For release 3 November 2015

ASSOCIATED BRITISH FOODS plc

Annual Results Announcement

Year ended 12 September 2015

For release 3 November 2015

Associated British Foods plc results for 52 weeks ended 12 September 2015

A strong performance despite currency and commodity challenges

Financial Headlines

		Actual	Constant currency[1]
• Group revenue	£12.8bn	-1%	+2%
• Adjusted operating profit	£1,092m*	-6%	-4%

- Adjusted profit before tax down 6% to £1,034m**
- Adjusted earnings per share down 2% to 102.0p**
- Dividends per share up 3% to 35.0p
- Gross capital investment of £613m
- Net debt reduced to £194m
- After profits less losses on sale and closure of businesses and exceptional items, operating profit down 12% to £947m, profit before tax down 30% to £717m and basic earnings per share down 30% to 67.3p.

George Weston, Chief Executive of Associated British Foods, said:

"We delivered a strong operational performance despite the challenges of food commodity deflation and big movements in exchange rates. The group continues to generate strong cash flows and to reduce net debt. While marginally down, our earnings per share result underlines the group's strength."

* 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 adjustments to profit measures are shown on the face of the consolidated income statement.

1 Constant currency is derived by translating the 2014 results at 2015 average exchange rates.

For further information please contact:

Until 15.00 only
Associated British Foods:
John Bason, Finance Director
Flic Howard-Allen, Head of External Affairs
Tel: 020 7638 9571

Citigate Dewe Rogerson:
Chris Barrie, Eleni Menikou
Tel: 020 7638 9571

Jonathan Clare
Tel: 07770 321881

After 15.00
John Bason, Finance Director
Flic Howard-Allen, Head of External Affairs
Tel: 020 7399 6500

Notes to Editors

Associated British Foods is a diversified international food, ingredients and retail group with sales of £12.8bn and 124,000 employees in 48 countries. It has significant businesses in Europe, southern Africa, the Americas, Asia and Australia.

Our aim is to achieve strong, sustainable leadership positions in markets that offer potential for profitable growth. We look to achieve this through a combination of growth of existing businesses, acquisition of complementary new businesses and achievement of high levels of operating efficiency.

ASSOCIATED BRITISH FOODS plc
ANNUAL RESULTS ANNOUNCEMENT
FOR THE 52 WEEKS ENDED 12 SEPTEMBER 2015

For release 3 November 2015

CHAIRMAN'S STATEMENT

This financial year has been characterised by continuing investment in businesses with growth opportunities and a relentless drive for improved efficiencies and cost reduction. The two major challenges facing the group have been well flagged – food commodity deflation and substantial movements in currency markets.

A key influence on our food businesses has been deflation in many of our major commodities, making growth in revenues difficult to achieve. The most notable examples are the substantial declines in both the EU and world sugar prices. We have also experienced significant movements in exchange rates with a strengthening of sterling and the US dollar, and a weakening of the euro and emerging market currencies. These movements had a negative effect on the translation of overseas results but also, and increasingly as the year progressed, on transactional exposures.

Against this background a 2% decline in adjusted earnings per share is all the more creditable and the group continued to generate strong cash flows and reduce net debt significantly as a result.

This year has seen growth for a number of our businesses. Primark expanded its retail selling space by 9% this year with a major increase in its presence in Germany, Belgium and the Netherlands and at the end of the year it opened its first store in the US. Brand development at our Grocery businesses included a major relaunch of Twinings black teas in the UK, growth for Mazola driven by strong advertising of its cholesterol lowering benefits and commercial success for the Don meat brand in Australia. Our enzyme business went from strength to strength and was a key contributor to the profit increase in Agriculture and Ingredients. We continue to position our businesses to enable them to maximise revenue growth opportunities.

The EU sugar price has stabilised in the latter part of the year. However, the significant fall both in EU and world sugar prices has put considerable strain on the world sugar industry and has sharpened our focus on securing the long-term profitability of our business. As one of the lowest cost producers we have always sought to reduce costs and maximise production efficiency. Significantly, this year, we have secured lower future beet costs for our EU sugar businesses and closed two uneconomic factories in Heilongjiang, China.

Cost reduction was not confined to our Sugar businesses. The substantial profit and margin recovery in Ingredients and margin improvement in Grocery were also driven by wide ranging initiatives in these businesses.

We continued to invest for the long term with gross capital expenditure on property, plant, equipment and intangible assets of £613m. Over half of this was spent on Primark's expansion where, this year, we added 20 new stores and almost one million square feet to the estate. We expect next year's increase to be even greater. We also increased the scale of Primark's distribution infrastructure to support this growth by extending existing warehouse capacity and opening new facilities in the Czech Republic and the US. The focus of our capital expenditure within the food businesses was directed at expansion of capacity-constrained facilities and on improving production efficiency.

Cash flow was again strong this year despite a working capital outflow driven by higher sugar stocks. Net debt at the year end was £252m lower than last year at £194m. With the group's cash generating ability, the lower net debt and the committed borrowing facilities available, we have the capacity to meet our growth ambitions.

Corporate responsibility

At the heart of our group is the very simple philosophy that helping to feed and clothe people is a virtuous and valuable endeavour. Our approach to ensuring that we provide our customers with high quality, ethically sourced products in a responsible manner is described in our latest Corporate Responsibility update which is published today and available on the group's website at www.abf.co.uk/responsibility.

The board

The Senior Independent Director, Tim Clarke, was appointed to the board in 2004 and, in accordance with the UK Corporate Governance Code, having completed nine years' service in 2013, the rest of the board must now confirm his independence annually. This having been done, we are delighted that Tim has agreed to continue as a member of the board and as the Senior Independent Director.

Javier Ferrán completed nine years on the board at the beginning of November 2015 and has agreed to continue as a director but retired from the Audit committee at the conclusion of its meeting on 26 October. The rest of the board has considered, and subsequently confirmed, his continuing independence. Lord Jay has also completed nine years on the board and will retire at the end of November. We have benefited greatly from the breadth of Michael's experience and I would like to record my thanks to him for his wise counsel and highly valued contribution to the board over the years.

In January we welcomed Wolfhart Hauser to the board as a non-executive director and he was appointed to the Audit committee in April. Dr Hauser was chief executive officer of Intertek Group plc until his retirement in May 2015, and during his career he led a broad range of successful international service industry businesses. He is currently a non-executive director of RELX Group plc, formerly Reed Elsevier, and chairman of FirstGroup plc.

Employees

This year's success is testament to the resilience and resourcefulness of our employees who, in many of our businesses, and particularly in Sugar, have been operating in difficult market conditions. I would like to thank them all for their valuable contribution, particularly to the various continuous improvement initiatives that have led to substantial cost reduction across the group this year. These required a robust challenge to historic practices, innovation and creativity, and an absolute determination to succeed, all of which underpinned delivery of this year's result.

Auditors

KPMG or one of its predecessor firms has been our auditor since the Company was incorporated in 1935. In light of the new requirements of the UK Corporate Governance Code, the external audit of the group financial statements was put out to tender during the year and the board has now appointed Ernst & Young LLP as the Company's new auditor with effect from 4 November 2015, subject to approval by shareholders at the annual general meeting. I would like to take this opportunity to thank KPMG for their unstinting professionalism, for the insight that they have brought and the value that they have added to our businesses during their 80 year tenure.

Dividends

I am pleased to report that a final dividend of 25.0p is proposed, to be paid on 8 January 2016 to shareholders on the register on 11 December 2015. Together with the interim dividend of 10.0p paid on 3 July 2015, this will make a total of 35.0p for the year, an increase of 3%.

Outlook

The good underlying trading achieved by our businesses in 2015 is expected to continue.

We intend to maintain investment in expansion opportunities, most notably for Primark. After three years of large profit declines for AB Sugar, we expect greater stability in profit next year ahead of EU quota removal in 2017. However, the substantial moves in exchange rates last year, notably the weakening of the euro and emerging market currencies, will have a significant influence on the results for the coming year. At current rates the translation impact would be at a similar level to last year but the transactional impact would be greater and will be seen primarily in Primark and British Sugar.

At this early stage we expect the currency pressures to lead to a modest decline in adjusted operating profit and adjusted earnings for the group for the coming year.

Charles Sinclair
Chairman

CHIEF EXECUTIVE'S STATEMENT

I am pleased with the trading performance and the progress made by each of our businesses this year. Grocery, Agriculture, Ingredients and Retail all increased their profits. Sugar profit was, as expected, substantially lower than last year as a result of much weaker euro-denominated EU sugar prices, but the business made great strides in reducing operating costs.

Group revenue declined by 1% to £12.8bn but was 2% higher at constant currency. Adjusted operating profit was 6% lower at £1,092m, and 4% lower at constant currency.

The international diversity of the group means that our businesses operate and transact in many currencies and are therefore subject to both translational and transactional currency exposures. During the financial year, against a basket of currencies, the euro and emerging market currencies weakened significantly and the US dollar and sterling both strengthened. The full year impact of these movements in exchange rates on the translation of overseas results into sterling was £31m. In order to understand the underlying operating performance of each of our businesses, in the operating review we have referred to year-on-year changes at constant currency.

Food commodity price deflation was the primary reason for the decline in revenues in each of our food businesses this year and was also the major driver of the big decline in profit at AB Sugar.

This is the third year of significant profit decline for AB Sugar as a consequence of falling EU and world sugar prices. It is encouraging that EU prices have now stabilised and the steps we have taken, and continue to take, to reduce our cost base, are aimed at creating a profitable business at these price levels and in a post-quota environment in the EU.

We took the opportunity to increase our ownership of Vivergo Fuels this year. This is a well-invested, cost-competitive asset, with a promising longer-term outlook. As the existing supplier of grain to the business through Frontier Agriculture and as the seller of its distillers' grains through AB Connect, we are well placed to maximise the returns from this business.

The development of our Grocery businesses this year was reflected in the improvement in the overall operating margin to 9%. The acquisition of Dorset Cereals has brought us a strong consumer brand with exciting growth potential that complements Jordans and Ryvita. Twinings Ovaltine had yet another year of excellent profit growth with much activity promoting the premium qualities of the Twinings brand. After a difficult first half of the year which was affected by higher cost and poor quality raw materials, I am very encouraged by the progress made by our Australian meat business, Don KRC, both in volume gains and improved factory efficiency. Pricing became tougher for our bread businesses in the UK and Australia. Volumes for the UK business increased steadily during the year leading to high utilisation of our well-invested bakeries.

