



**March 31, 2011 Year End
and Q1 2011/12
results & outlook**

Presented By

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Friday, 18th August, 2011

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Cautionary Note

This presentation contains or will contain forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward-looking statements.

These statements reflect management's current beliefs and are based on information currently available to the management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Honeywell Flour Mills Plc. cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements.

These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Company's disclosure materials filed from time to time with Securities & Exchange Commission in Nigeria.

The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

OPENING

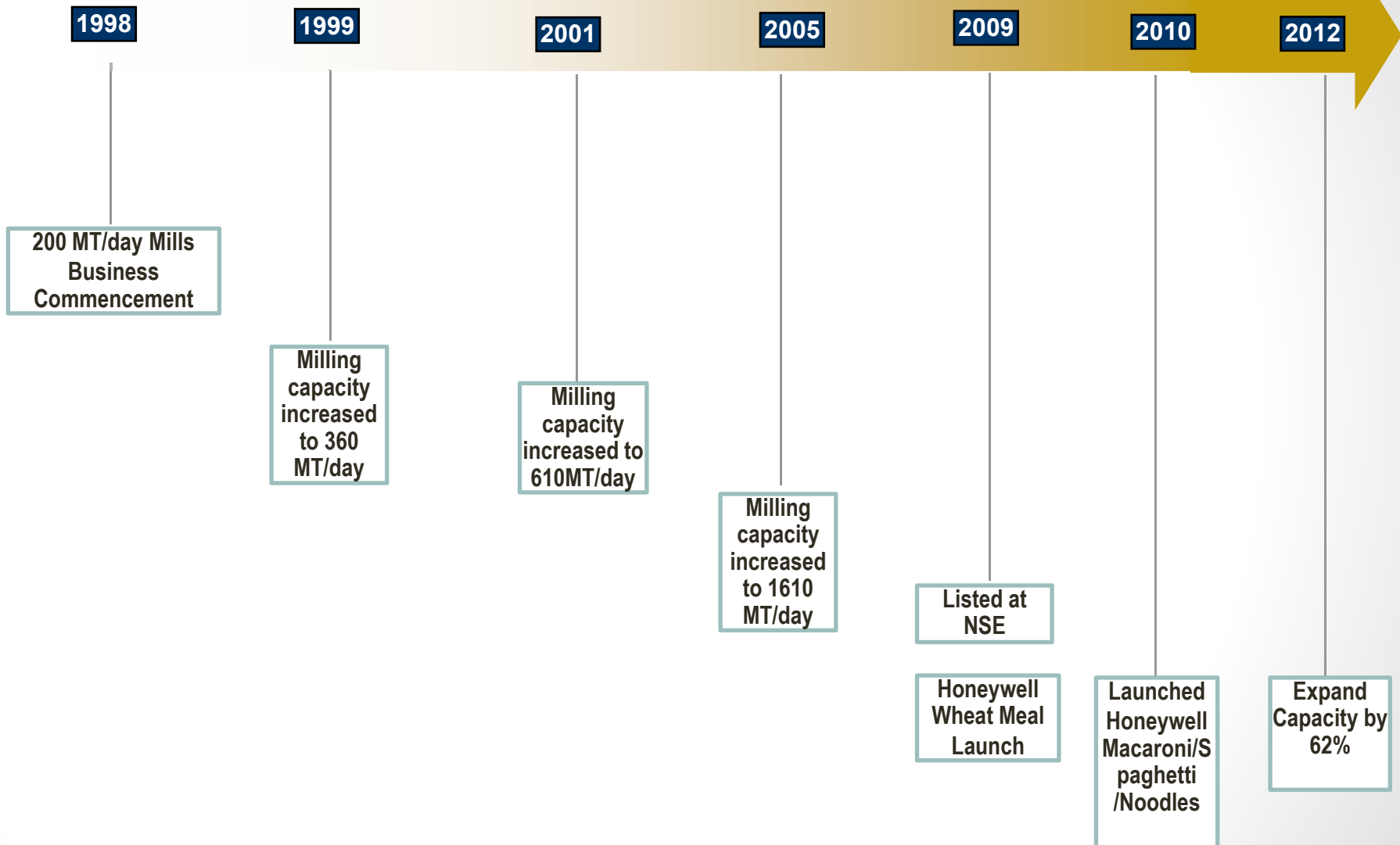
- Ladies & Gentlemen good afternoon and welcome to the Honeywell Flour Mills Plc conference call in which we share more insights into our March 31, 2011 Year End and Q1 2011/12 results and outlook

