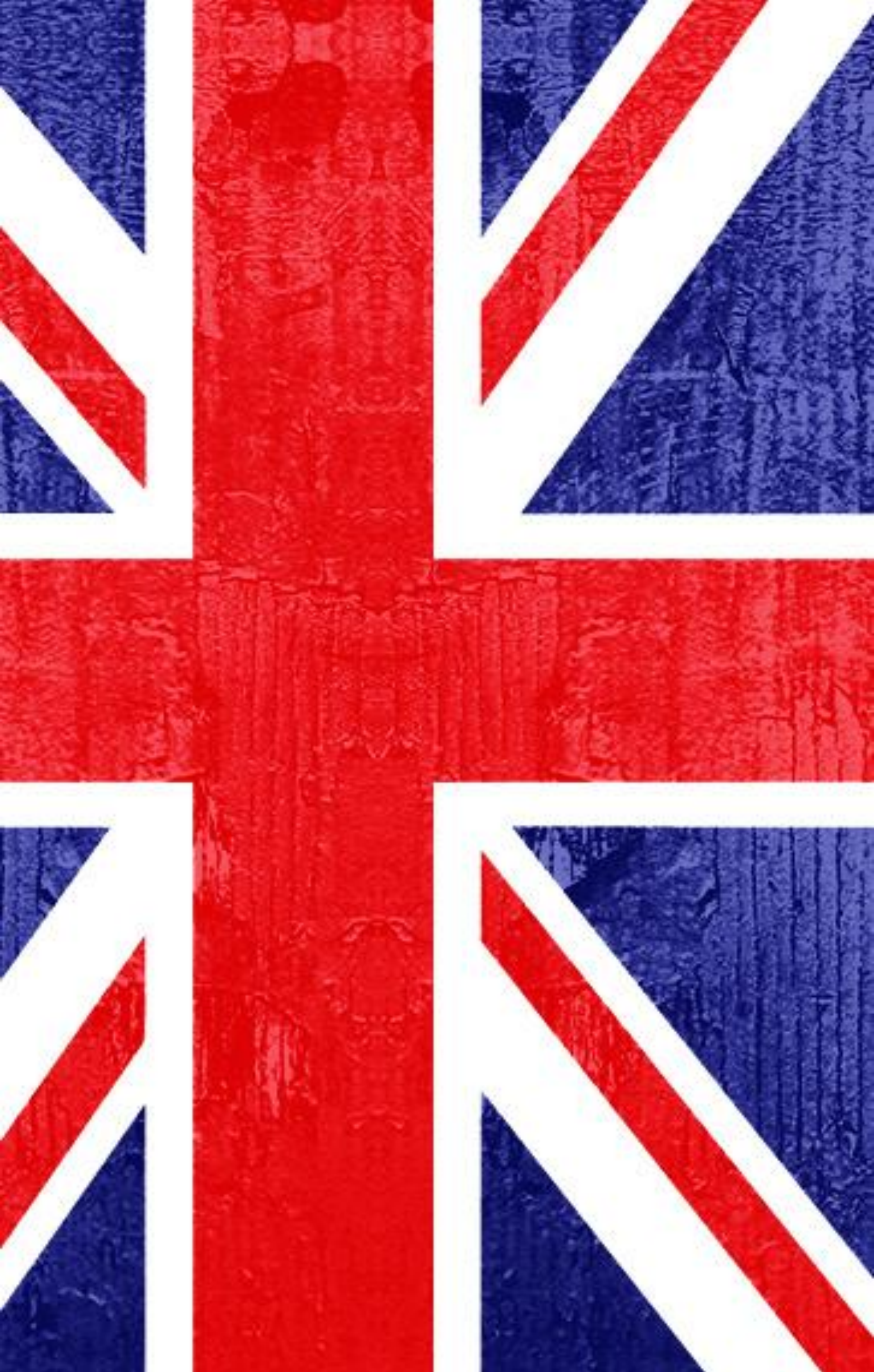

PREMIER FOODS
THE BEST IN BRITISH FOOD

2011 Full Year Results, Re-financing & Growth Strategies

19 March 2012

Certain statements in this presentation are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Agenda

- Introduction
- 2011 Full Year Results
- Growth Strategies & Re-financing
- Outlook
- Q&A

Our vision is to be
'The Best in British Food'

Brands

- **Invest and grow eight Power Brands**
  - Hovis, Mr. Kipling, Ambrosia
  - Sharwood's, Loyd Grossman
  - Oxo, Bisto, Batchelors
- **Entrepreneurial growth of support brands**
- **Dispose of selected businesses**

Partners

- **Engage our employees and embrace diversity**
- **Connect with consumers**
- **Win with customers**
- **Collaborate with all stakeholders**

Focus

- **Lean structure**
- **Simple processes**
- **Quality, health & safety**
- **Drive efficiency and effectiveness**
  - **Productivity**
  - **Service**

Sustainability

- **Results (financial and productivity metrics)**
- **Better choice portfolio and innovation**
- **Environmental programmes**
  - **Energy, Water, Waste**
- **Focused scale**

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- Results (financial and productivity metrics)
- Better choice portfolio and innovation
- mental mmes
- gy, Water, e
- ed scale

- Sustainable revenue growth
- Low-cost
- Higher margin (absolute & %)

We are delivering on our strategies

- Stabilising the business
- Investing in our future growth
- Strengthening our partnerships
- Generating momentum and belief

