

EXceptional in experience, World-Class in aviation handling

At nahcoaviance, our experience in aviation ground handling is breeding excellence every day. For over 30 years, we've been handling cargo, aircraft and passengers for reputable clients, using high quality trained manpower, leveraging on most sophisticated modern technology and benchmarking global best practices.

Indeed, no one handles aviation like we do.



**NIGERIAN AVIATION
HANDLING COMPANY PLC**

HEAD OFFICE: Nahco House, Murtala Muhammed Int'l Airport, P.M.B 013, Ikeja, Lagos. Tel: +234(1) 7741161-65, E-mail: info@nahcoaviance.com

STATIONS: LAGOS ABUJA ENUGU KANO KADUNA PORT HARCOURT UYO

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2011 Annual Report & Accounts



T R A N S F O R M A T I O N



**NIGERIAN AVIATION
HANDLING COMPANY PLC**

Member of

www.nahcoaviance.com

Our Vision

“To be the leading service provider in our markets in Africa”.



Our Mission

NAHCO is the leading provider of aviation handling services in Nigeria and will sustain its leadership position and become a key player in Africa.

This will be achieved by:

Continuously delivering distinctive services to its customers, employing skilled and motivated manpower, driven by world class technology

Diversifying its revenue base in products and geographies

Constantly seeking to improve its efficiencies and adding value to its stakeholders



Our Core Purpose

Nahco aviance is committed to being the foremost Aviation Ground Handling Services provider employing today's technology and dedicated professionals to ensure that:

Our customer's expectations are constantly exceeded

Our shareholders obtain maximum returns

We remain socially responsible and contribute significantly to the overall development of the Aviation industry



Core Values

Safety
Integrity
Reliability
Innovation
Respect for the Individual

Our Clients



HEAD OFFICE:

Nahco House, Murtala Muhammed Int'l Airport,
P.M.B 013, Ikeja, Lagos.
Tel: +234(1) 7306875, 7404776 - 80
E-mail: info@nahcoaviance.com

ABUJA STATION:

Nnamdi Azikiwe International Airport,
Federal Capital Territory, Abuja, Nigeria.

LAGOS ZONAL OFFICE:

2nd Floor, Murtala Muhammed Int'l Airport,
Ikeja, Lagos, Nigeria.

ASABA STATION

Asaba Airport,
Asaba, Delta State, Nigeria

LAGOS MMA2 OFFICE:

Terminal Building,
Murtala Muhammed Airport 2
Ikeja, Lagos, Nigeria.

UYO STATION:

Akwa Ibom State Airport,
Uyo, Akwa Ibom State, Nigeria.

KANO STATION:

Mallam Aminu Kano International Airport,
Kano, Kano State, Nigeria

PORT HARCOURT STATION:

Port Harcourt International Airport,
Port Harcourt, Rivers State, Nigeria.

KADUNA STATION:

Kaduna Airport,
Kaduna, Kaduna State, Nigeria

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Financial Highlights

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000	% Change Increase/ (decrease)
Turnover	7,141,628	7,141,628	6,345,539	13
Profit before taxation	1,178,771	1,286,724	1,711,157	(31)
Taxation	(421,051)	(421,051)	(533,653)	(21)
Profit after taxation	757,720	865,673	1,177,504	(36)
Non-controlling interest	39,943	-	-	
Profit after taxation and non-controlling interest	797,663	865,673	1,177,504	(32)
Net assets	5,088,975	5,181,910	4,992,994	2
Interim dividend paid	184,570	184,570	307,617	(40)
Proposed dividend	307,617	307,617	492,187	(37)
Profit retained for the year	305,476	373,486	377,700	(19)
Per 50 kobo Ordinary Share Data:				
Basic earnings	65 kobo	70 kobo	96 kobo	
Interim dividend paid	15 kobo	15 kobo	25 kobo	
Final dividend proposed	25 Kobo	25 Kobo	40 kobo	
Net assets	414 kobo	421 kobo	406 kobo	
Stock exchange quotation as at:				
31st December	₦ 5.14	₦ 5.14	₦ 10.20	
Number of shareholders	79,921	79,707	80,404	
Number of staff	1,631	1,631	1,602	



Notice of Annual General Meeting

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of Nigerian Aviation Handling Company Plc (nahco aviance) will be held at Shehu Musa Ya'Adua Centre, Central Business District, Abuja on 7th June, 2012 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31st December, 2011 together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect Directors.
4. To authorize the Directors to fix the remuneration of the External Auditors.
5. To elect members of the Audit Committee.

SPECIAL BUSINESS

To consider and if thought fit pass the following as Ordinary Resolutions:

6. To approve the remuneration of Directors.
7. "That following the recommendation of the Directors pursuant to Article 130 of the Company's Articles of Association, the sum of N123,046,875.00 (One Hundred and Twenty Three Million, Forty Six Thousand, Eight Hundred and Seventy Five Naira) only out of the Company's reserves be and is hereby capitalized into 246,093,750 (Two Hundred and Forty Six Million, Ninety Three Thousand, Seven Hundred and Fifty) ordinary shares of 50 kobo each and appropriated to the members whose names appear on the Register of Members as at the close of business on 11th May, 2012 in the proportion of one new share for every five fully paid shares held by them on that date subject to the approval of the appropriate regulatory authorities. The shares so distributed being treated for all purposes as capital and not as income, ranking pari passu with the existing shares in all respects, provided that the shares issued pursuant to this resolution shall not rank for the dividend declared on 7th June, 2012".
8. "That the Directors be and are hereby authorised to take all steps necessary for the Company or any of its subsidiaries to raise additional capital for the Company's diversification, power needs and any other projects in line with the Company's African expansion and diversification objectives; and are further authorised to raise such capital via the issue of debt instruments, preference shares (convertible or non-convertible) or ordinary shares or a combination of any of these options whether by way of Private Placement, Rights to Existing Shareholders, Offer for Subscription or in any manner which the Directors deem appropriate, locally or internationally, upon such terms and conditions to be determined at the discretion of the Directors subject to any requisite regulatory approvals."