OPENING

- Presentation of facts behind our financial performance for;
 - the year ended March 31, 2011 and
 - the 1ST Quarter ended June 30, 2011

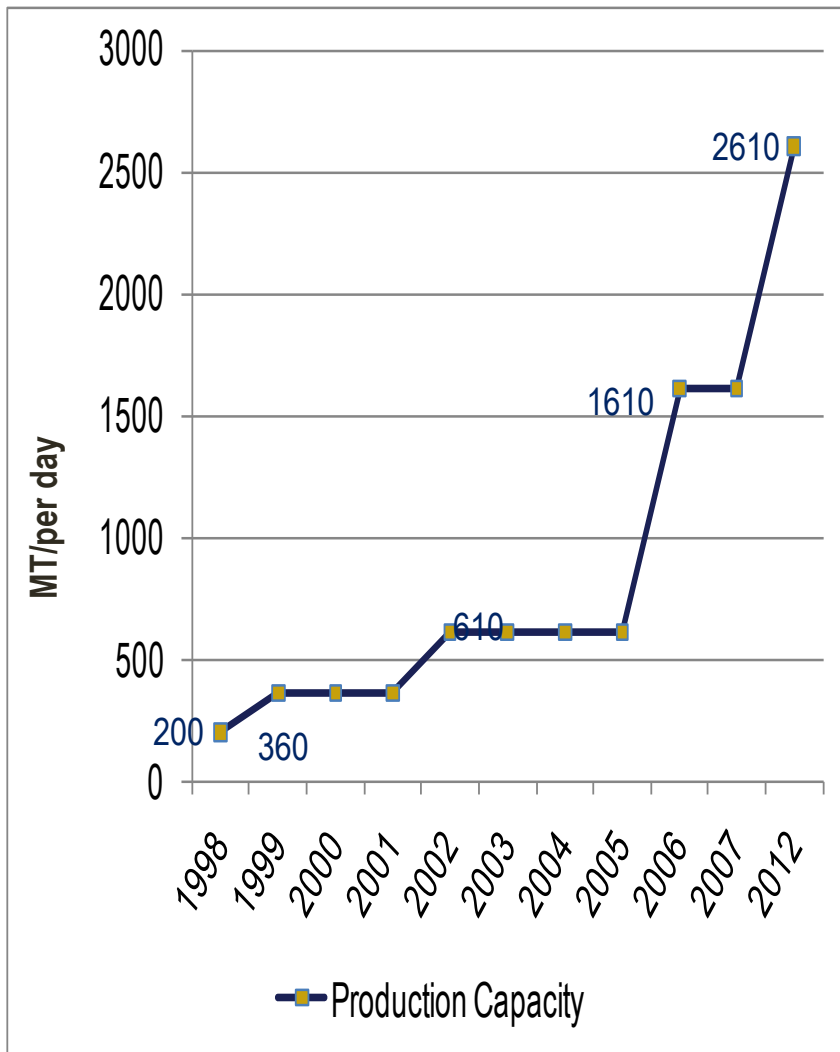
THE COMPANY PROFILE:

Key Milestones



THE COMPANY PROFILE

Key Milestones



- HFMP has consistently expanded its production capacity in an effort to meet the increasing demand for its quality products.
- Production capacity is up 700% over 1998, and in 2012 capacity will be 1,200% up against the 1998 start-up capacity

THE COMPANY PROFILE:

Governance and Financial Reporting

- The Board of Directors consists of 8 members; the Non-Executive Chairman, 5 Non-Executive Directors and 2 Executive Directors. The Board meets quarterly.
- Experienced , trusted and committed Board of Directors under the chairmanship of Dr. Oba Otudeko, former President of the Nigerian Stock Exchange.
- The Management is well respected and highly regarded in the flour milling industry as well as in Africa and the Middle East.
- The CEO is:
 - The Vice Chairman, Flour Milling Association of Nigeria
 - A member of the Leadership Council , International Association of Operative Millers, Middle East/Africa.
- The Company is on track to meet the 2012 deadline set by Securities and Exchange Commission(SEC) for with the International Financial Reporting Standards (IFRS) adoption.

COMPANY PRODUCTS :

Quality Products, Strong Brands

- The Company is a market leader in flour and wheat-based products ,and is renowned for its quality.
- Our consumer products can now be found in African stores in many parts of the UK and the USA.

COMPANY PRODUCTS :

Quality Products, Strong Brands



Honeywell Superfine Flour

Bakers' preference for baking bread, cakes, biscuits, pastries and other confectioneries.