Profit in Ingredients recovered even more strongly this year as the new management team at AB Mauri, our yeast and bakery ingredients business, made further progress in reducing its cost base and restructuring its operations in China and Europe. A major contribution was also made by our enzymes business which had a highly successful year with growth in a number of its markets.

AB Agri delivered another great result and deserves credit for its consistently strong performance over the last five years driven by innovation, diversification and geographic expansion.

The exciting expansion of Primark is very much on track with the addition of nearly one million square feet of selling space, the opening of our first store in the US at the end of the year, and the announcement that we will be opening in Italy next year. Trading in France was very strong and built on the highly successful market entry in 2014. Like-for-like sales growth was good at 1% albeit held back by the effects of a strong store opening programme in the Netherlands and Germany. Following Primark's exceptional trading last year, we saw a return to a more normal level of markdowns this year and margin was lower as a result.

OPERATING REVIEW

GROCERY

	2015	2014	Actual fx	Constant fx
Revenue £m	**3,177**	3,337	-5%	-3%
Adjusted operating profit £m	**285**	269	6%	5%
Adjusted operating profit margin	**9.0%**	8.1%		
Return on average capital employed	**22.5%**	20.8%		

Grocery operating profit increased by 5% at constant currency with Twinings Ovaltine and our US vegetable oils business well ahead of last year. Revenues were 3% lower, held back by commodity price deflation, leading to an increase in margin.

Twinings Ovaltine grew market share in a number of regions and generated a strong profit increase. In the UK, where the market for mainstream teas saw some contraction, Twinings' sales of premium teas grew. Black tea packaging formats were relaunched, including a premium, loose-leaf, mesh teabag range, driving UK market share to an all-time high. Australia also had another successful year with the relaunch of the English Breakfast range supported by advertising and in-store promotion. Ovaltine sales in Thailand, one of its most important markets, were lower than last year on the back of economic weakness, although margins improved as less volume was sold on promotion. Growth was achieved in Ovaltine's developing markets, particularly south-east Asia and Nigeria. Strong factory performances across the business delivered lower manufacturing conversion costs, and overheads were also lower benefiting from cost reduction initiatives.

Sales volumes at Allied Bakeries increased over the financial year although the UK bread market continued to be very challenging and lower bread prices resulted in a reduction in profitability. The Kingsmill brand was relaunched in May with new packaging across the range. Following last year's highly successful launch, revenues from Sandwich Thins continued to build and benefited from the addition of a wholemeal variant to the range. We completed our major capital investment programme during the year, introduced a variety of initiatives which reduced waste and further streamlined production, and delivered products of a consistently high quality throughout the year.

Silver Spoon substantially improved operational efficiency this year and achieved commercial success with increased volumes to the major UK retailers. In the home baking sector, Allinson maintained its position as the leading bread flour brand. Since its acquisition in October 2014, Dorset Cereals has traded ahead of our business plan and its integration with Jordans Ryvita went smoothly. The business gained market share and three products won 2015 Great Taste awards. Jordans continued to perform well, also gaining market share in the UK and launching very successfully in Australia. It also launched its Jordans Farm partnership in conjunction with LEAF (Linking Environment and Farming) and the Wildlife Trust ensuring improved sustainability and biodiversity on the farms of our oat suppliers. Ryvita had a more difficult year with lower crispbread sales in a competitive market. The introduction of a second sweet crispbread variety, Apple & Cinnamon, was well received and Ryvita Thins continued to grow strongly.

At AB World Foods, Patak's and Blue Dragon maintained their positions as the leading Indian and Oriental ambient brands in the UK. An improved sales mix drove an overall margin increase and operating profit was ahead of last year. The business achieved further growth in its export markets with particular success for Patak's in Australia and Canada. The UK ethnic restaurant and takeaway market has seen some improvement after several years' of decline, with increased consumer expenditure on out-of-home eating. Westmill achieved margin improvement with its Chinese catering brands performing particularly well driven by strong commercial activity.

Revenue and operating profit at George Weston Foods in Australia were in line with last year. Tip Top bread volumes increased but margins fell as retailers featured bread in their drive for lower prices with heavy price promotion activity more than offsetting the benefits of cost reduction and productivity improvements across all bakery sites. Margins in the Don KRC meat business were affected by the high cost of bought-in raw materials in the first half, but improved substantially in the second driven by higher volumes, lower-cost raw materials and improved production efficiency. The management team remains focused on driving continued improvement in sales and factory performance.

At ACH in North America, Mazola achieved good volume growth following increased investment in advertising and marketing which highlighted the cholesterol-lowering benefits of corn oil. A better sales mix saw margins improve in the Flavours business, and Foodservice continued its steady growth driven by an improved economic climate.

SUGAR

	2015	2014	Actual fx	Constant fx
Revenue £m	**1,818**	2,083	-13%	-9%
Adjusted operating profit £m	**43**	189	-77%	-76%
Adjusted operating profit margin	**2.4%**	9.1%		
Return on average capital employed	**2.4%**	10.5%		

Revenue and adjusted operating profit for AB Sugar were substantially lower than the previous year primarily driven by the further decline in EU sugar prices, and the underlying decline in profit was even greater given the non-repeat of last year's restructuring charge. In light of the structural changes in the world's sugar industry, we remained focused on delivering significant cost reduction across all of our businesses through our ongoing performance improvement programme. This will reduce our cost base but the reductions in the year could not compensate for the impact of lower prices.

Sugar prices in the EU stabilised towards the end of the financial year and with quota stock levels expected to reduce back towards historic norms during 2015/16, we have seen some price recovery for the 2015/16 marketing year. Prices in China increased during the year, as a consequence of lower domestic production and reduced imports, although they remain at a premium to import prices. World sugar prices remained under pressure declining to below 11.0 cents per pound at one point, thereby holding back domestic prices in some regions.

UK sugar production of 1.45 million tonnes was driven by very high beet yields and excellent factory performances. The UK crop for the 2015/16 season has made good progress but, with a reduction, for that year, in the contracted area under cultivation in excess of 25%, and a return to more typical beet yields, sugar production is expected to be just short of 1.0 million tonnes. This will lead to a welcome fall in our stock levels following this year's high sugar production. Delivered beet costs for the 2015/16 campaign will be some 20% lower than the current year with a further substantial cost reduction now secured for the 2016/17 campaign.

In Spain, all factories performed well. Total production was ahead of last year at 709,000 tonnes of which 414,000 tonnes was from beet and 295,000 tonnes from refined raw sugars. The area under cultivation for 2015/16 is expected to be similar to this year.

Illovo produced 1.64 million tonnes in the year to September, marginally less than last year. The effect of drought on cane growth in South Africa was largely offset by strong production volumes across all other countries of operation. Zambia achieved record sugar production and further development at the factory is now planned which will increase sugar refining capacity and create new sugar conditioning and storage facilities to enable the supply of higher quality sugars to the region. The Malawi sugar market has been seriously disrupted by the country's continued economic difficulties and sales volumes and prices were lower as a result. In Tanzania, sugar production increased with the benefit of better growing conditions and an improved factory performance. Some improvement in the local trading conditions enabled an increase in domestic pricing and an improved sales mix, with pre-packed sugar taking an increasing share of the domestic market. Illovo continued its focus on the development of domestic and regional sales which have become increasingly important as world and EU prices become less attractive.

China saw some recovery in market prices and profitability improved as a result. In the south, cane volumes were some 30% below the previous year due to a combination of a lower planted area and poorer yields due to adverse weather conditions. Sugar production reduced from 560,000 tonnes to 413,000 tonnes in the year, benefiting from good factory extraction rates. The campaigns at our remaining northern beet factories, Qianqi and Zhangbei, were excellent with good factory throughput and better beet availability following our success in working with the growers over a number of years. Together, these two factories produced 94,000 tonnes of sugar in 2014/15.

In January, we announced our decision to cease sugar operations in Heilongjiang. Achieving beet yields sufficient to provide our factories in this region with an adequate supply of raw materials, at a competitive cost, has been particularly challenging for a number of years, even with the benefit of significant advances made both in agricultural and factory operations. We concluded that our factories at Yi'an and BoCheng were likely to remain uneconomic for the foreseeable future. We have now sold both factories and the final cost of ceasing these operations was £100m all of which was a non-cash charge. We have now commenced the relocation of most of our management team from the head office in Beijing to our remaining operating sites.

Vivergo Fuels
This business was formed in 2007 as a joint venture between ABF, BP and DuPont, which built a world-scale, wheat-fed, bioethanol plant at Saltend in Hull. In May, we assumed BP's share in the business thereby increasing our interest to 94%. In recent years the European market for bioethanol has been weaker than expected and we foresee that we may need to run this plant at a small loss in the short term. However, as the percentage of ethanol inclusion in gasoline increases in line with EU mandated targets by 2020, this market is forecast to move from surplus to deficit which we expect to lead to a price increase. Further operational improvements were made at Vivergo Fuels this year but continuing low prices resulted in the business sustaining an operating loss.

AGRICULTURE

	2015	2014	Actual fx	Constant fx
Revenue £m	**1,211**	1,312	-8%	-8%
Adjusted operating profit £m	**60**	50	20%	18%
Adjusted operating profit margin	**5.0%**	3.8%		
Return on average capital employed	**19.2%**	17.3%		

AB Agri had another record year with strong performances across all businesses. Adjusted operating profit was 18% ahead of last year at constant currency but revenues were 8% lower than last year as a result of softer commodity prices. Importantly, cash margins in the UK feed business were maintained.

UK feed volumes held up well despite continued pressure on the UK dairy sector where AB Connect's range of ruminant feed products offered a cost effective way of maintaining or improving milk yields and quality. It was a year of recovering volumes in the poultry sector following a difficult period, whilst in the pig sector, feed volumes were slightly ahead of last year. Market concerns remain over the relative cost of British pork compared with euro-denominated imports, but consumers have continued to support British produce. In Speciality Nutrition, the recent expansion and modernisation of the UK premix plant at Rugeley enabled the business to meet higher domestic demand and this year has also seen the further extension of its European operations into the strategically important Spanish swine market.

In response to the UK government's commitment to reducing the country's greenhouse gas emissions, AB Agri has now gained accreditation for its energy management system which has been deployed across all of its UK manufacturing sites and major offices. This will result in better measurement and management of energy use in the business and will increasingly inform its strategic investment decisions.

Frontier Agriculture, our joint venture arable operation, celebrated its 10th anniversary this year. Formed in April 2005, the business has since doubled in size and now serves 10,000 customers. Over this decade the income from the supply of crop inputs such as fertilisers, seeds and agronomy services has grown significantly and now exceeds that from its original grain marketing business. This year, the business traded at similar levels to last year with added complexity in its grain trading operations, and lower than normal protein levels in domestic wheat which increased the demand for quality wheat imports.