Notice of Annual General Meeting

NOTES:

A) PROXY

A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy in his stead. Proxies need not to be members of the Company. To be valid, the Proxy Form attached to this notice must be returned to the Registrars (City Security [Registrars] Limited) at Primrose Tower, 17A, Tinubu Street, Lagos not less than 48 hours prior to the time of the meeting.

B) AUDIT COMMITTEE

In accordance with Section 359(5) of the Companies and Allied Matters Act, 1990 any shareholder may nominate another shareholder of appointment to the Audit Committee. Such nomination should be in writing and should reach the Company Secretary at least 21 (twenty one) days before the Annual General Meeting.

C) CLOSURE OF REGISTER OF MEMBERS

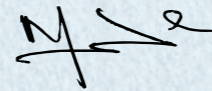
The Register of Members and Transfer books of the Company will be closed from Monday 14th May, 2012 to Friday 18th May, 2012 (both dates inclusive) for the purpose of payment of dividend.

D) DIVIDEND

If the dividend recommended by Directors is approved by Members at the Annual General Meeting, Warrant will be posted on the 7th day of June, 2012 to members, whose names appear in the Register of Members at the close of business on 11th May, 2012.

DATED THIS 23RD DAY OF MARCH, 2012

BY ORDER OF THE BOARD



MRS. FOLASHADE ODE
COMPANY SECRETARY



Corporate Information

Directors

Chairman	Sen. Ike O. S. Nwachukwu, GCMG, CFR, mni
Vice Chairman	Mr. Suleiman Yahyah
Managing Director	Mr. Kayode T . Oluwasegun-Ojo
Executive Director (Business Development)	Mr. Gordon Gofwan
Non-Executive Directors	Mr. Mobolaji Balogun Arc. Usman A. Bello Mr. Denis Hasdenteufel (French) Mr. Ian Petrie (British) Dr. Faruk Umar Mr. Wolfgang Wallmeroth (German)

Company Secretary Mrs. Folashade Ode

Registered Office nahco aviance House
Murtala Muhammed International Airport
Ikeja
Lagos

Auditors Horwath Dafinone
Chartered Accountants

Bankers First Bank of Nigeria Plc
GT Bank Plc
Stanbic IBTC Bank Plc
Nigerian International Bank Ltd. (Citigroup)
Skye Bank Plc
UBA Plc
Zenith Bank Plc
Ecobank Plc
Standard Chartered Bank Ltd

Registrars City Securities (Registrars) Limited
Primrose Tower,
17A, Tinubu Street
P. O. Bo x 9117 Lagos, Nigeria

Brief History and Ownership

Nigerian Aviation Handling Company Plc (nahco aviance) was incorporated as a Limited Liability Company on December 6, 1979 under the Nigerian Enterprises Promotion Decree, but it actually started operations in April 1979 with the commissioning of the Murtala Muhammed International Airport, Lagos. The Federal Government, through the Federal Airports Authority of Nigeria (FAAN), was vested with 60% equity holding while four foreign airlines held the remaining 40% in the following proportion: Air France (12.5%), British Airways (12.5%), Sabena (8%) and Lufthansa (7%).

The company is now a fully privatized public concern owned by over 80,000 individual shareholders, three foreign airlines and Rosehill Group Limited. Its current share ownership structure is as follows:

British Airways:	10.7%
Lufthansa:	6.0%
Air France:	5.8%
Rosehill Group Ltd:	9.5%
Nigerian Public:	68%

Business Profile

The company offers the following services to more than 30 airlines at seven airports across the nation:

Passenger Facilitation – Passenger check-in formalities, passenger profiling, security and baggage handling (loading and offloading)

Cargo Handling – Cargo documentation services for airlines, import and export cargo facilitation through Nigeria's biggest network of customs bonded warehouses in Lagos, Kano, Abuja and Port Harcourt, using Hermes Computerisation system which ensures safe storage and easy retrieval of cargoes.

Aircraft Handling – Services include provision of ground power unit, aircraft cleaning, baggage loading/offloading, and aircraft pushback.

Certification of Operations

The company received the prestigious IATA Safety Audit for Ground Operations (ISAGO) certification from The International Air Transport Association (IATA). This certification meant that our operations have been adjudged okay by the world aviation regulatory body.

Nahco aviance is the first aviation handling company in the West African Sub-Region to achieve this feat.

Purchase of Sophisticated Modern Equipment

A total of 325 different types of Ground Support Equipment (GSE) have been acquired. These equipment, worth N2 billion, were purchased from the money raised from the Bond issue.

Brief History and Ownership (cont'd)

The equipment will be used to provide quality and effective services to our client airlines. This will further enrich our fleet as well as put us in the vantage position and maintain competitive edge.

Appointments

Shareholders at the Annual General Meeting held in Abuja re-appointed Senator Ike Nwachukwu as the Chairman of the Board as well as other Directors who were due for re-election. Mr. Osita Onyenwe resigned from the Board and Dr. Faruk Umar replaced him. New Audit Committee members of the Board were also elected.

Also during the year, the appointment of Mr. Kayode Oluwasegun-Ojo as the substantive Managing Director/Chief Executive of the company was confirmed in June 2011.