We have strong foundations

- Scale
- Brands
- People
- Infrastructure

Leading branded share positions

	Ambient cake	Ambient desserts	Asian cooking sauces	Ambient gravy	Dry stock	Easy eating
#1	Mr Kipling Exceedingly good...	Ambrosia full of dairy goodness	Sharwood's	aah! Bisto	OXO	Batchelors
	Wrapped bread	**Ambient wet cooking sauce**				
#2	Hovis	Loyd Grossman Share a lifetime's passion				

Source: Total IRI Grocery outlets, 52 w/e 24 December 2011

Strong brand awareness & likeability

- 99%[1] households buy our products
- c.£70.00[2] household spend per year
- 96% of our top 60 SKU's test parity or superior to competitor products in blind tasting – represents 50% of branded sales

Sources:
1. Kantar Worldpanel 30th Oct 2011
2. Millward Brown Nov 2011

New leadership team in place

- FMCG backgrounds
- Business turnaround experience
- Track record of delivering branded growth
- Focus on execution and delivery

New leadership team

Michael Clarke
Chief Executive Officer

Brian Carlton	**Richard Johnson**	**Andrew McDonald**	**Ian Deste**	**Iwan Williams**	**Bob Spooner**	**Mark Moran**
Group HR Director	Group Corporate Affairs Director	General Counsel And Company Secretary	Group Sales Director	Managing Director Grocery & Bakery	Group Supply Chain Director	Chief Financial Officer

Dean Holroyd	**Mark Hughes**	**Mark Vickery**
Group Tech & Innovation Director	Group Procurement Director	Group IS & Change Director

= Eight months or less with Group

Efficient supply chain

- Best in class procurement
- Strong British footprint
  - 82% goods & services from British suppliers/farmers
- Step-change in safety
  - 81% reduction in reportable accidents over last 5 years
- Improved asset utilisation
  - Utilisation rate improved 38% over last 5 years
- Technical standards upgraded
- Tight inventory control

So, what happened in 2011?

- Challenging market conditions
- Customer disputes
- Reduced marketing spend
- Ineffective promotional activity
- Lower volumes

2011 exposed underlying issues

- Cumulative under-investment in brands
- Weak customer relationships
- Complex scale and lack of focus
- Inability to capture synergies sustainably
- History of short-term tactical initiatives
- Poor management of market expectations

2011 Results

Mark Moran
Chief Financial Officer

Ongoing Group sales down 3.4%

Sales (£m)	2011	2010	Growth (%)
Power Brands	**871**	**924**	**(5.6)**
Support brands	419	447	(6.3)
Total branded	**1,290**	**1,371**	**(5.9)**
Non-branded	521	504	3.3
Total	**1,811**	**1,875**	**(3.4)**

Ongoing business trading results

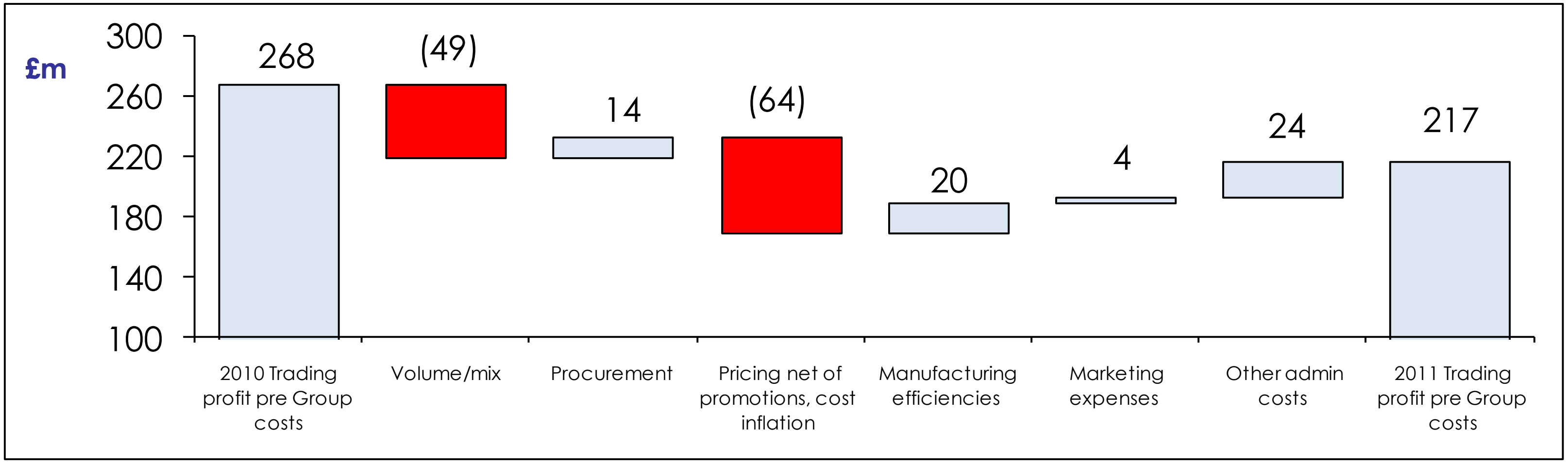
£m	2011	2010	%
Branded sales	1,290	1,371	(5.9)
Non-branded sales	521	504	3.3
Total sales	**1,811**	**1,875**	**(3.4)**
EBITDA	215	285	(24.6)
Trading profit	**174**	**246**	**(29.3)**
Net Regular Interest	(116)	(145)	20.2
Adjusted PBT	**58**	**101**	**(42.6)**
Tax @ 26.5%/28%	(15)	(28)	46.4
Adjusted profit	**43**	**73**	**(41.1)**
Ongoing business adjusted earnings per share (pence)	**1.8**	**3.0**	**(40.8)**