AB Agri China delivered a strong result driven by good procurement and a favourable product mix. The new feed mills are performing well with Zhenlai delivering substantial cost savings to its major customer and Rudong, which was built to supply feed exclusively to a major international processor, already performing to plan.

AB Vista, our international feed ingredients business, continued to deliver strong growth in both sales and profit, driven by further success for Quantum Blue which achieved significant market share gains in the phytase market. Encouragingly, we see further growth opportunities in new applications and geographies where AB Vista currently has a lower presence, and planned expansion of AB Enzyme's fermentation plant in Finland will ensure supply can match our growth expectations.

INGREDIENTS

	2015	2014	Actual fx	Constant fx
Revenue £m	**1,247**	1,261	-1%	3%
Adjusted operating profit £m	**76**	41	85%	100%
Adjusted operating profit margin	**6.1%**	3.3%		
Return on average capital employed	**11.1%**	5.8%		

Ingredients' revenues were 3% ahead of last year at constant currency and for the second successive year the increase in operating profit was substantial, driven by stronger trading across all businesses and a focus on overhead reduction. As a consequence, margin was much improved.

AB Mauri, our bakery ingredients and yeast business delivered a second year of significant profit recovery in a market that remains very challenging. This was driven by its operations in the US and Canada and, despite difficult economic conditions, Brazil and HispanoAmerica also made good progress. We were the first to launch a successful liquid yeast product in Argentina, re-enforcing our technical and market leadership position in this region. Cost reduction and improved plant utilisation resulted in a better operating result from our facility at Veracruz in Mexico which is now exporting high quality yeast products to customers in 34 countries. Our newly integrated milling and bakery ingredients business in Australia and New Zealand achieved volume growth and a good result despite a difficult market with competitor price pressure.

The successful integration of our recently acquired European bakery ingredients business has broadened our product offering, strengthened our market position and delivered significant cost synergies. The UK business introduced a gluten-free bread and cake range of bakery ingredients, developed to meet the rising demand for such products, as well as a range of natural-based cereal fermentation products, suitable for application in all bread types, which help to deliver flavour and texture to the product.

AB Mauri's smaller, speciality yeast business which operates in non-bakery markets achieved significant growth. Good progress was made in Europe where our attractive product portfolio and capability in ethanol process optimisation are increasingly being recognised in the market. In the alcoholic beverages market, we maintained our status as a leading supplier of distillers' yeast to the UK's whisky industry and grew sales in the wine sector with new product launches and expansion into new geographies.

ABF Ingredients delivered excellent growth in sales and operating profit with all businesses making progress. This was a highly successful year for enzymes driven by continued growth in feed enzymes, which are distributed by AB Agri, a number of successful new product introductions in the baking and pulp & paper sectors, and increased market penetration in detergents. The preparatory work to expand the enzymes factory in Finland is now well under way.

Yeast extracts and speciality powders advanced with a focus on higher value products and improved plant utilisation. Further development of our extrusion and granulation operations in North America saw the speciality cereals business achieve growth in its animal feed and health bar markets. Our speciality lipids business progressed well, particularly in health and nutrition and personal care applications.

RETAIL

	2015	2014	Actual fx	Constant fx
Revenue £m	**5,347**	4,950	8%	13%
Adjusted operating profit £m	**673**	662	2%	5%
Adjusted operating profit margin	**12.6%**	13.4%		
Return on average capital employed	**31.1%**	33.2%		

Sales at Primark were 13% ahead of last year at constant currency mainly driven by an increase in retail selling space of 9%. Like-for-like sales were 1% ahead of last year reflecting a strong performance across a number of countries. Very high sales densities were achieved by stores opened in the last 18 months and especially by our stores in France, which has been our most successful new market entry to date.

Like-for-like sales in the early part of the financial year were impacted by the unseasonably warm autumn followed by strong trading across the important Christmas period. Spring trading was held back by cool weather followed by strong trading in the fourth quarter of our financial year. Spain, Portugal and Ireland all performed very well throughout the year and the UK delivered a positive like-for-like performance. The success in these markets was partly offset by the impact that the opening of new stores in the Netherlands and Germany had on existing stores in that region, albeit that this effect reduced in the fourth quarter. As new stores opened, sales in existing stores declined as customers chose to shop more locally rather than travelling the long distances that we saw in the early days of trading in these countries.

Our very successful trading in 2013/14 led to an unusually low level of markdown in that year. As anticipated, markdowns returned to more normal levels this year with a consequent reduction in operating margin. To a lesser extent, margin was also reduced by the effect of the stronger US dollar, at the end of the financial year, on purchases for the new autumn/winter range. Primark sources much of its merchandise in US dollars and its strength, particularly against the euro, will have a further adverse effect on margins in the new financial year, especially in the first half. However, more than half of the potential impact has been successfully mitigated by our buying teams as they have placed orders for next year.

During this financial year we opened almost one million sq ft of selling space bringing the total estate to 293 stores and 11.2 million sq ft at the financial year end. 20 new stores were opened including relocations to larger premises in Northampton and Murcia, Spain. We closed our store on The Headrow in Leeds, following the success of the much bigger store opened in the nearby Trinity shopping centre in December 2013, and we also closed two very small stores, one in Margate and another in Naas in the Republic of Ireland, bringing the net additions in the year to 15. These new stores included 77,000 sq ft at Downtown Crossing in Boston, our first store in the US, which opened on 10 September. Significant new space was added in the Netherlands, Belgium and in Germany where an additional six stores were opened, the largest of which were Dresden, Braunschweig, Krefeld and Weiterstadt.

	Year ended 12 September 2015		Year ended 13 September 2014	
	# of stores	sq ft 000	# of stores	sq ft 000
UK	164	6,083	164	6,039
Spain	40	1,369	40	1,338
Germany	19	1,194	13	829
Republic of Ireland	36	1,028	37	1,035
Netherlands	12	547	8	346
Portugal	8	267	7	232
France	5	231	5	231
Austria	4	193	3	142
Belgium	4	166	1	34
USA	1	77	-	-
	293	11,155	278	10,226

We have an extensive pipeline of new stores to be opened over the next few years with some 1.5 million sq ft scheduled for the new financial year, the major elements of which will be in the north-east US, the UK, Spain and France. In the US we will add seven stores, totalling 0.4 million sq ft, most of which will open later next year; Spain includes a flagship, 133,000 sq ft, store on Gran Via in central Madrid which opened this October; and, following our success in France this year, we will open in Lyon, Nice and Toulon. We will also open our first Italian store at a new shopping centre in Arese, north-west of Milan, early next summer.

We have made a significant investment in our warehouse infrastructure and further expenditure is planned for next year. In total we will have doubled our warehouse capacity since 2013. Our existing warehouse in Torija in northern Spain was doubled in size at the beginning of this year, the facility at Mönchengladbach in Germany was increased by 60% and a new warehouse in Bethlehem, Pennsylvania was fully operational in time for the opening of the Boston store. In September, we opened a new warehouse in Bor, on the western border of the Czech Republic. Next year will see the relocation of our Magna Park, UK warehouse to a larger site at Islip in Northamptonshire, close to our existing warehouse at Thrapston. This will give rise to some dual running costs for a short period. Another distribution centre is currently under construction at Roosendaal in the Netherlands which will come on stream late next year. Located in one of Europe's prime logistics hubs between Rotterdam and Antwerp, this facility will service our expanding network of stores in continental Europe.

New store openings:			**Relocations or closures:**
The Netherlands	**UK**	**Germany**	**Republic of Ireland**
Arnhem	Omagh	Braunschweig	Naas (closed)
Rotterdam	Walsall	Dresden	
The Hague		Kaiserslautern	**Spain**
Venlo	**Belgium**	Krefeld	Murcia
	Brussels	Stuttgart	
Austria	Ghent	Weiterstadt	**UK**
Graz	Hasselt		Leeds (closed)
			Margate (closed)
Portugal		**USA**	Northampton
Porto		Boston	

George Weston
Chief Executive

FINANCIAL REVIEW

GROUP PERFORMANCE

Group revenue increased by 2% at constant exchange rates, but the strengthening of sterling against our major trading currencies, particularly in the second half of the year, resulted in a decline in revenues of 1% at actual rates, to £12.8bn. Adjusted operating profit of £1,092m was 4% below last year at constant rates but 6% lower at actual rates. In calculating adjusted operating profit, the amortisation charge on non-operating intangibles, profits or losses on disposal of non-current assets and any exceptional items are excluded. On an unadjusted basis, operating profit was 12% below last year at £947m.

An exceptional non-cash operating charge of £98m was taken in February to impair the group's shareholder loans to Vivergo Fuels following the decline in the price of fuel, and particularly biofuel, earlier in the year.

The income statement includes a charge of £172m for the net loss on the sale and closure of businesses primarily in respect of two items. In May, we assumed BP's 47% interest in Vivergo Fuels at which time a non-cash charge of £75m was recognised to account for the effective disposal of the group's original equity accounted stake in the joint venture prior to its immediate repurchase at fair value. This charge also includes a £100m non-cash loss on sale of the two uneconomic sugar factories in Heilongjiang.

Finance expense less finance income of £53m was lower than last year's net charge of £58m reflecting a lower average level of debt during the year.

Profit before tax fell from £1,020m to £717m. On an adjusted basis, where the amortisation of non-operating intangible assets, any profits or losses on the sale of non-current assets or on the sale and closure of businesses, and exceptional items are excluded, profit before tax fell by 6% to £1,034m.

TAXATION

We recognise the importance of complying fully with all applicable tax laws as well as paying and collecting the right amount of tax in every country in which the group operates. We have had a board-adopted tax policy for many years which is based on seven tax principles that are embedded in the financial and non-financial processes and controls of the group. Our tax principles are included in the appendix to our Corporate Responsibility Report (www.abf.co.uk).

As a substantial UK tax payer, the group will benefit from the future reductions in the UK corporation tax rate to 19% from 1 April 2017 and 18% from 1 April 2020. Following substantive enactment of these rates since the balance sheet date, the effect of these reductions on our UK deferred tax liability will be reflected in 2015/16 and in our current tax charge in the year in which the reductions apply.

This year's tax charge of £193m included an underlying charge of £220m at an effective rate of 21.3% (2014 – 23.3%) on the adjusted profit before tax. The reduction in the effective rate is a result of the mix of profits earned in different tax jurisdictions, the reduction in the UK corporation tax rate from 21% to 20% with effect from 1 April 2015 and the conclusion of tax audits in a number of businesses. With profit increasing in businesses subject to a corporate tax rate higher than the UK, we expect the group's effective tax rate to increase from this level.