Client Airlines' Profile

Nahco aviance signed handling agreement with new airlines. These are First Nation Airlines, Royal Jordan Airlines, Singapore Airlines and Rwand Air. While First Nation, Singapore and Rwand Air have commenced scheduled services, Royal Jordan Airlines is yet to start operations. These airlines joined the family of high profile airlines like British Airways, Air France, Lufthansa Germany Airlines, KLM Royal Dutch Airlines, Virgin Atlantic Airways, Delta Airlines, Emirates, Qatar Airlines, Iberia, Royal Air Maroc, Turkish Airlines, Kenyan Airways, South African Airways, Ethiopian Airlines, DHL, Aero Contractors Airlines, Dana Air, ASKY Airlines etc that are being handled by the company

Capacity Building and Manpower Development

The sum of N500 million was set aside last year for various training programmes for staff at all levels in the organisation. This was to further strengthen the potentials of the work workforce and kit them for future challenges. These trainings were done within and outside Nigeria.

Global Alliances

As a result of its dealing with reputable international airlines and in line with its policy of business and brand globalisation, nahco aviance is an active member of several international organizations such as International Air Transport Association (IATA), Aviation Alliance (aviance), Airport Services Association (ASA), International Air Cargo Association (TIACA) and others.

Aviance is the first ever international alliance of airport service providers world-wide. It has 11 reputable airport service providers serving in more than 120 airports in 18 countries with over 21,000 employees.

Membership of the alliance has provided a veritable platform for nahco aviance's re-branding programme which cut across organisational culture and orientation, corporate uniforms and brand name. Aviance membership attracts benefits such as access to aviance global data base, market intelligence, cross trading, common purchasing, equipment pooling, joint venture, joint venture opportunities and staff exchange.

Brief History and Ownership (cont'd)

The Airport Services Association (ASA) is made up of ground handling companies from all parts of the world. The primary objective of ASA is to promote professionalism among its members while ensuring safety of airline operations.

In pursuit of global alliances that will accelerate the growth of its cargo handling business, nahco aviance joined The International Air Cargo Association (TIACA) in 2009. TIACA is a non-profit organization whose main purpose is to promote the air cargo industry world trade. The Association provides common ground for the exchange of ideas on all aspects of the international air cargo industry. It also develops and encourages high standards of service for those serving the air cargo industry.

Business Expansion

In pursuit of the approval given to it by the shareholders at the Extra Ordinary Meeting held in August 2011 in Abuja, to diversify its business, the company is taking a giant step in meeting all requirements to commence the business of Free Export Processing.

Bond Issue

The company went for a N5billion bond, out of which N2.15 has been drawn, to finance the expansion and modernization of the warehouse as well as acquisition of state-of-the-art Ground Support Equipment (GSE). The equipment have been delivered to the company while the work on warehouse has been completed and commissioned.

Commissioning of Security Equipment



* * *



Senator (General)
Ike Nwachukwu GCMG CFR COM LL.D(hc) mni
Chairman

Chairman's Statement

APPRECIATION AND INTRODUCTION

Distinguished Shareholders of the Nigerian Aviation Handling Company Plc, I am delighted to welcome you, on behalf of your Board of Directors, to this 31st Annual General Meeting of nahco aviance, your Company.

Let us begin by expressing thanks and praise to the Almighty God who has kept us till this day, despite the increased security challenges faced by our country. We also thank God for strengthening and growing our company at a time of sustained economic difficulty worldwide.

We thank the leadership of our great nation for their continuous drive and determination to build our economy and industries.

We must immensely thank our President, Commander-in-Chief of the Armed Forces, Dr. Goodluck Ebele Jonathan, GCFR for his policies on aviation development; and his Minister of Aviation, Princess Stella Adaeze Oduah, OON for the courage to implement them.

We further thank our customers and partners in Nigeria and overseas whose patronage has been unyielding, and whose comments, have been valuable inputs into our Transformation Programme. By adhering to your counselling, we have been able to comprehensively address all aspects of our services that require improvements, and take our Company forward through technology and innovation.

In this vein, we thank our staff and Management for responding positively to our drive for increased productivity and efficiency, and for remaining faithful and focused, thereby making it possible to implement and deliver all our promises to the shareholders.

Delivering our promises to shareholders remains our primary concern. To this end, we thank all our shareholders and institutional investors for your mandate and support. We, particularly, appreciate the relentless support of our institutional investors, including British Airways, Air France, Lufthansa, Rose Hill Group, and many more.

Chairman's Statement (cont'd)

Finally, I want to thank my fellow Board Directors for giving me their full support and cooperation as Chairman during this period, and for giving their expertise and energy to drive our Transformation Programme, now producing the required fruits.

Last year, you gave your support to our vision for transformation and approved the various steps taken by your Board to take our Company from a single entity company to a group of companies that will deliver growth, increased efficiency, productivity, and service improvement; leading to higher profits and better returns on investment. Today, we are pleased to present our report on how we have delivered against these promises.

GLOBAL AND NATIONAL OVERVIEW

We recall that most countries began the painful climb back to recovery last year, introducing initiatives that most citizens found painful, but necessary. While some economies, including Nigeria, became stronger, others fell back into recession. The global GDP therefore, showed an aggregated growth of just over 4%. Analysis provided by the World Economic Forum suggested that the emerging countries and less developed nations like China, India, Ghana, and Nigeria, contributed a greater share of the global growth than the leading and more developed nations of UK, USA, Italy, France, Spain, and others; with growths in countries in Africa and Asia ranging between 7% and 15%.

In Nigeria, our real GDP growth rate of about 7% is reflected in the all-share index and market capitalisation of over 8%; despite reduced disposable income, increased security fears, and a greater level of uncertainty. Last year also saw the aviation industry showing strength in recovering from past challenges and now better positioned for greater opportunity arising from increased multinational businesses. The International Air Transport Association (IATA) has maintained a cautious, but positive, outlook for the industry.

