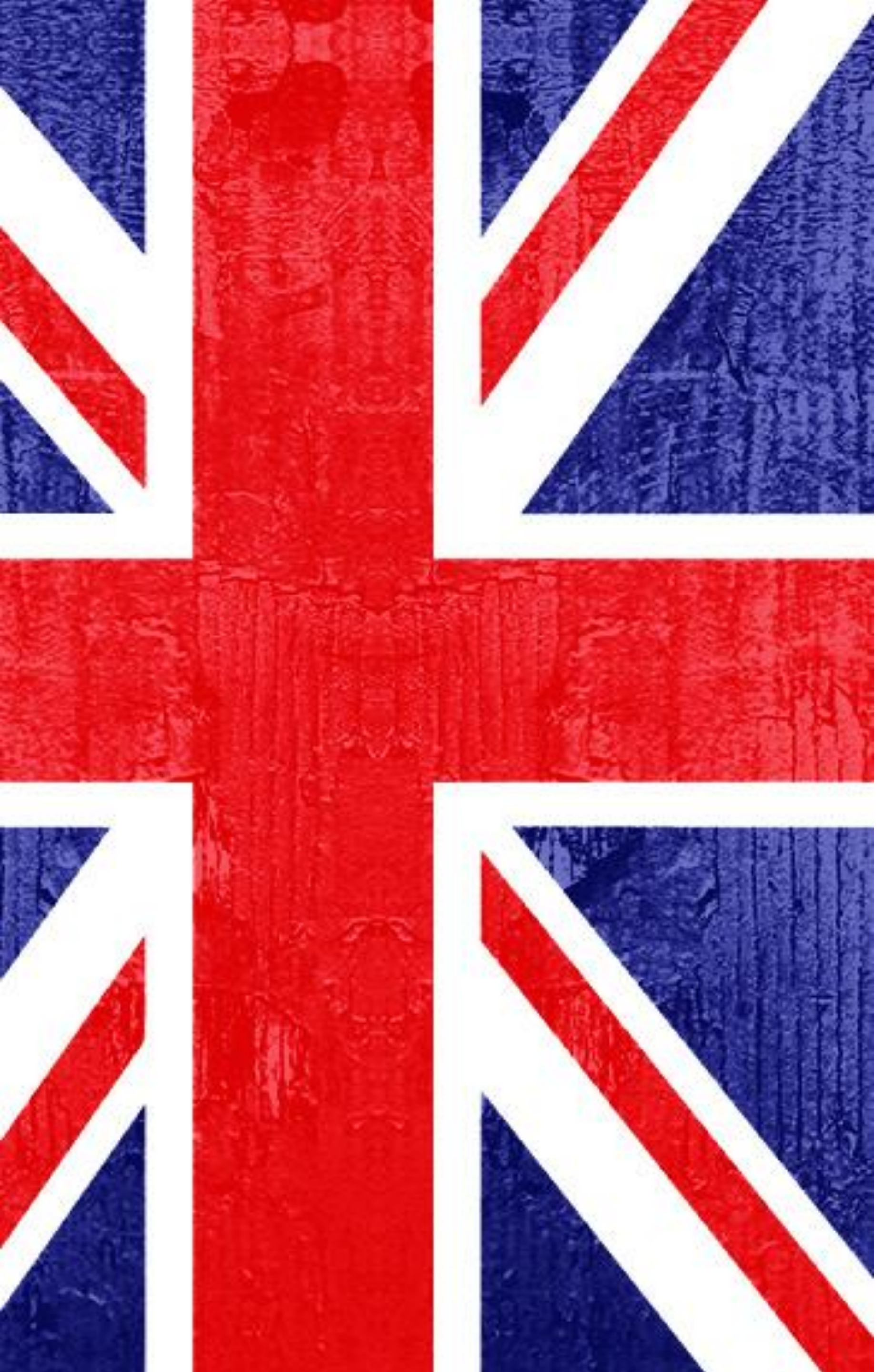


PREMIER FOODS

THE BEST IN BRITISH FOOD

2012 Half Year Results
&
Growth Strategies Update

7 August 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
- 2012 Half Year Results
- Growth Strategies Update
- Outlook
- Q&A