The overall tax charge for the year benefited from a credit of £8m (2014 - £21m) for tax relief on the amortisation of non-operating intangible assets and goodwill arising from previous acquisitions. A tax credit of £22m arose on the exceptional item and the net profit on the sale of fixed assets gave rise to a tax charge of £3m. No tax credit is recognised on the loss on disposal of businesses as no relief is available.

EARNINGS AND DIVIDENDS

Earnings attributable to equity shareholders were £532m and the weighted average number of shares in issue during the year, which is used to calculate earnings per share, was 790 million (2014 - 790 million). Earnings per ordinary share were 30% lower than last year at 67.3p as a result of the exceptional charge and the losses on sale of businesses. Adjusted earnings per share, which provides a more consistent measure of trading performance, fell by 2% from 104.1p to 102.0p.

The interim dividend was increased by 3% to 10.0p and a final dividend has been proposed at 25.0p which represents an overall increase of 3% for the year. The proposed dividend is expected to cost £198m and will be charged next year. Dividend cover, on an adjusted basis, is 2.9 times.

BALANCE SHEET

Non-current assets of £6.4bn were £0.4bn lower than last year. Although capital expenditure was again higher than depreciation and amortisation charges this year, this was more than offset by foreign exchange translation losses and assets disposed, with the result that the carrying value of intangible assets and property, plant and equipment fell by £100m and £177m respectively.

Working capital at the year end was £101m lower than last year reflecting lower food commodity prices and although inventories were higher driven by year end European sugar stock levels and higher new-season inventory at Primark, this was more than offset by lower trade receivables and higher trade payables. Average working capital as a percentage of sales was broadly level with last year at 9.4%. Net borrowings at the year end were £252m lower than last year at £194m as a consequence of another strong cash flow performance.

A currency loss of £432m arose on the translation into sterling of the group's foreign currency denominated net assets. The group's net assets fell by £202m to £6,551m.

Return on capital employed for the group, which is calculated by expressing adjusted operating profit as a percentage of the average capital employed for the year, was 17.6% compared with 18.9% last year. The primary reason for the decline was the reduction in sugar profits although there was also a small dilution of Primark's high return which reduced from 33.2% to 31.1% reflecting the impact of a higher level of markdown on its profit margin. The other three business segments all delivered an increase on last year largely driven by profit improvement, with little change in average capital employed.

CASH FLOW

The group generated a net cash flow from operating activities of £1,166m this year with a working capital outflow of £66m, driven by the higher level of sugar stocks and Primark inventory, compared to last year's inflow of £100m.

Gross expenditure on property, plant and equipment and intangibles amounted to £613m compared with £708m last year. Primark spent £306m on the acquisition of new stores, the fit-out of new and existing stores and on the expansion of warehouse capacity including new facilities in the Czech Republic and the US. Expenditure in the food businesses was lower than last year which saw the completion of our programme to modernise our UK bakeries. £72m was realised this year from the sale of property, plant and equipment, the major elements of which were the sale of former Primark sites and the redevelopment of a former factory site in Western Australia which is progressing well with a number of lots sold for housing development during the year.

The purchase of Dorset Cereals comprised the majority of the £52m invested in business acquisitions.

FINANCING

The financing of the group is managed by a central treasury department. The group has total committed borrowing facilities amounting to £2.1bn, which comprise: £0.6bn of US private placement notes maturing between 2016 and 2024, with an average fixed rate coupon of 5.1%, £78m of which is payable in March 2016; £1.2bn provided under a syndicated, revolving credit facility which matures in July 2020 with an option to extend by a further year; and £0.3bn of local committed facilities in Africa and Spain. During the financial year we repaid, from existing cash resources, a £120m loan from the European Investment Bank. At the year end, £728m was drawn down under these committed facilities. The group also had access to £0.7bn of uncommitted credit lines under which £156m was drawn at the year end. Cash and cash equivalents totalled £702m at the year end.

The financial strength and flexibility of the group is enhanced by diversifying our sources of funding and having certainty of finance over a long period. The strength and breadth of the 12 banks in the syndicate reflect the scale and international presence of the group and particularly our increasing activities in continental Europe through Primark's expansion.

PENSIONS

Pension liabilities in the group's defined benefit pension schemes exceeded employee benefit assets at the year end by £16m compared with last year's deficit of £43m. The UK scheme accounted for 92% of the group's total pension assets and the increase in the market value of these assets during the year exceeded the increase in the present value of scheme liabilities. Total contributions to defined benefit plans in the year amounted to £39m (2014 - £41m).
A triennial valuation of the UK scheme was undertaken as at 5 April 2014 which was agreed by the trustees in December 2014, and revealed a surplus of £79m. As a result there was no requirement to agree a recovery plan with the trustees.

The charge for the year for the group's defined contribution schemes, which was equal to the contributions made, amounted to £76m (2014 - £76m) which was substantially greater than the cash contribution made to the defined benefit schemes reflecting the changing shape of pension provision in the group.

John Bason
Finance Director

The annual report and accounts is available at www.abf.co.uk and will be despatched to shareholders on 5 November 2015. The annual general meeting will be held at Congress Centre, 28 Great Russell Street, London. WC1B 3LS at 11am on Friday, 4 December 2015.

RISK MANAGEMENT

The board views effective risk management as part of its role in providing strategic oversight and stewardship of the group. In order to deliver our strategic plans, we believe we must understand and respond appropriately to risks and also consider whether additional business opportunities can be realised through effective risk management.

We require all of our businesses to implement appropriate levels of risk management to ensure compliance with relevant legislation, our overriding business principles and group policies relating to them.

We have embedded a process for identifying risks and put in place activities to mitigate them. Our decentralised business model empowers the management of our businesses to identify, evaluate and manage the risks they face on a timely basis. The collated risks from each business are shared with the respective divisional chief executives who present their divisional risks to the group executive.

The group's Director of Financial Control receives the risk assessments on an annual basis and, with the Group Finance Director, reviews them with the divisional chief executives. These reviews include questioning the approach taken to risk management in the businesses, reviewing the detailed risk logs and supporting materials, checking how well processes are embedded, and questioning how effectively risk management has driven business decisions. These risks and their impact on business performance are reported during the year and are considered as part of the monthly management review process.

Group functional heads including Legal, Treasury, Tax, IT, Pensions, HR and Insurance also provide input to this process, sharing with the Director of Financial Control their view of key risks and what activities are in place or planned to mitigate them.

A summary of these risk assessments is then shared and discussed with the Group Finance Director and Chief Executive.

The board undertakes an annual review of the material risks facing our businesses together with the internal control procedures and resources devoted to them. It also monitors the group's exposure to these risks as part of the performance reviews undertaken at each board meeting. Financial risks are reviewed by the Audit Committee and all other risks are reviewed by the board.

The Director of Financial Control holds meetings with each of the non-executive directors seeking their feedback on the reviews performed and discussing the key risks and mitigating activities. Once all non-executive directors have been consulted, a board report is prepared summarising the full process and providing an assessment of the status of risk management across the group. The key risks, mitigating controls and relevant policies are summarised. This report also details when formal updates, relating to the key risks, will be provided to the board throughout the year.

Reporting our principal risks and uncertainties

The group's principal risks and uncertainties identified by the above process during 2015 are detailed in the following tables. They are grouped into external risks, which may occur in the markets or environment in which we operate, and operational risks, which are related to internal activity linked to our own operations and internal controls.

The 'Changes since 2014' highlight the significant variations in the profile of our principal risks or describe our experience and activity over the last year.

These are the principal risks of the group as a whole and are not in any order of priority. The operational and product diversity of the group reduces the impact that any one business risk can have on the group's results. Risks such as the loss of a major site or water use and availability have been reported in previous years and, although we remain exposed to them and continue to take action to mitigate them, we no longer consider them likely to have a material impact.

Principal risks and uncertainties
External risks

Risk trend	Context and potential impact	Mitigation	Changes since 2014
△	**Movement in exchange rates and inflation**		
	Associated British Foods is a multinational group with operations and transactions in many currencies. Changes in exchange rates give rise to transactional exposures within the businesses and to translation exposures when the assets, liabilities and results of overseas entities are translated into sterling upon consolidation. Exchange rates between some of our major trading currencies have changed markedly this year.	Businesses impacted by exchange rate volatility, specifically those manufacturing or purchasing in one currency and selling in another, constantly review their currency related exposures. Board approved policies require businesses to hedge, using foreign exchange forward contracts, all transactional currency exposures, and long-term supply or purchase contracts which give rise to currency exposures. Borrowings are largely maintained in the functional currency of the local operations. Cross currency swaps are used to align borrowings with the underlying currencies of the group's net assets; (Refer to note 24 to the financial statements in the annual report for more information)	The US dollar appreciated and the euro weakened over the last 12 months with the effect that the average US dollar/euro exchange rate moved by 15% over that period. The impact on adjusted operating profit for 2014/15 from the translation of overseas results into sterling was a loss of £31m compared with the prior year. Towards the end of the financial year, emerging market currencies weakened significantly against sterling.
△	**Fluctuations in commodity and energy prices**		
	Changes in commodity and energy prices can have a material impact on the group's operating results, asset values and cash flows.	We constantly monitor the markets in which we operate and manage certain of these exposures through the use of exchange traded contracts and hedging instruments. The commercial implications of commodity price movements are continuously assessed and, where appropriate, are reflected in the pricing of our products.	Our businesses have been affected by the global trends in commodity prices, the most significant of which have been low EU and world sugar prices that had a substantial effect on the profitability of our sugar businesses, and a fall in cereal prices which contributed to lower revenues for AB Agri's UK feed business.
△	**Operating in global markets**		
	Operating in 48 countries with a supply chain covering even more, we are exposed to global market forces, fluctuations in national economies, societal and political changes, a range of consumer concerns and evolving legislation. Failure to recognise and respond to any of these factors could directly impact the profitability and even the viability of our operations. Entering new markets is a risk to any business.	Our approach to risk management incorporates potential short-term market volatility and evaluates longer-term socio-economic and political scenarios. The group's financial control framework and board adopted tax and treasury policies require all businesses to comply fully with relevant local laws. Provision is made for known issues based on management's interpretation of country-specific tax law and the likely outcome. We engage with governments, local regulators and community organisations to contribute to, and anticipate important changes in, public policy. Extensive research is conducted into each new market that Primark enters, and, in the case of its entry into the US where there is no existing local infrastructure, care has been taken to limit capital investment to a minimum. Expansion into new markets in Europe	AB Sugar is addressing the consequences of the abolition of EU sugar quotas in 2017 and the performance improvement programme is substantially reducing the cost base and enhancing production efficiency. No significant regulatory developments have impacted our group during 2015 although our businesses are subject to increased enforcement activities in relation to existing regulations in, for example, China and India. Activity continued over the last 12 months in preparation for the opening, in September 2015, of Primark's first store in the US, supported by dedicated warehousing.