Note: Ongoing business results are stated as if the disposals of Meat-free, Canned grocery, Brookes Avana and Irish Brands businesses had been completed on 1 January 2010

One-off items are profit neutral

- Pension credits
  - H2 credit of £27m on ongoing business due to change from RPI to CPI
  - Relates to Premier Foods scheme, RHM scheme discussion ongoing
  - Follows £10m pension credit in H1 and £12m credit in 2010
- Aged receivables
  - Following restructuring activity, a review of aged receivables resulted in a write-off and adjustment of associated commercial provisions totalling £37m
- Intangibles impairment
  - Impairment charge of £282m for Bread division
- Year end net debt
  - Headline net debt £995m (includes £30m Brookes Avana proceeds)
  - Average levels of net debt remain unchanged
  - Seasonality of working capital reduced

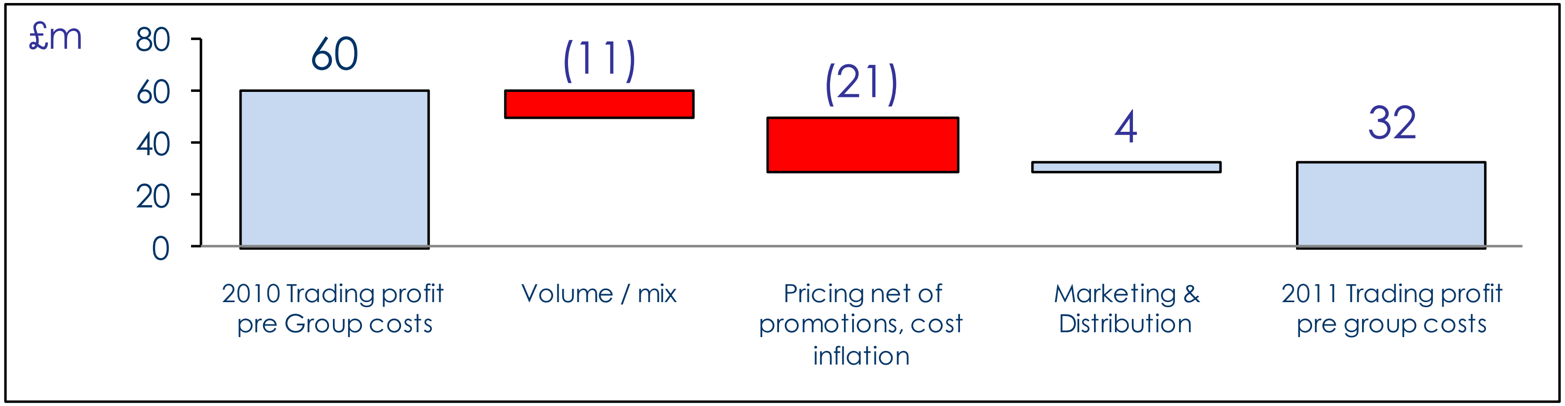
Grocery division Trading profit*



- Volume performance reflects challenging market conditions and customer disputes
- Procurement & manufacturing savings dealt back through promotions
- Aged receivables write-offs and associated commercial provisions £37m
- Lower marketing spend in 2011, will double in 2012
- Other admin costs largely due to pension credit

* Trading profit before Group costs

Bread division Trading profit*



- Volume declines reflect market performance, customer disputes and non-branded contract loss
- Milling profitability impacted by pricing pressure and industry over-capacity
- Promotional activity in 2011 remained high in the bread category
- Lower marketing spend and distribution efficiency benefits

* Trading profit before Group costs

Group cost adjustments

Trading profit (£m)	2011			2010		
	Grocery	Bread	Group	Grocery	Bread	Group
Ongoing business pre Group costs	**217**	**32**	**249**	**268**	**60**	**328**
Group costs	(53)	(23)	(76)	(58)	(25)	(83)
Group cost re-allocation	6	(6)	-	-	-	-
Ongoing business	**170**	**3**	**173**	**210**	**35**	**245**

- Total Group costs reduced by £7m in 2011
- Re-allocation of £6m reflects alignment of support function activity

2010 Trading profit (£m)	Grocery	Bread	Group
Ongoing business	**210**	**35**	**245**
Irish Brands	10	-	10
Brookes Avana re-allocation	8	4	12
Previously reported	**228**	**39**	**267**

- Trading profit re-stated to reflect re-allocation of Brookes Avana Group costs

Net loss due to impairment charge

£m	2011	2010
Ongoing business sales	1,811	1,875
Ongoing business Trading profit	**174**	**246**
Add: Canned grocery	5	28
Add: Irish Brands	9	10
Continuing Trading profit	**188**	**284**
Amortisation of intangible assets	(72)	(66)
Fair value movements on forex derivatives	(2)	(2)
Pension financing	17	4
Restructuring costs for disposed businesses	(10)	-
Re-financing costs	(4)	-
Impairment of intangibles	(282)	-
Loss on disposal	(11)	-
Operating profit	**(176)**	**220**
Net regular interest	(116)	(145)
Other interest	33	(46)
(Loss)/Profit before tax	**(259)**	**29**
Tax	**29**	**(25)**
Net (loss)/earnings	**(230)**	**4**
Basic (Loss)/earnings per share from continuing operations	**(9.6p)**	**0.2p**

