in Australia
 - Jordans and Ryvita merged
 - Patak's and Blue Dragon
- very good progress by Allied Bakeries and Twinings Ovaltine
- profit held back
 - first half problem at ACH in the US
 - margin reduction in UK retail sugar

Grocery	2009	2008	Change
	Revenue £m	3,188	2,820
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Ovaltine

- growth in developing markets: Thailand, Brazil, Nigeria



Twinings

- UK premium teas slowed but Everyday performed well
- consultation on major manufacturing reorganisation announced
 - new factory in Poland
 - doubling capacity in China, focusing on US, Asia Pacific markets
 - expansion and automation of Andover



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Allied Bakeries

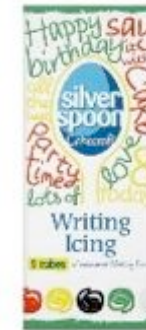
- strong sales and good profit improvement
- Little Big Loaf launched – full sized slices, just fewer of them!
- first UK bread brand to win accreditation from the Carbon Trust



Grocery	2009	2008	Change
	Revenue £m	3,188	2,820
Operating Profit £m	191	194	-2%

Silver Spoon

- margin reduction in UK retail sugar
- increased demand for home baking products
- closure of Newark packaging plant and transfer to Bury



Jordans Ryvita

- businesses integrated
- Jordans improving after slow start
- Ryvita crispbread growth



Grocery	2009	2008	Change
	Revenue £m	3,188	2,820
Operating Profit £m	191	194	-2%



Westmill

- recessionary impact on ethnic foodservice spending
- development of main brands



World Foods

- benefits from Blue Dragon and Patak's combination
- major relaunch of Patak's brand



Patak's paste relaunch

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- Demystifying pastes
 - making them easier to understand
 - and easier to use
- Making pastes better for you (50% less salt and fat)
- Explaining the value for money



Grocery	2009	2008	Change
Revenue £m	3,188	2,820	+13%
Operating Profit £m	191	194	-2%



ACH

- first half
 - long positions in vegetable oil futures
 - Mazola, Capullo volumes down
- second half improvement
 - oil futures fully utilised
 - Mazola volumes recovering, consumer prices down
 - competitive market for Capullo
- good year for home baking and spices



Stratas

- progress on integration
- production transferring on phased basis
- ACH facilities to close spring 2010



Grocery	2009	2008	Change
	Revenue £m	3,188	2,820
Operating Profit £m	191	194	-2%



Australia

- profit progress
 - recovery of higher input prices
 - strong milling performance
- consolidation of baking in New South Wales completed
- meat rationalisation
 - closure of Perth factory
 - expansion of Castlemaine plant under way

Ingredients	2009	2008	Change
Revenue £m	989	824	+20%
Operating Profit £m	88	78	+13%



Overview

- capacity expansion, a major feature
 - enzymes in Finland complete
 - yeast, yeast extracts in China to complete 2010
- benefit of currency translation



Ingredients	2009	2008	Change
	Revenue £m	989	824
Operating Profit £m	88	78	+13%



AB Mauri

- good sales growth in all regions
- South American yeast, technical ingredients in the Americas strong
- effluent treatment investment

ABF Ingredients

- enzyme growth
- lower sales volumes, pressure on margins



Major capital projects completed

A number of major projects were completed during the year:

Sugar	Spanish cane refinery
Sugar	Zambia capacity
Sugar	China North, Yi'an capacity
Sugar	China South, Jinchengjiang new mill
Retail	12 Primark stores including Bristol
Grocery	UK sugar packaging
Ingredients	Enzyme capacity

Continuation of long-term capital investment

Significant investment is expected in 2009/10:

		Expected completion*
Sugar	Vivergo biofuels	end 2010
Sugar	Africa development: Swaziland, Mali	2011/12
Retail	Store expansion across Europe	continuing
Grocery	Castlemaine factory	end 2010
Grocery	Twinings manufacturing	2011/12
Ingredients	China yeast, yeast extracts	early 2010

* calendar year

Financial strength

- Landmark in cash generating ability - EBITDA over £1bn
- Net debt at £999m
- Substantial capability for investment

Summary

- Good results in difficult economic times
- Considerable progress in development of group
- Strong cash performance and balance sheet

**Review of annual results
for the 52 weeks ended
12 September 2009**

3 November 2009



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 the sale of PP&E, inventory fair value adjustment and exceptional items
- ** before amortisation of non-operating intangibles, profits less losses on the sale of PP&E, inventory fair value adjustment, profits less losses on the sale and closure of businesses and exceptional items

All figures stated after amortisation of intangibles, profits or losses on the sale of PP&E, inventory fair value adjustment, profits less losses on the sale and closure of businesses and exceptional items are shown on the face of the consolidated income statement.