Risk trend	Context and potential impact	Mitigation	Changes since 2014
		is supported by our existing business which has extensive experience of developing a successful retail business model across Western Europe.	
◁▷	**Health and nutrition**		
	Failure to respond appropriately to health and nutrition concerns in the formulation of our products could result in adverse consumer reaction. We must also act responsibly across the spectrum of food poverty and malnutrition to obesity.	Recipes are regularly reviewed and reformulated to improve the nutritional value of our grocery products, all of which are labelled with nutritional information. We develop partnerships with other organisations to help educate consumers about making healthy choices.	Our businesses continued to review their products and to partner with others to enable a swift and innovative response to changing consumer needs. As examples: across the Jordans range of granola and cluster cereals we have reduced the sugar content by 12% and, using scientific research, AB Mauri has been developing a way to reduce high sodium ingredients such as lower-sodium baking powders. British Sugar and Azucarera both launched or supported websites aimed at helping people make informed decisions about their food.

Operational risks

Risk trend	Context and potential impact	Mitigation	Changes since 2014
◁▷	**Workplace health and safety**		
	Many of our operations, by their nature, have the potential for injuries and fatal accidents to employees, contractors and visitors.	Safety continues to be the number one priority for our businesses with active endorsement and accountability from the chief executives of each business. Our Health and Safety policy and practices are firmly embedded in each business, supporting a strong ethos of workplace safety. Independent audits are conducted to verify implementation and support continuous improvement. Best practice safety and occupational health training and guidance are shared across the businesses, co-ordinated from the corporate centre, to supplement the delivery of their own training programmes.	Sadly we had one fatality this year which occurred in our operations in Africa. Our group reportable injury rate increased slightly this year from 0.40% to 0.48%. However, our operations across Africa, Australasia and North America continued their downward trend in reportable injuries. We have introduced contractor safety guidelines across the group.
◁▷	**Product safety and quality**		
	As a leading food manufacturer and retailer it is fundamental that we manage the safety and integrity of our products throughout the supply chain.	Across the group, product safety is put before economic considerations. Our businesses employ quality control specialists and operate strict policies within an organisational culture of hygiene and product safety to ensure that consistently high standards are maintained in our operations and in the sourcing and handling of raw materials and garments. We monitor the regulatory environment and emerging scientific research while reviewing our food safety systems for efficacy and legal compliance. A programme of independent food quality and safety audits is undertaken across all of our manufacturing sites and a due diligence programme is in place to ensure the safety of our retail products.	
◁▷	**Our use of natural resources and managing our environmental impact**		
	Our businesses rely on a stable	We aim to go beyond environmental	The environmental performance of the

Risk trend	Context and potential impact	Mitigation	Changes since 2014
	supply of natural resources some of which are vulnerable to external factors such as natural disasters and climate change. Our operations give rise to a range of emissions including dust, waste water and waste which, if not controlled, could lead to a risk to the environment and our local communities.	compliance. Our businesses employ environmental specialists who use the best available technologies and techniques to reduce our use of consumables, adapt operations to climate change and reduce our environmental footprint. We report group environmental performance every year in our Corporate Responsibility and Annual Reports as well as the voluntary CDP disclosure (formerly Carbon Disclosure Project).	group, with updates by division, is reported in the 2015 Corporate Responsibility Update at www.abf.co.uk/responsibility.
◁▷	**Our supply chain and ethical business practices**		
	Our suppliers are essential to the successful operation of the group. We therefore work with them to ensure reliability and to help them meet acceptable standards of product quality and safety, financial stability, ethics, technical competence and people safety. Potential supply chain and ethical business practice risks include: – reputational damage through supply chain weaknesses e.g. poor conditions for workers; – unacceptable and unethical behaviour, including bribery and corruption; – impact on reliability of supply and business continuity due to unforeseen incidents e.g. natural disasters; and – long-term sustainability of key suppliers.	Our Supplier Code of Conduct is designed to ensure suppliers, representatives and all with whom we deal, adhere to our values and standards. The full Code is available at the Company's website www.abf.co.uk/supplier_code_of_conduct. Adherence to the Code is verified through ABF's supplier audit system with our procurement and operational teams establishing strong working relationships with suppliers to help them meet our standards. All businesses are required to comply with the group's Business Principles including its Anti-Bribery and Corruption Policy.	Over the year, our businesses have continued to engage with key suppliers on a range of shared issues such as maximising environmental and cost efficiencies, maintaining safe workplaces, supporting steady employment and increasing transparency across the wider supply chain. We have increased our ethical trade resources, both on-the-ground and centrally, to monitor suppliers. Primark signed up to Greenpeace's Detox campaign and has committed to phase out the use of certain chemicals within the supply chain by 2020.
△	**Breaches of IT and information security**		
	Our delivery of efficient and effective operations is enhanced by the use of relevant technologies and the sharing of information. We are therefore subject to potential internal and external cyber threats such as computer viruses and the loss or theft of data. There is also the potential for disruption to operations from unforeseen IT and system malfunctions or external attack.	We seek to understand the changing cyber risks faced by our businesses and take appropriate action. We have established processes, group IT security policies and technologies in place all of which are subject to regular internal audit. Access to sensitive data is restricted and closely monitored. Robust disaster recovery plans are in place for business critical applications. Technical security controls are in place over key IT platforms with the Head of IT Security tasked with identifying and responding to potential security risks.	During the year there has been an ongoing focus on raising the awareness of all employees of the risks associated with the use of IT.

CAUTIONARY STATEMENTS

This report contains forward-looking statements. These have been made by the directors in good faith based on the information available to them up to the time of their approval of this report. The directors can give no assurance that these expectations will prove to have been correct. Due to the inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements. The directors undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

- the Strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The contents of this announcement, including the responsibility statement above, have been extracted from the annual report and accounts for the 52 weeks ended 12 September 2015 which will be despatched to shareholders on 5 November 2015 and may then be found at www.abf.co.uk. Accordingly this responsibility statement makes reference to the financial statements of the Company and the group and to the relevant narrative appearing in that annual report and accounts rather than the contents of this announcement.

On behalf of the board

Charles Sinclair	**George Weston**	**John Bason**
Chairman	**Chief Executive**	**Finance Director**

3 November 2015

CONSOLIDATED INCOME STATEMENT

For the 52 weeks ended 12 September 2015

Continuing operations	Note	2015 £m	2014 £m
Revenue	1	**12,800**	**12,943**
Operating costs before exceptional item		**(11,811)**	**(11,865)**
Exceptional item	2	**(98)**	**-**
		891	**1,078**
Share of profit after tax from joint ventures and associates		**48**	**13**
Profits less losses on disposal of non-current assets		**8**	**(11)**
Operating profit		**947**	**1,080**
Adjusted operating profit	1	**1,092**	**1,163**
Profits less losses on disposal of non-current assets		**8**	**(11)**
Amortisation of non-operating intangibles		**(55)**	**(72)**
Exceptional item		**(98)**	**-**
Profits less losses on sale and closure of businesses	6	**(172)**	**(2)**
Profit before interest		**775**	**1,078**
Finance income		**8**	**15**
Finance expense		**(61)**	**(73)**
Other financial expense		**(5)**	**-**
Profit before taxation		**717**	**1,020**
Adjusted profit before taxation		**1,034**	**1,105**
Profits less losses on disposal of non-current assets		**8**	**(11)**
Amortisation of non-operating intangibles		**(55)**	**(72)**
Exceptional item		**(98)**	**-**
Profits less losses on sale and closure of businesses		**(172)**	**(2)**
Taxation – UK (excluding tax on exceptional item)		**(88)**	**(117)**
– UK (on exceptional item)		**22**	**-**
– Overseas		**(127)**	**(120)**
	3	**(193)**	**(237)**
Profit for the period		**524**	**783**
Attributable to			
Equity shareholders		**532**	**762**
Non-controlling interests		**(8)**	**21**
Profit for the period		**524**	**783**
Basic and diluted earnings per ordinary share (pence)	4	**67.3**	**96.5**
Dividends per share paid and proposed for the period (pence)	5	**35.0**	**34.0**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 52 weeks ended 12 September 2015

	2015	2014
	£m	£m
Profit for the period recognised in the income statement	**524**	783
Other comprehensive income		
Remeasurements of defined benefit schemes	**27**	(25)
Deferred tax associated with defined benefit schemes	**(5)**	3
Items that will not be reclassified to profit or loss	**22**	(22)
Effect of movements in foreign exchange	**(457)**	(275)
Net gain on hedge of net investment in foreign subsidiaries	**22**	25
Deferred tax associated with movements in foreign exchange	**2**	-
Current tax associated with movements in foreign exchange	**1**	2
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed	**(8)**	-
Movement in cash flow hedging position	**(56)**	55
Deferred tax associated with movement in cash flow hedging position	**11**	(11)
Share of other comprehensive income of joint ventures and associates	**(2)**	(5)
Items that are or may be subsequently reclassified to profit or loss	**(487)**	(209)
Other comprehensive income for the period	**(465)**	(231)
Total comprehensive income for the period	**59**	552
Attributable to		
Equity shareholders	**150**	580
Non-controlling interests	**(91)**	(28)
Total comprehensive income for the period	**59**	552

CONSOLIDATED BALANCE SHEET

At 12 September 2015

	2015	2014
	£m	£m
Non-current assets		
Intangible assets	**1,367**	1,467
Property, plant and equipment	**4,488**	4,665
Biological assets	**83**	96
Investments in joint ventures	**180**	180
Investments in associates	**32**	32
Employee benefits assets	**125**	90
Deferred tax assets	**125**	152
Other receivables	**23**	164
Total non-current assets	**6,423**	6,846
Current assets		
Inventories	**1,827**	1,631
Biological assets	**70**	109
Trade and other receivables	**1,176**	1,293
Derivative assets	**74**	74
Cash and cash equivalents	**702**	519
Total current assets	**3,849**	3,626
TOTAL ASSETS	**10,272**	10,472
Current liabilities		
Loans and overdrafts	**(319)**	(358)
Trade and other payables	**(2,226)**	(2,046)
Derivative liabilities	**(33)**	(15)
Income tax	**(126)**	(193)
Provisions	**(38)**	(72)
Total current liabilities	**(2,742)**	(2,684)
Non-current liabilities		
Loans	**(577)**	(607)
Provisions	**(28)**	(29)
Deferred tax liabilities	**(233)**	(266)
Employee benefits liabilities	**(141)**	(133)
Total non-current liabilities	**(979)**	(1,035)
TOTAL LIABILITIES	**(3,721)**	(3,719)
NET ASSETS	**6,551**	6,753
Equity		
Issued capital	**45**	45
Other reserves	**175**	175
Translation reserve	**(125)**	238
Hedging reserve	**(11)**	29
Retained earnings	**6,252**	5,950
TOTAL EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS	**6,336**	6,437
Non-controlling interests	**215**	316
TOTAL EQUITY	**6,551**	6,753