INDUSTRY PERFORMANCE

The aviation industry worldwide is gradually gaining on the previous years' losses. In Nigeria, a major achievement was a nil accident for the second year running. The Nigerian Aviation Industry also maintained the Category 1 status received from the United States of America (USA) Federal Aviation Administration.

We acknowledge, here, the efforts of the Federal Government in deploying full-body scanners and explosive detection equipment, and also commencing a programme of upgrade of major airports and reopening of airstrips. Surely, the stimulus package for the aviation industry also helped to boost activities and recovery.

COMPANY PERFORMANCE AND TRANSFORMATION

Although transformation is a long-term continuous improvement process, we are pleased to present the achievement of your Board in our Transformation Programme, less than two years after we started the programme. We have begun to see results in our efficiency, service quality and income, and expect to reap even greater benefits and returns in years to come. Our rate of achievements in less than two years is relatively ahead of most corporate transformation programmes in Nigeria, and in some cases better than many worldwide.

We will now describe our progress and achievements on the vision:

Chairman's Statement (cont'd)

Our Workforce

People remain our greatest asset. So when we embarked on transformation, we took the decision to invest heavily on regenerating and improving our workforce. We invested in training and development to ensure that all our staff are well trained, better skilled, highly professional, and ready to deliver to the highest international standards.

Our investment in training and improved processes produced higher service efficiency and increased our productivity index by more than 15%, both aimed at directly improving our bottom line, going forward. As a result, we streamlined and redeployed our staff to ensure that we get the best value from our workforce.

To further maximize our staff development and motivation, we introduced a Performance-driven Compensation Scheme that ensures that there is correlation between the growth in staff costs and the growth in profitability and company value. This will also ensure that our expenditure on staff salary does not grow at a higher rate than the shareholder value.

Furthermore, we are pleased to confirm that we have received ISAGO recertification, a testimony to our well-skilled and highly-trained workforce. Our membership of aviance alliance has also ensured that we remain highly efficient and professional.

Our Growth and Diversification Programme

Last year, as part of our plan to spread our income base and grow our group, shareholders approved the creation of two new subsidiaries. We are pleased to confirm that we are firmly rooted on this strategy, and have made good progress in diversification into Power and other businesses across Africa. We remain on the top list of bidders for two Power distribution companies in Nigeria; either of which will produce an additional turnover in excess of N15bn. The change in the government timetable has meant that the process will not be completed until later in the year. We, however, remain firmly on track with this. Our quest for obtaining distribution licences is on course, and we are strongly aligned with the Federal Government's programme. We have incorporated the NAHCO Energy & Power Company Limited, in conjunction with our local partners, foreign technical advisers, and shareholders, to pursue power privatization in oil and gas in anticipation of regulatory changes in our operating environment. We are confident of successful execution.

As soon as deals are agreed, we will come to our shareholders for their decision.

We have also created NAHCO FTZ Company which is already producing efficiency gains. This, combined with the restructuring of our balance sheet and internal generation of capital, has led to a reduction of our running cost, which will translate to improved profit and dividend pay-out for many years to come.

nahco aviance's main operations itself is growing in tenacity of will and more effective in execution. We have consolidated our leadership position in the market, raised the entry barrier into our market, and put in place a strong business resilience programme.

We are pleased to note that the Bond issue, approved by shareholders last year to fund our growth initiatives, achieved a good entry price, and a good credit rating. We have been prudent to ensure that investments are only made where and when a high level of returns is expected. We expect our investments to yield income from this year, with consolidated full year effects in 2013.

Chairman's Statement (cont'd)

Group Accounts

For the first time we are presenting Group Accounts as opposed to Company Accounts and by end of next year the benefits of group consolidation will begin to reflect in our balance sheet and performance.

Our Equipment and Processes

Last year, shareholders approved the construction of an ultra-modern warehouse that will significantly increase our capacity, reduce leakages, improve efficiency and lower operational costs. We are pleased to report that our new warehouse which has the capacity to handle up to 200,000 metric tons annually is the first of its kind in Nigeria, West Africa, and arguably all of Africa, is completed and functional. It is already showing early results through better tracking, and more secure storage and release of cargo.

We have also completed all major equipment purchase, and have sufficiency for the next 5 years. We have achieved 85% of equipment renewal and a level of redundancy that will enable us respond to new opportunities, both in Nigeria and outside; particularly, in our sub-region of West and Central Africa, as planned. This allows us to deploy within a short lead-time; this is the first time in the 30-year history of our company that we are in this vantage position.

We have further introduced a number of internal processes that led to significant reduction in our operational costs, including internally generated capital, efficient leasing and service reengineering. Through our Management Support Agreement, we have introduced international benchmarking of most aspects of our operations, which has also led to improved performance and efficiency.

As mentioned earlier, we are one of a few leading, non-bank, companies in Nigeria that have introduced the Performance Compensation Scheme; a programme proven to increase motivation, productivity, performance and the bottom line.

Our various transformation initiatives in Cargo, supported by the process review through our Management Support Agreement, are now yielding good results through increased collection in Cargo revenue and reduced operational costs. In addition, the installation of CCTVs has led to a reduction of leakages.

Our Leadership and Governance

nahco aviance is one of the first companies in Nigeria to adopt the newly published Nigerian Code of Corporate Governance, implement the International Financial Reporting Standards (IFRS); and develop a Governance Handbook that is in line with best international practices. Our Code of Governance applies to Board members and staff alike; and has improved the discipline, professionalism and focus at all levels.

