FT

Trainee production journalist scheme

Test

Instructions for completing the test

On the Associated British Foods story, please write a one-deck headline of approx four to five words at the top of the story.

Write two standfirsts, both of approx six words each.
Please write your standfirst below the story.

Also edit the story, marking clearly any cuts made to ensure all the legs of the copy line up along the bottom.

Sub the story carefully, correcting any errors in the copy.

On the Congo story, please write a two-deck headline of approx nine to 11 words at the top of the story.

Write one standfirst of approximately 20 to 25 words.
Please write your standfirst below the story.

Also write a six-line pull-out quote of approximately 15 to 20 words.
Please write this below the story.

Also edit the story, marking clearly any cuts made to ensure all the legs of the copy line up along the bottom.

Sub the story carefully, correcting any errors in the copy.

Deck of standfirst to fit the space here

Deck of standfirst to fit the space here

Sharp raises in commodity prices have been past through to customers by Asociated British Foods, the large grocery and agribusiness group which owns some of the UKs' best known brands like Silver Spoon sugar and Twinings tea.

However the group yesterday warned in a trading update that higher input prices meant it's working capital had risen, in turn increasing it's financing costs. The group still expected "good growth" in operating profits and "good progress" in earnings per share, and the statements was considered positive by analysts who edged up earnings forecasts.

John Bason, finance directer, said that the group's working capital would be about £150m higher than the £800m it would normally have been at this time of year.

Analysts said this working capital affect was likely to hit other companies as well, although not by as much as ABF which is far larger than most UK food producers. ABF's balance sheet is strong enough to cope with the higher costs, they said. The group said that the extra financing costs would be largely offset by a lower tax charge.

The group is due to report profits for the first half of its financial year to March 1 in April. The shares weekend 26p or 3 per cent to 851½p yesterday, although analysts put this down to profit taking.

Meanwhile shares in Premier Foods, which makes Hovis bread as well as Mr Kipling cakes and Branson Pickle, fell 9p or 8.5 per cent to 97p. Brokers blamed a placing of 15m shares at 96p and also a bearish note from Charlie Mills, food analyst at Credit Suisse, who said Premier's heavy debt would mean a dividend cut when it reports profits next week.

ABF said that it had passed on higher wheat prices in its Allied Bakeries, UK bread business, and with higher volumes and improved efficiencies the subsidiarys results had shown a "substantial improvement.

Last year the baking business was making large losses, and analysts beleive the losses have been cut, although not eliminated.

ABF also benefitted from higher grain trading profits in its agriculture division, where profits were "sharply higher" it said. However, higher edible oil prices squeezed margins in its US Mazola business, although price increases were now being implemented.

Sales and profits at the groups Primark discount retail chain were "substantially ahead" after a like-for-like sales increase of 4 per cent in the half year, including the post-Christmas period when its trading was "ahead of our expectations" the group said.

The group's sugar business, which has been hit by changes to the EU sugar regime over recent years, would suffer "much lower" profits, ABF said,

but these would be more than offset by "strong growth in agriculture, grocery and Primark".

NEWS ANALYSIS

Seven decks of standfirst of approx 20 to 25 words to fit this space in here

The late Zairan dictator Mobutu Sese Seko turned them into a personal treasure trove. Under his successor Laurent Desire Kabila, they were carved up by warring factions and armies, as the country he renamed the Democratic Republic of Congo slid out of his control and into war.

Now the future of some of the world's richest deposits of metals and jems is in the hands of his son Joseph Kabila, who won democratic elections in 2006.

Western mining companies invested in the Congo discovered last week the terms they can expect from the new regime. A long-delayed review of mining licenses was completed on February 18, and mining companies response to it will help decide the pace and direction of the county's economic recovery.

To some inventors, the first glimpses of the review's findings confirmed there worst suspicions that the review was an attempt to squeeze as much money as possible out of mining companies and bring the sector and its profits under government officials' control.

A DRC official rejected this interpretation during a speech at an international mining conferance in Cape Town earlier this month. The objectives of the mining review, said Victor Kasongo, vice minister of mines, were to weed out legal contracts inherited from the civil war, evict speculators who had not developed their concessions, and renegotiate contracts that were improperly structured. He went on to confirm, however, that none of the 60 mining licenses under review were properly structured.

Bill Turner, chief executive of Anvil Mining, a Toronto-listed copper miner in the DCR, acknowledges the motivation of the DRC is to claim more wealth from its minerals on a conference call to analysts on February 21.

The review commission wrote Anvil two letters last week informing the company of it's findings: Anvil should pay a cash bonus of \$150m to Gecamines, the state mining company that owns the title to Anvil's Kinsevere mine; Gecamines should be actively involved in the management of Anvil's Kulu mime and enjoy a royalty of at least 2 per cent of revenue from that mine. The title to Anvil's lucrative Dikulushi mine should be cancelled and redrawn in line with the current mining code. At all of Anvil's mines, the letters conclude, the company should pay for projects that have a "visible impact" on surrounding communities.

"It appears that the government has taken its decision on these three projects without full appreciation of their history or the facts relating to them," said Mr Turner. He added that the review commission had not explained how it arrived at its calculations or conclusions.

Anvil, like other license holders, has until tomorrow to submit its response to the goverment. If they disagree with the findings, Mr Kasongo has promised, they can appeal to a panel of third-party arbiters.

But the companies face a dilemma. Do they privately negotiate their position with the government, as Mr Kasongo has urged, or do they make legal challenges to the government's decisions.

> Six lines of quote made up of approx 15 to 20 words to fit this space

In a letter to First Quantum Minerals, a Toronto-listed minor of copper and cobalt in the DRC, last week the review commission said the company's title to its huge copper and cobalt project at Kolwezi was improperly structured. It pointed out that a First-Quantum-led consortium had lowered the price of the Kolwezi title sale from \$130m to \$15bn. The commission advised the Kolwezi contract be cancelled and redrawn in respect for "up-front payments" of cash and a more active role for Gescamines in day to day management.

But speaking before the review commission letter arrived Clive Newall, president of First Quantum said: "We have a contract that is legally binding. We acquired our assets in an open tender."

A source close to the mining review said First Quantum was actively considering international litigation.

"Most of the other mining companies have reached a behind-the-scenes accomodation with the political elite," he said, "but [First Quantum] feel they have done nothing wrong and they greatly resent the political harassment they have been under in the last year." The company, he added, appeared willing "to play hard ball, and fight the government in the courts."

But any legal escalation in the row over contracts could slow the process of the DRC's mineral development, which is key to the country's recovery plan.

Disputes could also influence the government's reception of Chinese investors. A recent infrastructure-for-commodities deal with Chinese companies is worth \$9bn, said the DRC's planning minister on February 15. The deal - which would involve a road building programme - involves two Chinese companies taking the majority stake in a copper and cobalt mining joint-venture with Gescmines.

Large Western mining houses are also watching the review with interest. Partly to guard their reputations, majors like Anglo American and BHP Billiton have hesitated to move in on the DRC's fabulous prospects. They are waiting to see from the review whether the junior companies can themselves achieve security of contracts and negotiate transparently.

Junior miners in the DRC like Banro of Canada and Moto Gold Mines of Australia announced review verdicts last week whose conditions appeared less onerous than those imposed on Anvil and First Quantum.

The impact of license holders' prior negotiations with government on the commission's findings is unclear.