CONSOLIDATED CASH FLOW STATEMENT

For the 52 weeks ended 12 September 2015

	2015	2014
	£m	£m
Cash flow from operating activities		
Profit before taxation	**717**	1,020
Profits less losses on disposal of non-current assets	**(8)**	11
Profits less losses on sale and closure of businesses	**172**	2
Finance income	**(8)**	(15)
Finance expense	**61**	73
Other financial expense	**5**	-
Share of profit after tax from joint ventures and associates	**(48)**	(13)
Amortisation	**81**	94
Depreciation	**401**	402
Exceptional item	**98**	-
Net change in the fair value of biological assets	**4**	(21)
Share-based payment expense	**11**	15
Pension costs less contributions	**6**	7
Increase in inventories	**(310)**	(119)
Decrease in receivables	**10**	19
Increase in payables	**234**	200
Purchases less sales of current biological assets	**(2)**	(3)
(Decrease)/increase in provisions	**(28)**	13
Cash generated from operations	**1,396**	1,685
Income taxes paid	**(230)**	(246)
Net cash from operating activities	**1,166**	1,439
Cash flows from investing activities		
Dividends received from joint ventures and associates	**50**	17
Purchase of property, plant and equipment	**(582)**	(676)
Purchase of intangibles	**(31)**	(32)
Purchase of non-current biological assets	**(1)**	-
Sale of property, plant and equipment	**72**	17
Purchase of subsidiaries, joint ventures and associates	**(52)**	(8)
Sale of subsidiaries, joint ventures and associates	**5**	15
Loans to joint ventures	**(7)**	(15)
Interest received	**7**	10
Net cash from investing activities	**(539)**	(672)
Cash flows from financing activities		
Dividends paid to non-controlling interests	**(16)**	(21)
Dividends paid to equity shareholders	**(271)**	(256)
Interest paid	**(64)**	(77)
Financing:		
Decrease in short-term loans	**(115)**	(158)
Increase/(decrease) in long-term loans	**15**	(10)
Sale of shares in subsidiary undertakings to non-controlling interests	**11**	1
Movements from changes in own shares held	**-**	(59)
Net cash from financing activities	**(440)**	(580)
Net increase in cash and cash equivalents	**187**	187
Cash and cash equivalents at the beginning of the period	**399**	243
Effect of movements in foreign exchange	**(1)**	(31)
Cash and cash equivalents at the end of the period	**585**	399

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 52 weeks ended 12 September 2015

	Attributable to equity shareholders							
	Issued capital £m	Other reserves £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance as at 14 September 2013	45	175	440	(13)	5,508	6,155	364	6,519
Total comprehensive income								
Profit for the period recognised in the income statement	-	-	-	-	762	762	21	783
Remeasurements of defined benefit schemes	-	-	-	-	(25)	(25)	-	(25)
Deferred tax associated with defined benefit schemes	-	-	-	-	3	3	-	3
Items that will not be reclassified to profit or loss	-	-	-	-	(22)	(22)	-	(22)
Effect of movements in foreign exchange	-	-	(224)	-	-	(224)	(51)	(275)
Net gain on hedge of net investment in foreign subsidiaries	-	-	25	-	-	25	-	25
Current tax associated with movements in foreign exchange	-	-	2	-	-	2	-	2
Movement in cash flow hedging position	-	-	-	53	-	53	2	55
Deferred tax associated with movement in cash flow hedging position	-	-	-	(11)	-	(11)	-	(11)
Share of other comprehensive income of joint ventures and associates	-	-	(5)	-	-	(5)	-	(5)
Items that are or may be subsequently reclassified to profit or loss	-	-	(202)	42	-	(160)	(49)	(209)
Other comprehensive income	-	-	(202)	42	(22)	(182)	(49)	(231)
Total comprehensive income	-	-	(202)	42	740	580	(28)	552
Transactions with owners								
Dividends paid to equity shareholders	-	-	-	-	(256)	(256)	-	(256)
Net movement in own shares held	-	-	-	-	(44)	(44)	-	(44)
Current tax associated with share-based payments	-	-	-	-	2	2	-	2
Dividends paid to non-controlling interests	-	-	-	-	-	-	(21)	(21)
Acquisition of non-controlling interests	-	-	-	-	-	-	1	1
Total transactions with owners	-	-	-	-	(298)	(298)	(20)	(318)
Balance as at 13 September 2014	45	175	238	29	5,950	6,437	316	6,753
Total comprehensive income								
Profit for the period recognised in the income statement	-	-	-	-	532	532	(8)	524
Remeasurements of defined benefit schemes	-	-	-	-	26	26	1	27
Deferred tax associated with defined benefit schemes	-	-	-	-	(5)	(5)	-	(5)
Items that will not be reclassified to profit or loss	-	-	-	-	21	21	1	22
Effect of movements in foreign exchange	-	-	(376)	(1)	-	(377)	(80)	(457)
Net gain on hedge of net investment in foreign subsidiaries	-	-	22	-	-	22	-	22
Deferred tax associated with movements in foreign exchange	-	-	-	-	-	-	2	2
Current tax associated with movements in foreign exchange	-	-	1	-	-	1	-	1
Reclassification adjustment for movements in foreign exchange on subsidiaries disposed	-	-	(8)	-	-	(8)	-	(8)
Movement in cash flow hedging position	-	-	-	(49)	-	(49)	(7)	(56)
Deferred tax associated with movement in cash flow hedging position	-	-	-	10	-	10	1	11
Share of other comprehensive income of joint ventures and associates	-	-	(2)	-	-	(2)	-	(2)
Items that are or may be subsequently reclassified to profit or loss	-	-	(363)	(40)	-	(403)	(84)	(487)
Other comprehensive income	-	-	(363)	(40)	21	(382)	(83)	(465)
Total comprehensive income	-	-	(363)	(40)	553	150	(91)	59
Transactions with owners								
Dividends paid to equity shareholders	-	-	-	-	(271)	(271)	-	(271)
Net movement in own shares held	-	-	-	-	11	11	-	11
Current tax associated with share-based payments	-	-	-	-	4	4	-	4
Dividends paid to non-controlling interests	-	-	-	-	-	-	(16)	(16)
Acquisition and disposal of non-controlling interests	-	-	-	-	5	5	6	11
Total transactions with owners	-	-	-	-	(251)	(251)	(10)	(261)
Balance as at 12 September 2015	45	175	(125)	(11)	6,252	6,336	215	6,551

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT
For the 52 weeks ended 12 September 2015

1. Operating segments

The group has five operating segments, as described below. These are the group's operating divisions, based on the management and internal reporting structure, which combine businesses with common characteristics, primarily in respect of the type of products offered by each business, but also the production processes involved and the manner of the distribution and sale of goods. The board is the chief operating decision-maker.

Inter-segment pricing is determined on an arm's length basis. Segment result is adjusted operating profit, as shown on the face of the consolidated income statement. Segment assets comprise all non-current assets except employee benefits assets and deferred tax assets, and all current assets except cash and cash equivalents. Segment liabilities comprise trade and other payables, derivative liabilities and provisions. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expenses, cash, borrowings, employee benefits balances and current and deferred tax balances. Segment non-current asset additions are the total cost incurred during the period to acquire segment assets that are expected to be used for more than one year, comprising property, plant and equipment, operating intangibles and biological assets.

The group is comprised of the following operating segments:

Grocery	The manufacture of grocery products, including hot beverages, sugar & sweeteners, vegetable oils, bread & baked goods, cereals, ethnic foods, herbs & spices, and meat products, which are sold to retail, wholesale and foodservice businesses.
Sugar	The growing and processing of sugar beet and sugar cane for sale to industrial users and to Silver Spoon, which is included in the grocery segment.
Agriculture	The manufacture of animal feeds and the provision of other products and services for the agriculture sector.
Ingredients	The manufacture of bakers' yeast, bakery ingredients, enzymes, lipids, yeast extracts and cereal specialities.
Retail	Buying and merchandising value clothing and accessories through the Primark and Penneys retail chains.

Geographical information

In addition to the required disclosure for operating segments, disclosure is also given of certain geographical information about the group's operations, based on the geographical groupings: United Kingdom; Europe & Africa; The Americas; and Asia Pacific.

Revenues are shown by reference to the geographical location of customers. Profits are shown by reference to the geographical location of the businesses. Segment assets are based on the geographical location of the assets.

	Revenue		Adjusted operating profit	
Operating segments	**52 weeks ended 12 September 2015 £m**	52 weeks ended 13 September 2014 £m	**52 weeks ended 12 September 2015 £m**	52 weeks ended 13 September 2014 £m
Grocery	**3,177**	3,337	**285**	269
Sugar	**1,818**	2,083	**43**	189
Agriculture	**1,211**	1,312	**60**	50
Ingredients	**1,247**	1,261	**76**	41
Retail	**5,347**	4,950	**673**	662
Central	**-**	-	**(45)**	(49)
	12,800	12,943	**1,092**	1,162
Businesses disposed:				
Grocery	**-**	-	**-**	1
	12,800	12,943	**1,092**	1,163
Geographical information				
United Kingdom	**5,444**	5,631	**535**	602
Europe & Africa	**4,080**	3,924	**335**	393
The Americas	**1,269**	1,211	**148**	127
Asia Pacific	**2,007**	2,177	**74**	40
	12,800	12,943	**1,092**	1,162
Businesses disposed:				
Asia Pacific	**-**	-	**-**	1
	12,800	12,943	**1,092**	1,163

Disposed businesses in 2014 comprised the disposal of the group's interest in a US associate in the Ingredients segment and an associated Australian royalty stream in the Grocery segment.