We have in place a robust, innovative, decent, wise and stable Board, supported by fully functioning Committees, including a new Risk Management Committee and a Development Committee. We also have in place clear succession plans for Chairmen, Vice Chairmen, and Directors to ensure institutional continuity and sustainability of the transformation initiatives. We welcome Dr. Faruk Umar, our new Board Director, who joined us last year to reflect the interest of our diversified shareholders and to strengthen the Board and bring more dynamism to our growth programme.

Furthermore, we are pleased to note that we have a dependable, equally innovative and credible management team, which has been strengthened by our recruitment programme.

Chairman's Statement (cont'd)

The Management Support Agreement that shareholders approved last year has helped us to reduce our costs, benchmark our services, set new standards for service efficiency, and pursue our service expansion and diversification programme. We are happy that you are supporting our vision of transforming to an African service boutique, with focus on the aviation industry.

FINANCIAL RESULT FOR 2011

2011 was indeed a year of investment. We were able to effectively use some of the proceeds from the Bond issue to fund our equipment purchase programme, described above. We then funded the construction of the new warehouse from internally generated revenue, delivering greater levels of efficiency and savings. The fruits of these investments are already being seen this year, but will be fully realised next year.

In spite of the underlying economic challenges and the heavy investments in transformation, the Company's performance is comparable to last year's, in turnover, profits, dividends and yields. This year, we are proposing 25K final dividend, making a total of 40K and giving an approximate yield of about 5%. In addition, we are proposing a bonus of 1 for 5.

FUTURE OUTLOOK

Despite the heightened uncertainty experienced in recent years, including the delays in privatisation, the national strike, our Company successfully increased in strength, presence and performance; and has remained consistent with its dividend pay-outs. The Company's outlook remains positive as we expect the transformation and modernisation programme to show increased results in the Second Quarter of 2012 and beyond.

Our projection is that our results will exceed previous years' performance; especially with our building significant value in the Company and remaining the market leader. We will stay so for many years to come.

We are again, delighted to report that we have now established The NAHCO Group made up of nahco aviance, NAHCO Energy & Power Limited and NAHCO FTZ Limited. We will be enjoying the fruits of our Transformation Programme with fuller year effects in 2013 and beyond.

2012 is the year for concluding the Transformation Programme and consolidating our gains. More than ever we are determined to maintain our leading position in the industry and in the region.

Looking forward, we see a very bright and prosperous future for our Company. We are committed to keeping it so. And with your unwavering support: 'YES, WE WILL!'

We thank you for your continued confidence and support, and wish you, our Company and our nation, Nigeria many prosperous years ahead.

May God bless us all.



Senator (General) Ike Nwachukwu, GCMG CFR COM mni
Chairman, Board of Directors



Mr. Kayode T. Oluwasegun-Ojo
Managing Director / CEO

Managing Director / CEO's Report

It is with great pleasure that I welcome you once again to this year's Annual General Meeting of our great company, Nigerian Aviation Handling Company Plc which has been growing in leaps and bounds to the glory of God. This AGM is significant being the dawn of a new era after the milestone of last year's 30th anniversary. We thank the Almighty God for His grace and mercies over us the shareholders and over our investment during a trying period such as we are witnessing in the history of our nation. I cannot but agree with our Chairman, Senator Ike Nwachukwu, CFR, that the unflinching support of our stakeholders, particularly our ever-reliable shareholders, has been the power house of our success.

Over the last year, I have had the privilege of leading the Management team in translating the Board's vision into deliverables that have added to shareholders' value. I wish to appreciate the Board for their path-finding leadership, and you shareholders who have individually and collectively offered advice and support that have helped us move the company up the corporate ladder. I also thank the other members of the Management team and the entire staff without whom we won't have a success story today.

Twenty eleven was a challenging but interesting year. But most importantly, it was the year that saw the actualization of two of our subsidiary companies thus giving birth to a group structure for our company.

The Operating Environment

It was an election year dominated by politicking with its attendant anxiety. Real-time investment temporarily took the back seat, with many investors taking cautionary investment decisions. The first quarter of the year witnessed the run-up to the general elections in April, while the second and third quarters saw governments at both the Federal and state levels settling down to business. Business activities picked up in the third and the fourth quarters which fortunately was our own peak period in cargo operations.

Security posed a huge challenge, especially from terrorist activities which were prevalent in the Northern part of the country. In response to the challenge and to protect our investment, we embarked on strategic security surveillance in our operations areas in Lagos, Abuja and our Northern stations.

Managing Director / CEO's Report (Cont'd)

Infrastructural deficit and the perennial power outages still impinged on our bottom line as we made adequate provisions to ensure that we were able to deliver quality services to our customers although at increased cost.

2011 results

Details of the results have been announced by the Chairman. But it is important to inform our Distinguished Shareholders that it was a year of significant investments that were strategically undertaken to enhance the value of the company, consolidate on our dominant market position and position the company for the future. In order to finance these initiatives we adopted the conservative but bold approach of utilizing internally generated cash until late in third quarter of the year when we drew N2.15 billion of the N5 billion Bond earlier approved by you our distinguished shareholders and the Securities and Exchange Commission. The portion drawn was issued at reasonable coupon rate of 13% for a five-year tenor. Although this action had impact on our working capital management during the year, it has significantly moderated the impact of interest burden and by extension our profitability. Turnover increased by 12.5% from N6.4 billion in the previous year to N7.14 billion, though profit after tax dropped from N1.17 billion in 2010 to N798 million in 2011 while operating cost stood at N3.83 billion compared with N3.3 billion in 2010. The drop in profit is attributable to a general rise in operational costs, investment in diversification across non-aviation businesses and across geographies in order to minimize associated aviation risks. In the light of these, there were also increase in administrative expenses, operating cost and interest charges paid to banks.