Recurring Cash Flow

£m	2011	2010
Ongoing business Trading profit	**174**	**246**
Depreciation	42	39
Other non-cash items	(25)	16
Interest	(108)	(118)
Taxation	(3)	(2)
Pension contributions	(75)	(64)
Regular capital expenditure	(62)	(59)
Working capital	0	11
Recurring cash flow from ongoing business	**(57)**	**69**

- Recurring cash flow lower due principally to trading performance
- Lower interest costs partly offset by phasing adjustment
- Other non-cash items principally due to add-back of pension credit

Cash Flow

£m	2011	2010
Recurring cash flow from ongoing business	**(57)**	**69**
Trading profit – disposed businesses	(11)	65
Other cash flows – disposed businesses	(40)	(18)
Recurring cash flow from total Group	**(108)**	**116**
Net disposal proceeds	400	9
Financing fees & finance leases	(7)	(40)
Movement in net debt	**285**	**85**

- Disposal proceeds reflect completion of Meat-free, Canned grocery and Brookes Avana
- Other cash outflows from disposed businesses due to adverse working capital
- Proceeds from Irish Brands disposal c.£34m received in Q1 2012

2012 – stabilising performance against a tough backdrop

- Cost inflation lower than 2011 but less aggressive pricing
- Competition intense – continuing high level of promotional activity (own label & branded)
- Impact of customer disputes not yet fully recovered
- Doubling of marketing investment to build branded growth sustainably
- Significant overhead and manufacturing cost reductions/productivities

Growth strategies

Priorities set to stabilise the business

- Focus investment behind Eight Power Brands
  - Seven Power Brands back on TV in H1
- Strengthen capabilities
  - New leadership in place, focus on execution & delivery
- Divest selected businesses to sharpen focus
  - Brookes Avana and Irish Brands disposals completed
- Right-size and reduce the company’s cost base
  - Overhead cost reduction target doubled to >£40m by 2013
- Agree a re-financing package with the banks
  - Consent to re-financing package obtained

Re-financing context

- Business requires space to repair & restructure (business is not broken)
- Management taken lead in constructing self-help solutions
- Robust business plan, independently stress-tested and supported by all parties
- Collaboration from all stakeholders in the collective interest
- Syndicate of 28 banks, 3 pension schemes and 6 swap counter-parties
- Consent enables management to focus on executing growth strategies

Re-financing package

- Package subject to formalities of final documents being signed, expected by end March
- Bank facilities extended to June 2016
  - Total facilities of £1,432m
  - Term loan £733m, RCF £500m, additional term loan c.£199m
  - Covenants re-set
  - Existing margin of 2.25% to Dec 2013, 3.25% thereafter
  - Next amortisation payment June 2014
- Swaps converted to additional term loan c.£199m
- Securitisation programme now £120m
  - Disclosure as part of net debt
  - Margin of 3.5%, set-up fee £3m
- New amortising swap c.£750m
  - Rate of c.1.55%, effective July 2012

Fees and covenants

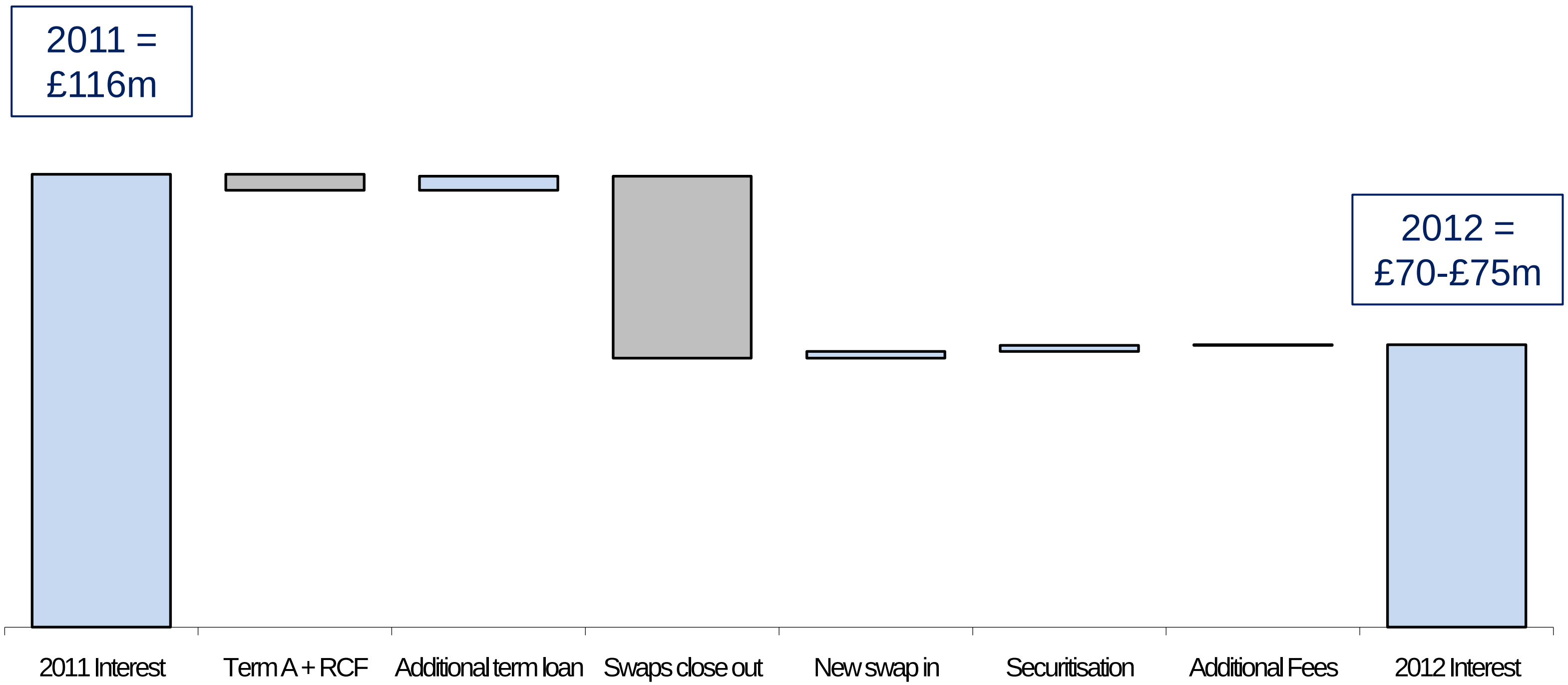
Fees	
Consent fee	1% on outstanding facilities
Existing deferred fee	0.5% on current facilities, paid Dec 2013
New deferred fee	2.0% on facilities 28 Mar 2013 - 27 Mar 2014
	2.5% on facilities 28 Mar 2014 - 27 Mar 2015
	3.0% on facilities 28 Mar 2015 - 27 Mar 2016