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT continued
For the 52 weeks ended 12 September 2015

1. Operating segments for the 52 weeks ended 12 September 2015

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	3,179	1,887	1,213	1,402	5,347	(228)	12,800
Internal revenue	(2)	(69)	(2)	(155)	-	228	-
Revenue from external customers	3,177	1,818	1,211	1,247	5,347	-	12,800
Adjusted operating profit before joint ventures and associates	259	43	48	66	673	(45)	1,044
Share of profit after tax from joint ventures and associates	26	-	12	10	-	-	48
Adjusted operating profit	285	43	60	76	673	(45)	1,092
Profits less losses on disposal of non-current assets	19	3	1	-	(8)	(7)	8
Amortisation of non-operating intangibles	(19)	(35)	-	(1)	-	-	(55)
Exceptional item	-	(98)	-	-	-	-	(98)
Profits less losses on sale and closure of businesses	6	(181)	3	-	-	-	(172)
Profit before interest	291	(268)	64	75	665	(52)	775
Finance income						8	8
Finance expense						(61)	(61)
Other financial expense						(5)	(5)
Taxation						(193)	(193)
Profit for the period	291	(268)	64	75	665	(303)	524
Segment assets (excluding joint ventures and associates)	2,369	2,069	318	1,142	3,126	84	9,108
Investments in joint ventures and associates	22	17	125	48	-	-	212
Segment assets	2,391	2,086	443	1,190	3,126	84	9,320
Cash and cash equivalents						702	702
Deferred tax assets						125	125
Employee benefits assets						125	125
Segment liabilities	(451)	(391)	(115)	(230)	(1,034)	(104)	(2,325)
Loans and overdrafts						(896)	(896)
Income tax						(126)	(126)
Deferred tax liabilities						(233)	(233)
Employee benefits liabilities						(141)	(141)
Net assets	1,940	1,695	328	960	2,092	(464)	6,551
Non-current asset additions	104	121	17	58	351	6	657
Depreciation	94	76	9	45	173	4	401
Amortisation	37	39	2	3	-	-	81
Exceptional item	-	(98)	-	-	-	-	(98)
Impairment of goodwill on disposal of business	-	46	-	-	-	-	46
Impairment of intangible on closure of business	-	11	-	-	-	-	11

Geographical information

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	5,444	4,080	1,269	2,007	12,800
Segment assets	3,977	3,059	1,009	1,275	9,320
Non-current asset additions	216	289	91	61	657
Depreciation	185	118	27	71	401
Amortisation	29	38	4	10	81
Exceptional item	(98)	-	-	-	(98)
Impairment of goodwill on disposal of business	-	-	-	46	46
Impairment of intangible on closure of business	-	-	11	-	11

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT continued
For the 52 weeks ended 12 September 2015

1. Operating segments for the 52 weeks ended 13 September 2014

	Grocery £m	Sugar £m	Agriculture £m	Ingredients £m	Retail £m	Central £m	Total £m
Revenue from continuing businesses	3,344	2,164	1,312	1,423	4,950	(250)	12,943
Internal revenue	(7)	(81)	-	(162)	-	250	-
Revenue from external customers	3,337	2,083	1,312	1,261	4,950	-	12,943
Adjusted operating profit before joint ventures and associates	254	215	36	31	662	(49)	1,149
Share of profit after tax from joint ventures and associates	15	(26)	14	10	-	-	13
Businesses disposed	1	-	-	-	-	-	1
Adjusted operating profit	270	189	50	41	662	(49)	1,163
Profits less losses on disposal of non-current assets	6	-	1	-	(14)	(4)	(11)
Amortisation of non-operating intangibles	(50)	(17)	(3)	(2)	-	-	(72)
Profits less losses on sale and closure of businesses	-	-	-	(2)	-	-	(2)
Profit before interest	226	172	48	37	648	(53)	1,078
Finance income						15	15
Finance expense						(73)	(73)
Taxation						(237)	(237)
Profit for the period	226	172	48	37	648	(348)	783
Segment assets (excluding joint ventures and associates)	2,431	2,327	312	1,266	2,948	215	9,499
Investments in joint ventures and associates	38	13	113	48	-	-	212
Segment assets	2,469	2,340	425	1,314	2,948	215	9,711
Cash and cash equivalents						519	519
Deferred tax assets						152	152
Employee benefits assets						90	90
Segment liabilities	(495)	(385)	(125)	(251)	(784)	(122)	(2,162)
Loans and overdrafts						(965)	(965)
Income tax						(193)	(193)
Deferred tax liabilities						(266)	(266)
Employee benefits liabilities						(133)	(133)
Net assets	1,974	1,955	300	1,063	2,164	(703)	6,753
Non-current asset additions	153	103	28	65	394	1	744
Depreciation	96	80	7	44	171	4	402
Amortisation	64	20	6	4	-	-	94
Impairment of goodwill on closure of business	-	-	-	4	-	-	4

Geographical information

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Revenue from external customers	5,631	3,924	1,211	2,177	12,943
Segment assets	3,951	3,220	968	1,572	9,711
Non-current asset additions	279	351	34	80	744
Depreciation	184	122	27	69	402
Amortisation	22	19	43	10	94
Impairment of goodwill on closure of business	-	-	-	4	4

2. Exceptional item

The exceptional item is a £98m non-cash charge to impair the group's shareholder loans to Vivergo Fuels which, at the time of the impairment, was a joint venture in which the group's equity interest was 47%. Vivergo Fuels is based in the UK and is included in the Sugar segment. The impairment was a consequence of the continuing fall in crude oil and bioethanol prices and the further weakening of the euro against sterling both of which affected the group's assessment of the recoverability of the shareholder loans.

3. Income tax expense

	52 weeks ended 12 September 2015 £m	52 weeks ended 13 September 2014 £m
Current tax expense		
UK – corporation tax at 20.5% (2014 – 22.1%)	**74**	137
Overseas – corporation tax	**109**	148
UK – (over)/under provided in prior periods	**(10)**	3
Overseas – overprovided in prior periods	**(15)**	(2)
	158	286
Deferred tax expense		
UK deferred tax	**(6)**	(17)
Overseas deferred tax	**25**	(19)
UK – under/(over) provided in prior periods	**8**	(6)
Overseas – under/(over) provided in prior periods	**8**	(7)
	35	(49)
Total income tax expense in income statement	**193**	237
Reconciliation of effective tax rate		
Profit before taxation	**717**	1,020
Less share of profit after tax from joint ventures and associates	**(48)**	(13)
Profit before taxation excluding share of profit after tax from joint ventures and associates	**669**	1,007
Nominal tax charge at UK corporation tax rate of 20.5% (2014 – 22.1%)	**137**	222
Effect of higher and lower tax rates on overseas earnings	**(29)**	(11)
Effect of changes in tax rates on income statement	**3**	4
Expenses not deductible for tax purposes	**58**	25
Disposal of assets covered by tax exemptions or unrecognised capital losses	**23**	2
Deferred tax not recognised	**10**	7
Adjustments in respect of prior periods	**(9)**	(12)
	193	237
Income tax recognised directly in equity		
Deferred tax associated with defined benefit schemes	**5**	(3)
Current tax associated with share-based payments	**(4)**	(2)
Deferred tax associated with movement in cash flow hedging position	**(11)**	11
Deferred tax associated with movements in foreign exchange	**(2)**	-
Current tax associated with movements in foreign exchange	**(1)**	(2)
	(13)	4

The tax credit of £22m arising on the exceptional impairment charge in the year is included in UK current tax.

The UK corporation tax rate was reduced to 20% with effect from 1 April 2015 and UK deferred tax has been calculated using a rate of 20%. Further reductions in the corporation tax rate to 19% and 18% in April 2017 and April 2020 respectively have been substantively enacted since the balance sheet date. Accordingly, the effect of these changes on UK deferred tax balances will be included in 2015/16.

4. Earnings per share

The calculation of basic earnings per share at 12 September 2015 was based on the net profit attributable to equity shareholders of £532m (2014 - £762m), and a weighted average number of shares outstanding during the year of 790 million (2014 – 790 million). The calculation of the weighted average number of shares excludes the shares held by the Employee Share Ownership Plan Trust on which the dividends are being waived.

Adjusted earnings per ordinary share, which exclude the impact of exceptional items, profits less losses on disposal of non-current assets and the sale and closure of businesses, amortisation of non-operating intangibles and any associated tax credits, is shown to provide clarity on the underlying performance of the group.

The diluted earnings per share calculation takes into account the dilutive effect of share incentives. The diluted, weighted average number of shares is 790 million (2014 – 790 million). There is no difference between basic and diluted earnings.

	52 weeks ended 12 September 2015 pence	52 weeks ended 13 September 2014 pence
Adjusted earnings per share	**102.0**	104.1
Disposal of non-current assets	**1.0**	(1.4)
Sale and closure of businesses	**(21.7)**	(0.3)
Exceptional item	**(12.4)**	-
Tax effect on above adjustments	**2.4**	(0.1)
Amortisation of non-operating intangibles	**(7.0)**	(9.1)
Tax credit on non-operating intangibles amortisation and goodwill	**1.0**	2.7
Non-controlling interests' share of the above adjustments	**2.0**	0.6
Earnings per ordinary share	**67.3**	96.5

5. Dividends

	2015 pence per share	2014 pence per share	**2015 £m**	2014 £m
2013 final	**-**	22.65	**-**	179
2014 interim	**-**	9.70	**-**	77
2014 final	**24.30**	-	**192**	-
2015 interim	**10.00**	-	**79**	-
	34.30	32.35	**271**	256

The 2015 interim dividend was declared on 21 April 2015 and paid on 3 July 2015. The 2015 final dividend of 25.0 pence, total value of £198m, will be paid on 8 January 2016 to shareholders on the register on 11 December 2015.

Dividends relating to the period were 35.0 pence per share totalling £277m (2014 – 34.0 pence per share totalling £269m).

6. Acquisitions and disposals

Acquisitions

2015

Acquisitions had the following effect on the group's assets and liabilities:

	Pre-acquisition carrying values	Recognised values on acquisition
Net assets	£m	£m
Intangible assets	32	53
Property, plant and equipment	4	4
Inventories	10	10
Trade and other receivables	18	18
Cash and cash equivalents	8	8
Trade and other payables	(38)	(40)
Loan interest	(48)	(3)
Overdrafts	(3)	(3)
Loans	(323)	(18)
Taxation	82	20
Net identifiable assets and liabilities	(258)	49
Goodwill		5
Non-controlling interests		1
Total consideration		55
Satisfied by		
Cash consideration		57
Deferred consideration		6
Interest in joint venture		(8)
		55
Net cash		
Cash consideration		57
Cash and cash equivalents acquired		(8)
Overdrafts acquired		3
		52

In October 2014, the group acquired Dorset Cereals in the UK for gross cash consideration of £68m, but with cash acquired of £8m. Non-operating intangible assets of £21m in respect of brand and customer relationships together with the related deferred tax were recognised as fair value adjustments.