Delivering stabilisation and growth strategies on track

- Underlying sales (ex Milling) up 1.1%
- Power Brand sales up 2.0%, Grocery Power Brands up 4.9%
- Trading Profit up 3.2%
- Marketing investment increased 40%, supporting share gains
- Cost reduction programme of £40m savings by year end, ahead of 2013 plan
- Disposal programme on track
- Group remains cautious given the economic and trading environment
- Full year outlook unchanged

2012 Half Year Results

Mark Moran

Chief Financial Officer

Underlying business

- 'Underlying business' excludes the following items:
  - **Milling revenue** – Fluctuations in the cost of wheat can influence reported revenue, but not necessarily profit in this commodity-led business
  - **Commercial adjustments** – 2011 H1 element of aged receivables write-off and associated commercial provisions recognised at 2011 Full Year
  - **Non-core contract loss** – A non-core and discrete chocolate powder manufacturing contract loss in 2012 H1
  - **Other credits** - Movement from RPI to CPI for RHM Pension Scheme inflation assumption, partly offset by charge relating to retirement age equalisation and other balance sheet adjustments including increased onerous lease provision

Net loss due to financing & restructuring costs

£m	2012 H1	2011 H1
Underlying business sales	**757**	**749**
Underlying business Trading profit	**53**	**52**
Ongoing business Trading profit	**72**	**70**
Add: Canned grocery	1	8
Add: Irish Brands	-	4
Continuing Trading profit	**73**	**82**
Amortisation of intangible assets	(26)	(36)
Fair value movements on forex derivatives	(1)	2
Pension financing	7	9
Restructuring costs for disposed businesses	(18)	-
Re-financing costs	(1)	-
Operating profit	**34**	**57**
Net regular interest	(42)	(59)
Other interest	(19)	13
(Loss)/Profit before tax	**(27)**	**11**
Tax	**(1)**	**2**
Net (loss)/earnings	**(28)**	**13**
Basic (Loss)/earnings per share from continuing operations	**(11.6p)**	**5.5p**

Power Brands sales up 2.0%

Sales (£m)	2012 H1	2011 H1	Growth (%)
Power Brands	**419**	**410**	**2.0%**
Support brands	182	189	(3.6%)
Total branded	**601**	**599**	**0.3%**
Non-branded	156	150	4.3%
Total	**757**	**749**	**1.1%**
Power Brands Sales %	***55.3%***	***54.8%***	***+0.5ppt***

- Power Brands up 2.0% due to improved focus on customer collaboration, increased marketing activity and reflected in market share gains
- Support brands sales declined 3.6%, reflecting short-term trading activity and favourable accounting adjustments in prior year
- Non-branded sales up 4.3% due to contract gains in cake, preserves and bread

Underlying business trading results

£m	2012 H1	2011 H1	%
Branded sales	601	599	0.3%
Non-branded sales	156	150	4.2%
Total sales	**757**	**749**	**1.1%**
EBITDA	73	71	2.9%
Trading profit	**53**	**52**	**3.2%**
Net Regular Interest	(42)	(59)	28.9%
Adjusted PBT	**11**	**(7)**	**-**
Tax @ 24.5%/26%	(3)	2	-
Adjusted profit	**8**	**(5)**	**-**
Underlying business adjusted earnings/(loss) per share (pence)	**3.3p**	**(2.1p)**	**-**

Note: Underlying 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 2011

Grocery division

£m	2012 H1	2011 H1	Growth (%)
Branded sales	417	410	1.7%
Non-branded sales	87	82	6.5%
Total sales	**504**	**492**	**2.5%**
Power Brands sales %	*48.7%*	*47.6%*	*+1.1ppt*
Divisional contribution*	**95**	**100**	**(4.4%)**

- Power Brands sales growth in Grocery up 4.9%, with strong sales growth from Loyd Grossman, Mr. Kipling and Batchelors
- Marketing investment £8.0m higher than prior year
- Intense competitive environment continues with promotional activity levels continuing their upward trend
- Manufacturing controllable cost savings delivered £3.6m benefit