Covenant tests	Net debt / EBITDA	EBITDA / Interest
30 June 2012	6.96x	2.37x
31 Dec 2012	5.87x	3.69x
30 June 2013	5.26x	4.50x
31 Dec 2013	4.52x	4.50x
30 June 2014	4.66x	4.50x
31 Dec 2014	3.92x	4.50x
30 June 2015	3.82x	4.50x
31 Dec 2015	3.26x	4.50x

Further terms

- Pension deficit contributions deferred until 1 January 2014, no increase in deficit contributions before 2016
- Cash sweep in February 2014 shared between banks, swap counterparties and pension schemes
- Disposal proceeds to be shared between banks and swap counterparties
- Requirement to realise £330m net disposal proceeds by 30 June 2014; progress milestones apply

Net regular interest guidance 2012



- Conversion of previous swap portfolio to Term debt significantly reduces net regular interest in 2012
- Total amortisation and deferred fees in 2012 c. £12-14m

Priorities reflected in growth strategies

'The Best in British Food'

Brands

- Invest and grow eight Power Brands
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  - Oxo, Bisto, Batchelors
- Entrepreneurial growth of support bands
- Dispose of selected businesses

Partners

- Engage our employees and embrace diversity
- Connect with consumers
- Win with customers
- Collaborate with all stakeholders

Focus

- Lean structure
- Simple processes
- Quality, health & safety
- Drive efficiency and effectiveness
  - Productivity
  - Service

Sustainability

- Results (financial and productivity metrics)
- Better choice portfolio and innovation
- Environmental programmes
  - Energy, Water, Waste
- Focused scale

BEHAVIOURS : FOCUS, BELIEF, TRUST

Power Brands are at the heart of our strategies

'The Best in British Food'

Brands	Partners	Focus	Sustainability

- **Invest and grow eight Power Brands**
  - Hovis, Mr. Kipling, Ambrosia
  - Sharwood's, Loyd Grossman
  - Oxo, Bisto, Batchelors
- **Entrepreneurial growth of support bands**
- **Dispose of selected businesses**

Power Brands have the highest potential for growth

- Account for 68% branded revenue
- Operate in scale/large categories
- #1 or #2 in category
- Potential to extend to umbrella brands and broader categories

Connecting with consumers

1. Leverage ‘Britishness’
   – Brands & insights
   – Procurement
   – Supply chain
2. Expand into umbrella brands and broader categories
3. Align with consumer trends
   – Value
   – Convenience
   – Better-for-you choices
   – Meal solutions
4. Build connections through consistent advertising, innovation and promotions