In May 2015, the group acquired BP's 47% interest in Vivergo Fuels in the UK, in which the group already held an equity-accounted joint venture interest of 47%. Fair value adjustments comprised the valuation of shareholder loan obligations and associated interest accruals together with the related tax consequences.

A non-cash charge of £75m was recorded in line with accounting requirements to remeasure the group's interest at fair value prior to the acquisition. This was charged to loss on sale and closure of business.

The acquisitions contributed aggregate revenues of £81m and an adjusted loss before tax of £1m for the period between the dates of acquisition and 12 September 2015. Aggregate contributions to revenue and adjusted profit before tax had the acquisitions occurred at the beginning of the period have not been disclosed, as appropriate financial information prepared under Adopted IFRS is not available.

Acquisitions and disposals (continued)
2014
During 2014, the group acquired a bakery ingredients business in western Europe and a small animal feed specialist in the UK, which together increased net assets by £8m, satisfied by cash consideration of £7m and deferred consideration of £1m. Cash and cash equivalents of £5m were acquired with the businesses.

Pre-acquisition carrying amounts were the same as recognised values on acquisition apart from a £4m non-operating intangible asset recognised in respect of customer relationships. The acquisitions contributed aggregate revenues of £27m and adjusted profit before tax of £1m for the period between the dates of acquisition and 13 September 2014. Aggregate contributions to revenue and adjusted profit before tax had the acquisitions occurred at the beginning of the period were not disclosed, as appropriate financial information prepared under Adopted IFRS was not available.

The cash consideration net of cash acquired with the businesses was £2m which compares with a cash outflow of £8m on the purchase of subsidiaries, joint ventures and associates shown in the cash flow statement. The difference related to a £5m investment in an existing joint venture and £1m of deferred consideration paid in respect of prior year acquisitions.

Disposals
2015
The group sold and closed businesses which had the following impact on adjusted operating profit by segment:

	United Kingdom £m	Europe & Africa £m	The Americas £m	Asia Pacific £m	Total £m
Sugar					
North China	-	-	-	(100)	(100)
Vivergo Fuels	(75)	-	-	-	(75)
Other (including warranties)	-	4	(11)	1	(6)
	(75)	4	(11)	(99)	(181)
Grocery (warranties)	6	-	-	-	6
Agriculture (warranties)	3	-	-	-	3
	(66)	4	(11)	(99)	(172)

The group sold the Yi'an and BoCheng beet sugar factories in Heilongjiang province in north China and restructured the associated head office in Beijing. This reduced the group's assets and liabilities as follows:

Net assets	£m
Intangible assets	9
Property, plant and equipment	47
Inventories	3
Trade and other payables	(1)
Loans	(1)
Taxation	5
Net identifiable assets and liabilities	62
Goodwill	46
Non-controlling interests	(2)
Recycle of effect of movements in foreign exchange	(8)
Profits less losses on sale and closure of businesses	(100)
Total consideration	(2)
Satisfied by	
Cash consideration	3
Provisions made	(5)
	(2)
Net cash	
Cash consideration	3

Acquisitions and disposals (continued)

The group incurred a net £75m non-cash charge arising on the acquisition of BP's 47% interest in Vivergo Fuels. Accounting standards require the re-measurement of the group's interest at fair value prior to the acquisition, resulting in a loss on the deemed disposal of the group's original interest prior to its immediate re-acquisition at fair value.

Also in the Sugar segment, an intangible asset with a carrying value of £11m was written off on closure of a small business in North America.

£14m of warranty provisions relating to disposals made in previous years are no longer required and were released during the year. These comprised £6m in Grocery (all in the UK), £5m in Sugar (£4m in Europe & Africa and £1m in Asia Pacific) and £3m in Agriculture (all in the UK).

The cash consideration received for the disposal was £3m which compares with a cash inflow of £5m on the sale of subsidiaries, joint ventures and associates shown in the cash flow statement. The difference relates to deferred consideration received in respect of prior year disposals.

2014

During 2014, the group disposed of its interest in a US associate in the Ingredients segment for a profit of £7m. Cash consideration was £12m, deferred consideration was £1m, share of net assets disposed was £2m and provisions made were £4m. In addition, a charge of £9m was made in the Ingredients segment in China and India for restructuring costs associated with business closures, including a £4m impairment of goodwill.

The net cash of £13m differs from the cash inflow of £15m on the sale of subsidiaries, joint ventures and associates shown in the cash flow statement. The £2m difference relates to deferred consideration received in respect of disposals made in previous years.

7. Analysis of net debt

	At 13 September 2014 £m	Cash flow £m	Acquisitions and disposals £m	Non-cash items £m	Exchange adjustments £m	**At 12 September 2015 £m**
Cash at bank and in hand, cash equivalents and overdrafts	399	187	-	-	(1)	**585**
Short-term loans	(238)	115	1	(81)	1	**(202)**
Long-term loans	(607)	(15)	(18)	81	(18)	**(577)**
	(446)	287	(17)	-	(18)	**(194)**

Cash and cash equivalents comprise bank and cash balances, call deposits and short-term investments with original maturities of three months or less. Bank overdrafts that are repayable on demand of £117m form an integral part of the group's cash management and are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

NOTES TO THE ANNUAL RESULTS ANNOUNCEMENT continued
For the 52 weeks ended 12 September 2015

8. Related party transactions

The group has a controlling shareholder relationship with its parent company, Wittington Investments Limited, with the trustees of the Garfield Weston Foundation and with certain other individuals who hold shares in the Company. The group has a related party relationship with its associates and joint ventures and with its directors. In the course of normal operations, related party transactions entered into by the group have been contracted on an arm's length basis.

Material transactions and year end balances with related parties were as follows:

	Sub note	**2015** £'000	2014 £'000
Charges to Wittington Investments Limited in respect of services provided by the Company and its subsidiary undertakings		**661**	403
Dividends paid by ABF and received in a beneficial capacity by:			
(i) trustees of the Garfield Weston Foundation and their close family	1	**9,838**	9,125
(ii) directors of Wittington Investments Limited who are not trustees of the Foundation and their close family		**1,529**	1,442
(iii) directors of the Company who are not trustees of the Foundation and are not directors of Wittington Investments Limited		**50**	43
(iv) members of the Weston family employed within the Associated British Foods group	2	**1,011**	952
Sales to fellow subsidiary undertakings on normal trading terms	3	**108**	93
Sales to companies with common key management personnel on normal trading terms	4	**13,343**	12,459
Commissions paid to companies with common key management personnel on normal trading terms	4	**1,602**	1,418
Amounts due from companies with common key management personnel	4	**1,541**	1,456
Sales to joint ventures on normal trading terms		**18,288**	21,337
Sales to associates on normal trading terms		**29,992**	30,248
Purchases from joint ventures on normal trading terms		**314,818**	372,496
Purchases from associates on normal trading terms		**16,132**	16,266
Amounts due from joint ventures		**18,959**	182,254
Amounts due from associates		**2,978**	3,274
Amounts due to joint ventures		**28,533**	33,095
Amounts due to associates		**2,278**	6,640

1. The Garfield Weston Foundation ('the Foundation') is an English charitable trust, established in 1958 by the late W Garfield Weston. The Foundation has no direct interest in the Company, but as at 12 September 2015 was the beneficial owner of 683,073 shares (2014 – 683,073 shares) in Wittington Investments Limited representing 79.2% (2014 – 79.2%) of that company's issued share capital and is, therefore, the Company's ultimate controlling party. At 12 September 2015 trustees of the Foundation comprised two children and two grandchildren of the late W Garfield Weston and five children of the late Garry H Weston.
2. Members of the Weston family who are employed by the group and are not directors of the Company or Wittington Investments Limited and are not trustees of the Foundation.
3. The fellow subsidiary undertakings are Fortnum and Mason plc and Heal & Son Limited.
4. The companies with common key management personnel are the George Weston Limited group, in Canada, and Selfridges & Co. Limited.

Amounts due from joint ventures comprise £19m (2014 - £14m) of finance lease receivables and £nil (2014 - £145m) of loan receivables. The remainder of the balance is trading balances. The loan receivables in 2014 were all non-current and all but £3m (2014 - £3m) of the finance lease receivables are non-current.

9. Other information

The financial information set out above does not constitute the Company's statutory accounts for the 52 weeks ended 12 September 2015, or the 52 weeks ended 13 September 2014. Statutory accounts for 2014 have been delivered to the Registrar of Companies and those for 2015 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts. Their reports were (i) unqualified, (ii) did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and (iii) did not contain a statement under section under section 498(2) or (3) of the Companies Act 2006 in respect of the accounts.

10. Basis of preparation

Associated British Foods plc ('the Company') is a company domiciled in the United Kingdom. The consolidated financial statements of the Company for the 52 weeks ended 12 September 2015 comprise those of the Company and its subsidiaries (together referred to as 'the group') and the group's interests in joint ventures and associates.

The consolidated financial statements were authorised for issue by the directors on 3 November 2015.

The consolidated financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU. Under IFRS, management is required to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, income and expense and the disclosure of contingent assets and liabilities. The estimates and associated assumptions are based on experience. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are recognised from the period in which the estimates are revised.

The consolidated financial statements are presented in sterling, rounded to the nearest million. They are prepared on the historical cost basis except that biological assets and certain financial instruments are stated at fair value. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The consolidated financial statements of the group are prepared to the Saturday nearest to 15 September. Accordingly, these financial statements have been prepared for the 52 weeks ended 12 September 2015. To avoid delay in the preparation of the consolidated financial statements, the results of certain subsidiaries, joint ventures and associates are included up to 31 August 2015. The results of Illovo are included for the period to 30 September 2015 in line with Illovo's local reporting date. Adjustments are made as appropriate for significant transactions or events occurring between 31 August and 30 September.

11. Significant accounting policies

The accounting policies applied by the group in this annual results announcement are substantially the same as those applied by the group in its consolidated financial statements for the 52 weeks ended 13 September 2014. IFRS12 *Disclosure of Interest in Other Entities* is applied for the first time this year which requires disclosure in the annual report of information on the group's economic interests. Adoption this year, of the following IFRSs and IFRIC interpretations, all of which have been applied with effect from 14 September 2014, had no material impact on the group's financial statements:

- IFRS10 *Consolidated Financial Statements;*
- IFRS11 *Joint Arrangements;*
- *Annual improvements to IFRSs 2010-2012 and 2011-2013;*
- IAS28 *Investments in Associates and Joint Ventures.*