It is, however, worthy to note that our balance sheet for the period showed improved performance when compared with the 2010 figure as there has been a huge shift from cash and bank balances to core income generating assets namely acquisition of Ground Support Equipment and warehouse expansion and modernisation. Our total assets grew by 35% from N7.28 billion to N9.84 billion.

Although the full impact of these investments will be felt in the coming years, it was necessary that we proactively positioned the company to take advantage of the growth opportunities in our market.

Corporate governance

Every member of the Management Team has imbibed the tenets of Corporate governance and this is reflected in our financial reporting systems. We have also fully complied with the IFRS, and this has greatly enhanced our financials. Let me acknowledge the role of the Board in driving the governance process and ensuring that the directors are strictly guided by the Corporate Governance code in their dealings with the company. Let me emphasise that the global drive is towards a professional Board in which directors have extensive expertise in the company's lines of business; and are required to devote more quality time to corporate interests beyond the regular board meetings.

Acquisition of GSEs

In fulfillment of our promise to shareholders, airlines, clearing agents and investors, we have acquired Ground Support Equipment (GSE) worth ₦2 billion.

The GSEs which will be fully delivered by end of the first half of 2012 are made up of both motorized and non motorized units. The order was financed partly from the proceeds of the first tranche of the bond and from internally generated cash flows. It will ensure that we provide quality services to our customers more efficiently thereby improving turn around time and lowering costs of operations.

Managing Director / CEO's Report (Cont'd)

The N68 million new cargo screening system we ordered last year has equally been installed at the Export Cargo section of our warehouse. It consists of cargo screening machine and anti bomb equipment. The installation of the screening system has addressed some of the security issues we are currently grappling with and restored a level of confidence in our customers and stakeholders.

Besides delivering service efficiency, the company's gesture was also to support the Federal Government's vision for airport modernization and open up the much-needed investment in the Aviation Sector.

The New Warehouse

You will recall that in 2010, you our Dear Shareholders approved the construction of an ultramodern warehouse as part of our transformation agenda. The construction assumed a great speed last year, and today, we have one of the biggest cargo facilities in Africa complete with automation of some of the delivery processes and full security camera coverage. The new warehouse has an increased capacity of fifty percent in storage space when compared with the old structure and has the added advantage of significant investment in technology which would improve delivery time, reduce incidence of revenue leakages and security breaches.

Business Expansion and Diversification

In 2010, we made business expansion and diversification a cornerstone of our Transformation Project. As already explained by our Chairman, our diversification into Power is on course and we will submit a bid for one of the distribution companies by the deadline set by the Bureau of Public Enterprises (BPE). Similarly, we are forging ahead with our geographical expansion plans. These two initiatives will diversify the revenue base of the company and help insulate it from downturns in markets. We also expect that in the course of the year, we will obtain a Free Trade Zone status. When fully operational, it is expected that we will experience higher volumes of cargo through-put and enhanced operational efficiency as we deploy the newly acquired equipment. In this regard, we gratefully acknowledge the support of the Ministry of Aviation and the Nigerian Export Processing Zones Authority.

These initiatives will strengthen our company and entrench our leadership position.

We have added Asaba station to our operations, and more airlines have also joined our clientele including FirstNation, Singapore Airlines, Air Ivorie, Royal Jordan Airlines, Rwand Air, and ASKY Airlines.

Transformation and Human Capital Development

The outcome of the Transformation Programme can only be appreciated by the milestone we have achieved when compared with our pre-Transformation position. I refer you to a full account of our pre and post-Transformation deliverables in the Annual Report. Starting with our vote of N500 million for training in 2010, we have sustained the effort in the year under review. We had a few consultants working with our Human Resources to bring our staff up to form and speed in consonance with international best practices. Our internal processes are nearing full automation to support this.

In conjunction with the consultants, we have consistently engaged our staff, gave them a reorientation for innovation, and made them change agents. These efforts paid off as some of them have turned up as good ambassadors for the company. One particular staff, Salami Ibrahim Lateef, a Ramp operative, stood out. He returned a wallet containing twenty five thousand pounds and five thousand euro which he found on a KLM passenger plane. He has received several awards including a return ticket from Turkish Airlines and gifts from Dangote Group. He was honoured for making us proud, but beyond that, he has been celebrated in several newspapers including The Guardian and The Sun.

Managing Director / CEO's Report (Cont'd)

We now have in place performance-based pay scheme to reward excellence and innovation, and drive growth and profitability. Above all, we have been able to retain the ISAGO certification for another two years.

Business Partnerships and Corporate Social Responsibility

We have made deliberate efforts in forging synergies that will enhance our business profile and help achieve our desire for expansion and diversification. We have sponsored a few international aviation conferences where we have made brand visibility as precursor for reaching out to the international market. We have also engaged critical stakeholders such as the Nigerian Civil Aviation Authority, Federal Airports Authority of Nigeria, the Customs, customs agents and security agencies in industry collaborations.

We have also supported League of Airport and Aviation Correspondents as well as the Capital Market Correspondents Association through sponsorship and training.

We have membership of the Institute of Directors and major chambers of commerce to provide gateway to foreign markets and capital.

Today and The Future

Analysts forecast a 7.2% output growth by the end of 2012, to be supported by increased government consumption, higher fixed capital formation and exports. It is believed that consumption will hold steady even despite the 49% increase in petrol. The infrastructural renewal is also noteworthy considering the Federal Government's CAPEX allocation in the budget from 26% in 2011 to 28% in 2012.