1. Leverage 'Britishness'

2. Expand into umbrella brands

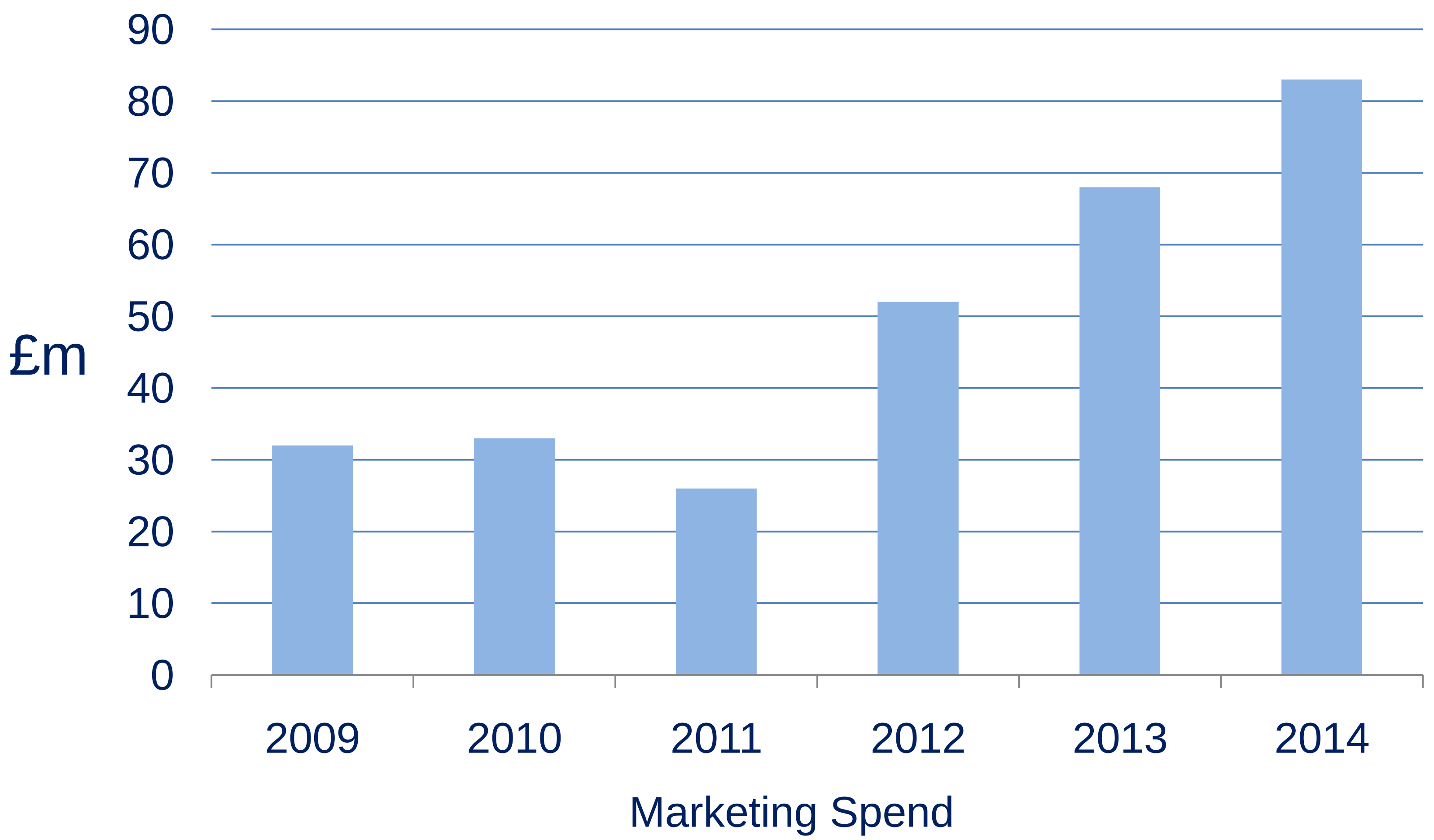
3. Align with consumer trends

‘Batchelors Fuelling Britain’

4. Build connections (value, convenience)

4. Build connections (value, convenience)

Increased marketing investment



Focused approach to restore Hovis growth

- Leverage 100% British wheat/no artificials
- Improve supply chain efficiency (milling, bakeries, logistics)
- Support innovation e.g. Farmers Loaf
- Extend brand to new categories
- Build on ‘healthy’ brand equity

Support brands & customer brands have a role to play

- Provide total category solutions
- Support Power Brands
- Profitable leverage of category leadership positions
- Asset utilisation
- Build partnerships with customers

Collaborative partner relationships are key

‘The Best in British Food’

Brands	Partners	Focus	Sustainability

- **Engage our employees and embrace diversity**
- **Connect with consumers**
- **Win with customers**
- **Collaborate with all stakeholders**

Broad customer base requires differentiated strategy

Multiple Retail	Wholesale & cash & carry	Impulse Retail	International
TESCO	BOOKER	SPAR	North America
ASDA		Esso	Europe
Sainsbury's			Middle East
M MORRISONS	3663 First for Foodservice	LONDIS best value locally	SE Asia
Waitrose, LIDL, Poundland, YOUR M&S, The co-operative, ALDI	COSTCO WHOLESALE		

Improving customer collaboration

From	To
• Activity-led transactional relationships • Absence of ambition for the categories we participate in, and the brands we represent • Absence of joint business plans and or the resources to support • 'Traded' by our customers at our expense	• Collaborative partners • A clear, compelling and quantified ambition for each category and brand, leveraging portfolio breadth and scale • A quantified opportunity for mutual growth (top and bottom-line) with identified strategic customers • Optimised pack, price, promotional architecture • Best in class modelling and analytical capability

Cost reductions will fuel growth

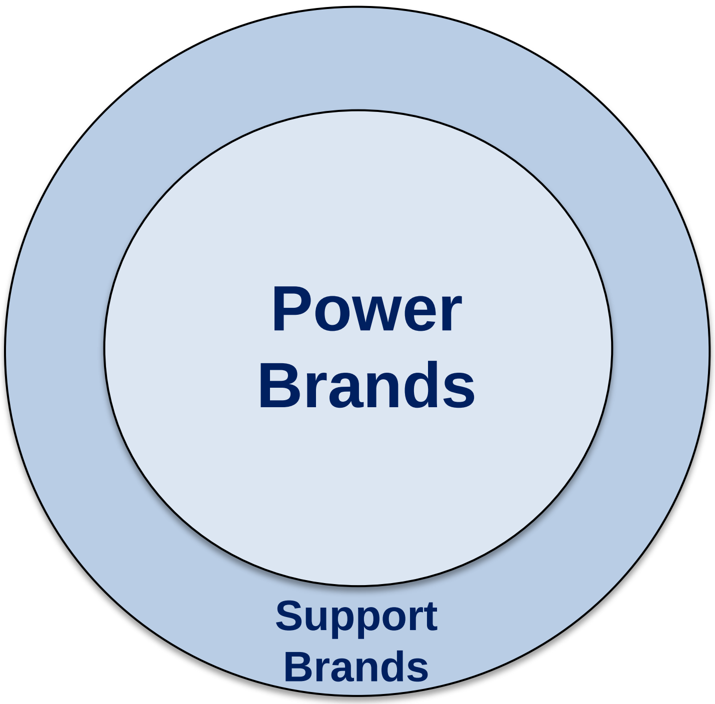
‘The Best in British Food’