Honeywell Semolina

Introduced in June 2006. Positioned in the market as a ready alternative to local ball foods. The leading Semolina brand in terms of quality



Honeywell Brown Flour

Used in baking 'whole wheat' bread. A healthier alternative to regular flour

COMPANY PRODUCTS : *Quality Products, Strong Brands*



Honeywell Whole Wheat Meal

- *Introduced in June 2009. A healthier alternative to local ball foods.
- *Maintained its distant number one position in the market.



Honeywell Noodles

Noted for distinct and attractive packaging, superior quality and taste.



Honeywell Spaghetti and Macaroni

Launched in 2010.

Attractively packed and preferred by consumers for superior quality. Most sought after amongst all brands.

FINANCIAL HIGHLIGHTS :-

Financial Year Ended (12-Months)

| (Nb) | March 2011 | March 2010 | (%) Change |
|----------------|--------------|--------------|------------|
| Turnover (Nb) | 34.06 | 33.53 | ↑ 2% |
| PBT(Nb) | 3.51 | 2.33 | ↑ 51% |
| Taxation (Nb) | 1.02 | 1.15 | ↓ -11% |
| PAT (Nb) | 2.49 | 1.18 | ↑ 112% |
| Dividend (Nb) | 1.03 | 0.87 | ↑ 18% |
| EPS (kobo) | 31.43 | 14.83 | ↑ 112% |
| Dividend Yield | 3% | 1% | ↑ 200% |
| Earnings Yield | 7% | 2% | ↑ 250% |

Strong year-end results and a significant improvement in PAT by 112%

FINANCIAL HIGHLIGHTS:-

First Quarter Ended 30TH June 2011 (3-Months)

| (Nb) | June 30, 2011 | June 30, 2010 | (%) Change |
|---------------|---------------|---------------|------------|
| Turnover (Nb) | 9.32 | 9.16 | ↑ 2% |
| PBT (Nb) | 0.16 | 0.88 | ↓ 82% |
| Taxation (Nb) | 0.07 | 0.37 | ↓ 81% |
| PAT (Nb) | 0.09 | 0.50 | ↓ 82% |

THE FACTS:-

Sales

- First quarter Earnings were affected by the lost selling days during the election season, heavy rains and bad roads, and traffic congestion in Apapa.
- Delivery Trucks had great difficulty accessing factory facility.

THE GOOD NEWS: Better road conditions, earnings have been ramped up in the second quarter

THE FACTS:-

Margins

- High wheat price, almost doubling, was experienced during the first quarter. Effect of the high wheat prices was the reduction in margins of the global flour milling industry.
- The flour milling industry was unable to pass all cost increases to the customers.

THE GOOD NEWS: Price of wheat is coming down and margins are also going up .Second quarter is looking great.

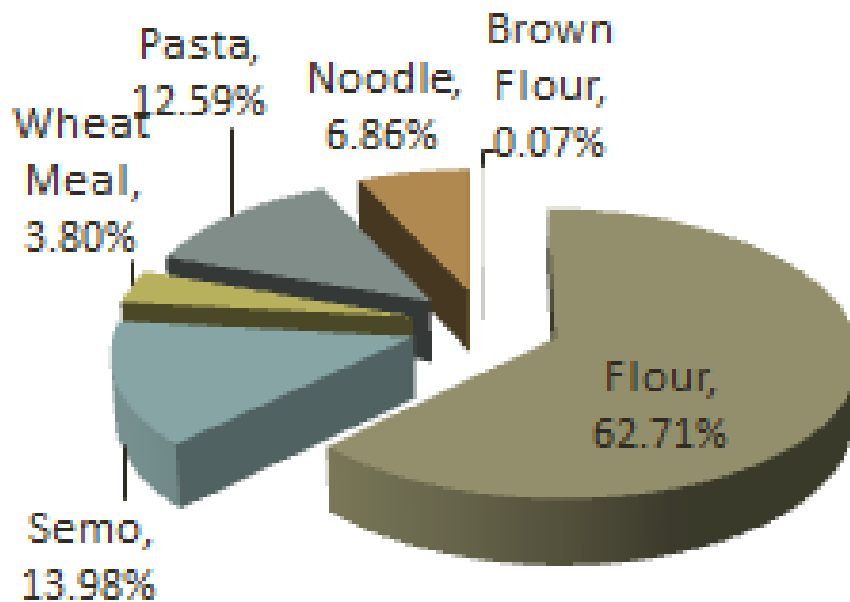
THE GOOD NEWS:

- The price of wheat is coming down and this is helping to increase our margins.
- Consumer demand remains strong
- The company is creating additional milling capacity which will support earnings growth and reduce profit volatility.