* Divisional Contribution is stated before SG&A costs

Bread division

£m	2012 H1	2011 H1	Growth (%)
Branded bread sales	184	190	(2.9%)
Non-branded bread sales	69	68	1.7%
Total bread sales	**253**	**258**	**(1.7%)**
Milling sales	95	103	(8.3%)
Total sales	**348**	**361**	**(3.6%)**
Power Brands Sales %	*68.6%*	*68.6%*	*0.0ppt*
Divisional contribution*	**23**	**31**	**(27.0%)**

- Hovis maintained branded market share in H1 with lower volumes in a declining market
  - New 'Farmer's Loaf' launch supported by strong advertising
- Promotional activity in the category continues at high levels
- Supply chain cost to serve remains high with plans to address
- Additional impact of stabilisation and restructuring, and re-alignment of cost classification and accounting treatment

* Divisional Contribution is stated before SG&A costs

Group Trading profit

£m	2012 H1	2011 H1	Growth (%)
Grocery divisional contribution	95	100	(4.4%)
Bread divisional contribution	23	31	(27.0%)
Group SG&A costs	(65)	(79)	18.1%
Group Trading profit	**53**	**52**	**3.2%**

- Cost savings programme is well underway
- Achievement of previously announced £40m savings will now be delivered by end of 2012, ahead of 2013 plan
- Further cost saving opportunities to be identified and delivered in 2013 as we divest businesses
- Pension credit offset by certain provisions in ‘Ongoing business’

Recurring Cash Flow

£m	2012 H1	2011 H1
Underlying business Trading profit	**53**	**52**
Adjustments	19	18
Ongoing business Trading profit	**72**	**70**
Depreciation	20	20
Other non-cash items	(27)	0
Interest	(35)	(41)
Taxation	0	0
Pension contributions	(24)	(40)
Regular capital expenditure	(27)	(33)
Working capital	(1)	(4)
Recurring cash flow from ongoing business	**(22)**	**(28)**

- Recurring cash flow adverse £22m; full year positive recurring cash flow expected
- Other non-cash relates to pension credits partly offset by regular pension charge and share-based payments
- Capital expenditure in line with expectations
- Pension includes c £14m of regular cash contributions

Cash Flow

£m	2012 H1	2011 H1
Recurring cash flow from ongoing business	**(22)**	**(28)**
Trading profit & other cash flows– disposed businesses	(1)	(25)
Restructuring activity relating to disposed businesses	(9)	(0)
Operating cash flow from total Group	**(32)**	**(53)**
Net disposal proceeds	35	196
Financing fees & finance leases	(25)	0
Movement in cash	**(22)**	**143**

- Restructuring activity includes costs associated with cost savings programme
- Disposal proceeds due to completion of Irish Brands business
- Financing fees following conclusion of re-financing agreement
- Further proceeds of £75m from Vinegar and Sour Pickles and Elephant Atta Ethnic Flour business to be reflected in H2

Net debt

	£m
Net debt at 31 December 2011	**995**
Additional term loan	188
Securitised debtors programme	74
Pro forma Net debt at 31 December 2011	**1,257**
Cash outflow 2012 H1	22
Other	(10)
Net debt at 30 June 2012	**1,269**

- Additional term loan crystallised at £188m, lower than the £199m originally estimated
- Securitised debtors now on balance sheet as previously disclosed
- Cash outflow in 2012 H1 of £22m
- ‘Other’ reflects movement in capitalised debt issuance costs