Brands	Partners	Focus	Sustainability

Focus

- **Lean structure**
- **Simple processes**
- **Quality, health & safety**
- **Drive efficiency and effectiveness**
  - **Productivity**
  - **Service**

Selected disposals will add focus



- **Power Brands** – 68% branded revenue, highest growth potential
- **Support Brands** – supporting infrastructure, provide total category solutions, leverage market position, utilise assets
- **Other brands/businesses** - standalone infrastructure, non-core, lack of differentiation, - potential divestiture candidates

Net disposal proceeds of £400m in 2011 – over half way through planned disposal programme

Accelerating overhead savings

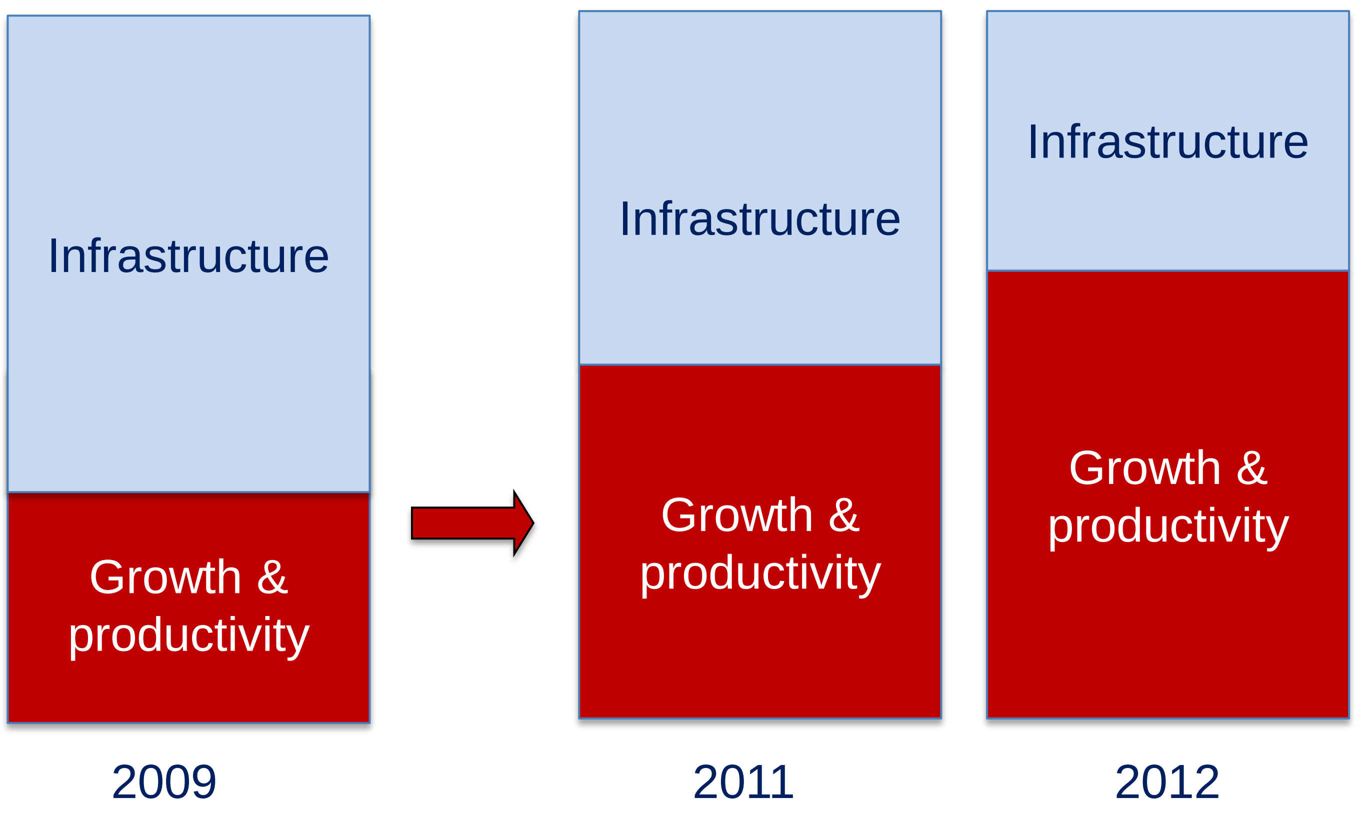
- Reduce complexity
- Adjust cost base to smaller business
- >£40m cost reductions by 2013
- One-off costs c.£21m in 2012

Supply chain will deliver further cost reductions & productivity

- Increased automation
- Consolidation of grocery logistics
- Improving waste yields
- More efficient bread supply chain
- Best in class procurement

Manufacturing controllable cost reduction of gross 4% Year on Year is sustainable

Capital spend focused on growth & productivity



Sustainability in everything we do

'The Best in British Food'

Brands	Partners	Focus	Sustainability
			• Results (financial and productivity metrics) • Better choice portfolio and innovation • Environmental programmes – Energy, Water, Waste • Focused scale

Driving sustainability

- Invest in brands, people and partnerships
- Expand better-for-you choices
- Continued high environmental/ethical performance

↓

- Deliver sustainable financial results

2012 outlook

- Challenging consumer environment
- Continue stabilisation of operational performance
- Enhance focus through selected disposals
- Create platform for future growth beyond 2012
  - Double consumer marketing investment (H1 weighted)
  - Accelerate and deliver major cost reduction programme
  - Build collaborative customer partnerships
- Performance so far, in line with expectations but still have a lot to do