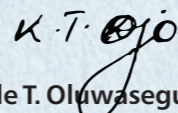
Dear Shareholders, I will not agree less with the Honorable Minister of Aviation, Princess Stella Oduah, that Aviation is pivotal to growth of key economic sectors such as travel and tourism, agriculture, commerce, manufacturing, and oil and gas. With 21 airports and increasing demand for freight and passenger flights, the future can only be rosy with visionary leadership. That leadership and political will has been demonstrated by the Honorable Minister through her Aviation Master-plan which entails infrastructural renewal at key airports, designation of economic free zones, development of perishable cargo infrastructure and designation of some airports for economic leverage among others.

The future rests with our diversification and business expansion drive which we have pursued with raw determination.

Our Free Trade Zone will be a model not just in Nigeria, but Africa; and our Power company will be a cash cow in the Nahco Group. Our IATA Safety Audit for Ground Operations (ISAGO) certification, which has been revalidated till 2014, will give us a huge leverage and potential, in Africa, and specifically West Africa.

I thank you all for your support and wish you success as we journey together into prosperity.

God bless you.



Kayode T. Oluwasegun-Ojo
Managing Director / CEO

THE BOARD



Senator Ike Nwachukwu (CHAIRMAN)

Senator Ike Omar Sanda Nwachukwu (CFR) joined the Nigerian Army as a regular combatant soldier and rose to the rank of Major-General before retiring in 1990. An alumnus of the National Institute of Policy and Strategic Studies, Senator Nwachukwu holds an honorary Doctor of Law (LL.D) (Honoris Causa) Degree of Abia State University. He is a graduate of the Institute of Humanitarian Law, San Remo Italy. Some of the institutions he attended in the course of his military training are the Royal Canadian School of Infantry of the Royal Canadian Military Academy; the Royal School of Infantry, Warminster; United Nations Peace Academy.

Aside from his military training and service in various military commands, Senator Nwachukwu's working career spans government, education, politics and industry.

He was a Director, Nigerian Security Printing and Minting Company; Member, Governing Council, University of Sokoto; Minister of Employment, Labour and Productivity; three-time Minister of Foreign Affairs; Chairman, United Nations Special Session on Apartheid; Member, Nigerian Vision 2010 Committee; Governor, Imo State; Presidential candidate of the National Democratic Party for the 2003 elections in Nigeria. He has also been on the board of several private companies including Cadbury Nigeria Plc. He is the Chairman/Chief Executive Officer of Santon Group Inc.

Senator Nwachukwu has authored several publications on military strategic studies; Social Engineering and Diplomacy, including Economic Diplomacy and My Vision and Mission for Nigeria.

He has a long list of national and international honours among which are Commander, Federal Republic of Nigeria (CFR); Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George (GCMG) given by Her Majesty, Queen Elizabeth II; The Great Merit Cross with Star (GMCS) of the Merit Order of the Federal Republic of Germany; Grand Master of the National Order of the Southern Cross (GMSC), Argentina.

Senator Ike Nwachukwu is married and has four children. He enjoys sporting activities, reading, traveling and music. He joined the Board of nahco aviance as a nominee of Rosehill Group Nigeria Limited in May 2008 and became Chairman in 2010.



Alh. Suleiman Yahyah (VICE CHAIRMAN)

Alh. Yahyah attended Bayero University, Kano where he graduated with a First Class Honours Degree in Economics in 1987. He was the Overall Best Student in the Department of Economics and Faculty of Arts and Social Sciences, Bayero University, Kano.

He also attended the prestigious Cambridge University (UK) where he obtained a Master of Philosophy in Economics and Politics of Development. Mr. Yahyah is a financial expert with considerable experience, and has contributed immensely to the growth and development of Nigeria's economy, through the banking industry.

He is an active member of numerous professional organisations in Nigeria and Overseas, such as Chartered Institute of Stockbrokers, Cambridge Commonwealth Society, Investment and Securities Tribunal among others. He is a director of many companies.

THE BOARD

He started his working career with Continental Merchant Bank as a Corporate Finance Supervisor in 1987. He has served on the Board of numerous organizations including RoseCom Net, Rose Hill Group Limited, Empire Securities Limited, Talafon Telecommunications, First City Group and NUB International.

Alh. Yahyah has many publications on Economics and Financial issues. He is currently a member of the Nigeria Economic Summit Group (NESG), Alfred Marshall Economic Society, England and Nigeria Internet Group. He has attended various continuous professional courses, including International Directors Programme at INSEAD (The business school for the world). He was appointed to the Board of nahco aviance in October 2006.



Mr. Kayode T. Oluwasegun-Ojo (MD/CEO)

Mr. Oluwasegun-Ojo is an alumnus of University of Ife from where he graduated with a B. Sc Economics in 1985. He obtained the Institute of Chartered Accountants of Nigeria (ICAN) qualification in 1993 and was appointed member of The Chartered Institute of Bankers in 2006.

Mr. Oluwasegun-Ojo is a seasoned finance professional with over 20 years experience covering structured finance, treasury and investment management, strategy and business development as well as corporate finance and business advisory services. He has been involved in several landmark transactions involving packaging and deployment of medium to long-term financing for multi-national companies operating in Nigeria.

Before joining nahco aviance in February 2010, Mr. Oluwasegun-Ojo was General Manager Associated Discount House Limited, Lagos where he had executive responsibility for corporate finance overseeing the treasury

and funds management group with responsibility for interbank dealing and trading in government securities and bills.

He was later seconded to a non-bank financial services subsidiary of the Discount House as Managing Director. Mr. Oluwasegun-Ojo has had extensive international trainings in the UK and South Africa on International Financial Markets, Fixed Income and Investment Management.

Mr. Oluwasegun-Ojo was appointed as Acting Managing Director/CEO of nahco aviance in November, 2010. He was later made the substantive Managing Director in June, 2011.