Growth Strategies Update

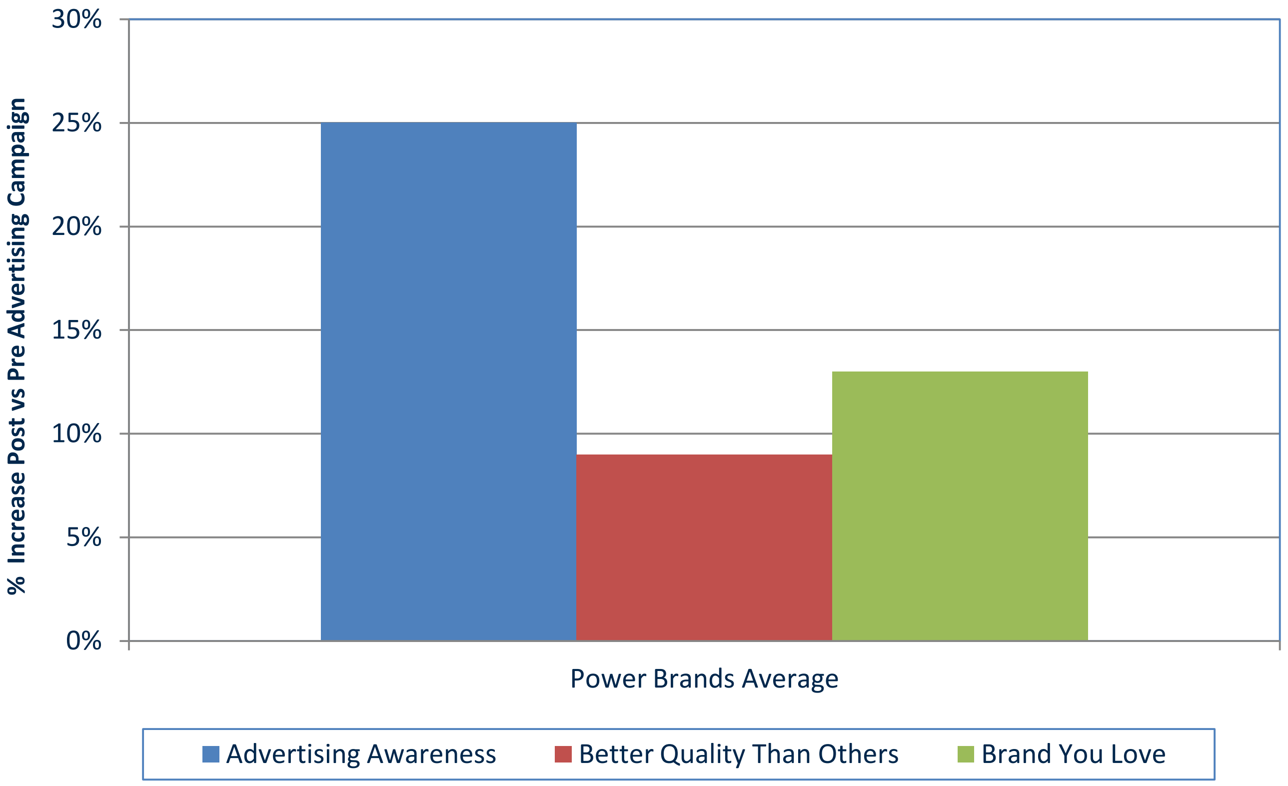
Priorities set to stabilise the business

- Focus investment behind Power Brands
  - Seven Power Brands back on TV in H1, more to come in H2
- Strengthen capabilities
  - New leadership in place, focus on execution & delivery
- Divest selected businesses to sharpen focus
  - Vinegar & sour pickles and Elephant Atta disposals completed
- Right-size and reduce the overhead cost base
  - Overhead cost reductions will deliver £40m target by end 2012
  - Ahead of 2013 plan
- Sustainability in everything we do
  - Sustained brand investment and portfolio management
  - Continuous improvement in environmental, nutrition, quality and health & safety performance

Continuing to invest in Power Brands

New product innovation

Brand health* measures improving



- Significantly improved brand health measures following H1 advertising campaigns

* Source: Millward Brown, June 2012, % increase in brand measure pre vs post advertising campaigns