Medium-term outlook

- Return to sales growth
- Gross margin % development
- Sustained increase in marketing spend
- Continued efficiency and cost reduction
- Reduced debt and interest costs
- Credible equity story

Q&A

Appendices

Definitions

- Trading profit is defined as operating profit before exceptional items, refinancing costs, restructuring costs and losses associated with divestment activity, amortisation and impairment of intangible assets, the revaluation of foreign exchange and other derivative contracts under IAS 39 and pension credits or charges in relation to the difference between expected return on pension assets, administration costs and interest costs on pension liabilities.
- In the interests of clarity, the results of the Group excluding the Meat-free business, Canned grocery, Brookes Avana and Irish Brands businesses are shown as Ongoing business to illustrate business performance following recent divestment activity. In the financial information, the results of the Meat-free and Brookes Avana businesses are shown as discontinued operations.
- Adjusted profit before tax is defined as Trading profit less net regular interest.
- Adjusted earnings per share is defined as Adjusted profit before tax less tax at a notional tax rate for the Group divided by the average number of shares in issue during the period.
- None of Trading profit, Adjusted profit before tax or Adjusted earnings per share is a measure of profitability defined under IFRS and may not be comparable from one company to another.

Results basis definitions

- Statutory basis
  - Meat-free and Brookes Avana are treated as discontinued
  - Canned grocery operations are treated as continuing and identified as ‘Disposed of Canning operations’
  - Irish Brands business is included in the results of the Grocery division
- Ongoing Business
  - Excludes Meat-free, Canned grocery, Brookes Avana and Irish Brands business
  - Assumes these four divestitures took place on 1 January 2010

Ongoing business performance

Sales (£m)	2011	2010	Growth (%)
Grocery	1,099.7	1,187.1	(7.4)
Bread	711.3	687.6	3.4
Total Ongoing business	**1,811.0**	**1,874.7**	**(3.4)**
Brookes Avana	195.4	203.6	(4.0)
Irish Brands	21.8	25.5	(14.9)
Total including Brookes Avana & Irish Brands	**2,028.2**	**2,103.8**	**(3.6)**

Trading profit (£m)	2011	2010	Growth (%)
Grocery	170.3	210.4	(19.1)
Bread	3.4	35.3	(90.4)
Total Ongoing business	**173.7**	**245.7**	**(29.3)**
Brookes Avana	**(11.6)**	**11.3**	**-**
Irish Brands	**9.2**	**10.1**	**(8.9)**
Total including Brookes Avana & Irish Brands	**171.3**	**267.1**	**(35.9)**

Other key financing terms

- Cash sweep mechanism:
  - Paid in February 2014 and shared between bank, swap counterparties and pension schemes
  - Annual cash sweep thereafter, excluding pension schemes

- Amortisation payments:
  - 30 June 2014 - £25m
  - 31 December 2014 - £25m
  - 30 June 2015 - £30m
  - 31 December 2015 - £30m

- Company is restricted from paying dividends

- Capital expenditure held in line with target of 3% of sales

Interest charges

£m	2011	2010	%
Bank debt interest	(40)	(58)	31.0
Securitisation interest	(3)	(2)	(50.0)
Swap contract interest	(60)	(71)	15.5%
Cash interest	**(103)**	**(131)**	**21.4**
Amortisation and deferred fees	(13)	(14)	7.1
Regular net interest charge	**(116)**	**(145)**	(20.0)
Unwind of provision discount	(2)	(1)	**-**
IAS 39 – fair valuation of financial instruments	37	(43)	-
Write off of financing costs	(2)	(2)	-
Reported net interest charge	**(83)**	**(191)**	**56.5**
Average debt	1,179	1,424	17.2
Effective coupon	8.7%	8.6%	

Taxation

- Taxation credit of £29.1m, equivalent to 11.2% on a Continuing operations loss of £259.1m
- Cash tax rates are minimal as a result of:
  - Current year losses
  - Capital allowances greater than depreciation charges
  - Partly offset by amortisation of intangible assets not eligible for tax relief
- The expected accounting tax rate for 2012 is anticipated to be 25.25%
- Cash tax in 2012 is anticipated to be similar to 2011

Pension valuation and assumptions

Key IAS 19 assumptions	31 Dec 2011	31 Dec 2010
Discount rate	4.80%	5.45%
Inflation rate	3.15% (CPI 1.95%)	3.45%
Expected salary increases (RHM/Premier)	4.15%/4.15%	3.30%/4.45%
Mortality assumptions	LTI 1.0%	LTI 0.75%
Expected return on assets (RHM/Premier)	5.8%/6.6%	6.70%/7.80%

Pension deficit (£m)	**31 Dec 2011**	**31 Dec 2010**
Assets	3,156	2,799
Liabilities	(3,438)	(3,120)
Deficit	**(282)**	**(321)**

Balance Sheet

£m	2011	2010
Fixed Assets – Property, plant & equipment	399	485
Fixed Assets – Intangibles / Goodwill	1,697	2,113
Total Fixed Assets	2,096	2,598
Assets held for sale	34	407
Working Capital		
Stock	137	135
Debtors	297	356
Creditors	(435)	(496)
Total Working Capital	(1)	(5)
Net debt		
Gross debt	(1,041)	(1,282)
Cash	46	2
Total Net debt	(995)	(1,280)
Other net liabilities	(561)	(730)
	573	990
Share capital & premium	1,149	1,149
Reserves	(576)	(159)
	573	990