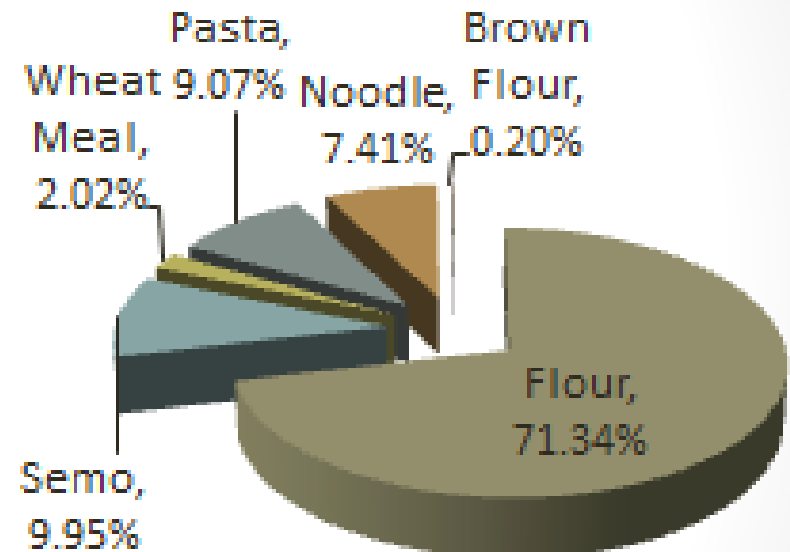
THE FACTS:-

Earnings Contribution Analysis - (3 Months)

First Quarter:30th June, 2011



First Quarter:30th June, 2010



Continuous Shift (10 percentage points) from flour to higher margin products.(Margins are rising)

THE FACTS:-

Treasury Performance

- The performance of FY2011 was positively and materially affected by the improved treasury management .

| | 31 st March 2011 | 31 st March 2010 |
|---------------------|-----------------------------|-----------------------------|
| | Nm | Nm |
| Net Interest Income | 769 | 214 |

- An even better treasury management outcome is expected in the second quarter.

THE FACTS:-

Factory Capacity

- Factory runs at close to full capacity. Industry average is 40%
- A factory capacity growth is inevitable. Expansion plans are underway and on track. A 62% capacity increase will take cumulative expansion from 1,610MT to N2,610MT/day.
- Factory capacity is 9% of industry capacity but market share is presently 12% .

THE FACTS:-

Factory Capacity

- An investment of US \$65 million in additional milling plant, storage and packing facilities is being implemented.
- Planned expansion in capacity takes us to 11% of industry capacity and to about 20% of the market share, ceteris paribus.

GOOD NEWS: 20% market share in a population of N150million is a notable market position.

THE GOOD NEWS:

- The new mills will allow the Company drive production capacity to higher margin products such as Wheat Meal and Semolina.
- The first of the twin mills is expected to be completed and commissioned in the first half of 2012.

THE GOOD NEWS:

- This strategic move will enhance the Company's ability to withstand the volatility of input costs, such as wheat, by better matching product prices to fluctuating input costs.

DIVIDEND:-

Our policy:

- Provide Shareholders with sustainable dividend payout
- Maximize Shareholders' value in the long term.

DIVIDEND:-

- Consequently, the Board has recommended a dividend of N1.031 billion, representing 13 kobo per share, subject to the approval of shareholders at the AGM on September 26, 2011.

DIVIDEND:-

- Dividend will be paid on September 27, 2011, net of appropriate withholding tax.
- Proposed dividend payment represents an increase of 18% when compared with 11 kobo for the year ended 31st march,2011.

FUTURE OUTLOOK

- Increased milling capacity should further drive the positive growth in turnover
- Planned increase in production capacity and reduction in the cost of wheat which is the primary production input should improve bottom-line significantly
- We expect the strong demand for our products to remain stable
- Significant earnings and profit growth are indicated.

FUTURE OUTLOOK

| (Nm) | Actual | | Forecast | | | |
|----------|---------------------|------|---------------------|------|---------------------|------|
| | Q1 to June 30, 2011 | | Q2 to Sept 30, 2011 | | H1 to Sept 30, 2011 | |
| Turnover | 9,317 | 100% | 11,897 | 100% | 21,214 | 100% |
| PBT | 162 | 2% | 1,047 | 9% | 1,209 | 6% |
| PAT | 91 | 1% | 745 | 6% | 836 | 4% |

➤ The second quarter promises a significant uplift in these parameters, whilst the planned expansion also assures sustainability, as well as growth.

CONCLUSION

Many thanks for your kind attention

questions?