Building customer partnerships

MAJOR MULTIPLE RETAILERS & DISCOUNTERS

Focus

- Stronger dedicated teams

Focus on the right things

- Category growth
- Value Creation
- Service
  - Efficiency
  - Effectiveness

Engagement

- Building collaboration across all categories

Process

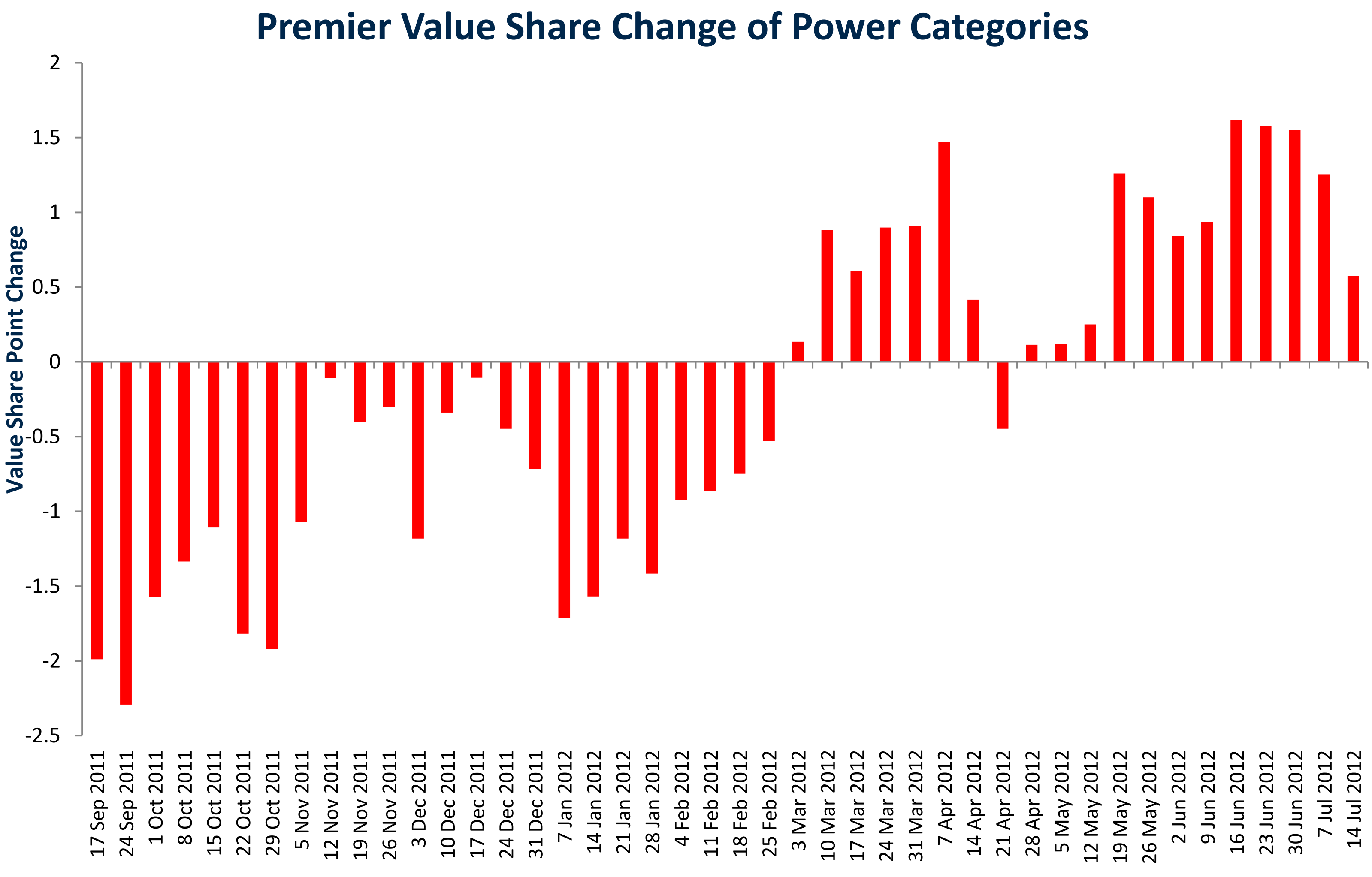
- Joint Business Plans
  - Sustainable growth
  - Collaboration
  - All categories
  - Shopper focused
- Common pricing architecture

Impact

Power Brand sales growth 2.2% in major multiple retailers

Smarter promotional investment

Power Brand portfolio consistently growing share



Planned disposals on track

Meat Free

Canned grocery

Chilled Retail Brands

Irish Brands

Vinegar & Sour Pickles

Ethnic Flour

….increasing portfolio focus

Accelerating overhead savings

- Reduce complexity through greater focus
- Adjust cost base to smaller business
- £40m cost reductions by end 2012 (vs 2013)
- Further cost reductions in 2013

On track to deliver supply chain cost reductions/productivity

- Gross 4% reduction in manufacturing controllable costs on track
- Grocery logistics consolidated
- Addressing opportunities for more efficient bread supply chain
- Best in class procurement

2012 outlook remains unchanged

- Delivering on all our strategic priorities, and growing share
- Continue stabilisation of operational performance
- Sharpening focus through selected disposals
- Macro economic climate creates uncertainty
- Challenging consumer and retail environment
- Full year expectations unchanged

Q&A

Appendices

Definitions

- Trading profit is defined as operating profit before 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.
- 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

- Reported (statutory) basis
  - Brookes Avana is treated as discontinued
  - Canned grocery operations are treated as continuing and identified as ‘Disposed of Canning operations’
  - Irish Brands business 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 2011
- Underlying Business
  - Ongoing business adjusted for specific items:
    - Milling revenue
    - Other credits, Pension credits partly offset by onerous lease provisions
    - Commercial adjustments
    - Major contract loss

Ongoing - Underlying business

£m	Ongoing Business	Milling revenue	Commercial Adjs.	Contract Loss	Other Credits	Underlying Business
2012 H1						
Sales	**852**	(95)	-	-	-	**757**
Trading profit	**72**	N/A	-	-	(19)	**53**
2011 H1						
Sales	**873**	**(103)**	**(12)**	**(9)**	**-**	**749**
Trading profit	**70**	**N/A**	**(6)**	**(2)**	**(11)**	**51**

Interest charges

£m	2012 H1	2011 H1	%
Bank debt interest	(19)	(22)	13.2%
Securitisation interest	(1)	(1)	-
Swap contract interest	(14)	(29)	51.2%
Cash interest	**(34)**	**(52)**	**34.1%**
Amortisation and deferred fees	(8)	(7)	(13.2%)
Regular net interest charge	**(42)**	**(59)**	28.7%
Unwind of provision discount	(1)	(0)	-
IAS 39 – fair valuation of financial instruments	(7)	14	-
Write off of financing costs	(11)	(1)	-
Reported net interest charge	**(61)**	**(46)**	**(33.8%)**
Average debt	1,213	1,268	4.3
Effective coupon	5.7%	8.3%	

Taxation

- 2012 H1 charge on continuing activities - £0.5m
  - Tax arising on disposal of Irish Brands - £1.2m
  - Deferred tax - £2.0m
  - Credit of £2.7m reflecting reduction in statutory tax rates
- UK Cash tax for 2012 and 2013 is expected to be minimal as a result of:
  - Capital allowances in excess of depreciation charges
  - Pension contributions in excess of the profit and loss charge
  - Increased by the amortisation of intangible assets that are not eligible for tax relief
- The notional rate of corporation tax for 2012 is 24.5% reducing to 23.25% in 2013, and 22.0% in 2014

Pension valuation and assumptions

Key IAS 19 assumptions	30 June 2012	25 June 2011	31 Dec 2011
Discount rate	4.70%	5.45%	4.80%
Inflation rate	2.90% (CPI 1.70%)	3.50%	3.15% (CPI 1.95%)
Expected salary increases	3.9%	4.5%	4.15%
Mortality assumptions	LTI +1.0%	LTI +0.75%	LTI +1.0%

Pension deficit (£m)	30 June 2012	25 June 2011	31 Dec 2011
Assets	3,191	2,872	3,156
Liabilities	(3,464)	(3,145)	(3,438)
Deficit	**(273)**	**(273)**	**(282)**
Deficit net of deferred tax	**(207)**	**(202)**	**(212)**

Balance Sheet

£m	2012 H1	2011 H1
Fixed Assets – Property, plant & equipment	464.8	530.0
Fixed Assets – Intangibles / Goodwill	1,589.9	2,018.6
Total Fixed Assets	2,054.7	2,548.6
Assets less liabilities held for sale	32.5	166.1
Working Capital		
Stock	149.1	160.3
Debtors	274.2	308.4
Creditors	(351.7)	(444.9)
Total Working Capital	71.6	23.8
Net debt		
Gross debt	(1,318.1)	(1,255.6)
Cash	48.7	115.9
Total Net debt	(1,269.4)	(1,139.7)
Other net liabilities	(389.3)	(623.9)
	500.1	974.9
Share capital & premium	1,148.7	1,148.7
Reserves	(648.6)	(173.8)
	500.1	974.9