Mr. Gordon Gofwan (EXECUTIVE DIRECTOR, BUSINESS DEVELOPMENT)

Mr. Gofwan attended Ahmadu Bello University, Zaria where he graduated in 1988 with B.Sc Accounting and IESE, Barcelona for his Master of Business Administration (MBA) which he obtained in 2000.

He started his career in 1990 when he joined the Nigerian American Merchant Bank where he worked for three years before joining Owena Bank and later FSB International Bank (now Fidelity) as Port Harcourt Regional Manager responsible for oil and gas business.

He worked with the Bureau of Public Enterprises (BPE) as Assistant Director in 2003, managing the privatisation process of key downstream assets of NNPC.

In 2005, he joined First Inland bank (now Finbank) as Assistant General Manager, and in 2007, he joined the United Bank for Africa Plc as Assistant General Manager and rose to become the Director, Wholesale in the bank. He joined the Board in 2011.

THE BOARD



Mr. Mobolaji Balogun (NON EXECUTIVE DIRECTOR)

Mr. Balogun attended London School of Economics, University of London where he obtained a B.Sc. Degree (Hons) in Economics in 1989. He is an Associate Member of the Chartered Institute of Stockbrokers, Nigeria as well as an Authorised Dealing Clerk of the Nigerian Stock Exchange. He is a renowned investment expert whose commitment to national development encouraged his involvement in various Government reform programmes in Telecommunications, Banking, and the Capital Market.

Mr. Balogun actively manages various businesses, professional and social organisations, including stock broking firms. He is a member of the Committee on the Nigerian Corporate Governance Code among others.

He has held various directorial and senior executive management positions in the areas of Investment Banking/Stock Broking.

For instance, he served as a director of FCMB Capital Markets and CSL Stock Brokers. He was also a founding director of Econet Wireless Nigeria Limited (now Airtel), and Director of the West African Portland Cement Company PLC. He is the President of the Advisory Board of SBA Reuters Nigerian Issuing Houses League. He joined the Board in 2006.



Arc. Usman Arabi Musa Bello (NON EXECUTIVE DIRECTOR)

Arc. Bello attended Ahmadu Bello University, Zaria from where he bagged a B.Sc. (Hons) Degree in Architecture, as well as M.Sc. Architecture and MBA. He is a member of the Nigerian Institute of Architects, the Architect Registration Council of Nigeria, and an Associate Member of the Nigerian Institute of Management.

He is a property expert with considerable experience. He is also an administrator of repute with enviable records. His directorial responsibilities cover Bells Properties & Services Ltd, HNB Security and Protective Company, Polyfibre Industrial Limited, and Confidence Finance Ltd. He is a member of the Amateur Basket Ball Association and Federal Road Safety Commission. He is widely traveled. He joined the Board in 2006.



Mr. Denis Hasdenteufel (NON EXECUTIVE DIRECTOR)

Mr. Denis represents Air France on the Board of nahco aviance. He attended Master of Commerce High School in Paris. He has held various positions in Air France, ranging from General Manager at Charles de Gaulle Airport to the position of International Purchasing, Vice President. He also represents Air France on the boards of CIAS (Singapore), AIDA (Mauritius) and AFSL (Great Britain). Mr. Hasdenteufel joined nahco aviance's Board in 2000.

THE BOARD



Mr. Wolfgang Wallmeroth (NON EXECUTIVE DIRECTOR)

Mr. Wallmeroth, currently Director of Operations and Airport Services, West Africa for Lufthansa German Airlines, graduated with a Master's Degree in Economics and Organizational Studies in 1982. Prior to his present position, he has served in various management positions and assignments for Lufthansa German Airlines in Europe and the Americas. He joined the nahco aviance Board in 2009 as the Lufthansa German Airline's representative.



Mr. Ian Petrie (NON EXECUTIVE DIRECTOR)

Mr. Petrie is a dedicated and enthusiastic professional with a proven track record in both commercial and operational management. He is the Regional Commercial Manager for Africa, British Airways Plc.

His educational qualifications span strategic management, customer services and the media. He is the British Airways representative on the Board of nahco aviance which he joined in 2008



Dr. Faruk Umar (NON EXECUTIVE DIRECTOR)

Dr. Umar is an alumnus of the Ahmadu Bello University, Zaria where he obtained both his Bachelor and Master Degrees in Education Psychology in 1976 and 1979 respectively. He also obtained his Doctorate Degree in the same discipline from University of Wisconsin, USA in 1987.

Dr. Umar started his working career at the School of Preliminary Studies, Kano as a Lecturer in 1977. Between 1983 and 1984, he served as the Permanent Secretary, Special Duties, Kano State Government and later worked as Manager, Research and Educational Services, Kano State Foundation from 1988 to 1991.

A Boardroom guru, Dr. Umar had served as Board member of several companies including Ashaka Cement Plc, Union Homes Savings and Loans Plc and 1004

Estates Limited. He is currently serving on the Boards of Cement Company of Northern Nigeria, American Hospital Ltd and Board of Governors, Pearl Award.

He joined the nahco aviance Board in 2011.

Report of the Directors

The Directors are pleased to present to the members of the Company their Report and Audited Financial Statements for the year ended 31st December, 2011.

Principal activities The principal activity of the company is the provision of aircraft, passenger and cargo handling services and other related services. Nahco Aviance Group through its subsidiaries, is also participating in Energy & Power distribution and leasing of Ground handling equipment.

Significant Event

March, 2011	Nahco aviance received IATA Safety Audit for Ground Operations Certificate (ISAGO).
July 2011	Interim dividend paid of 15 kobo per ordinary share.
September, 2011	- Road show on Corporate Bond issuance. - Completion Board Meeting in Lagos. - Incorporation of NAHCO ENERGY & POWER LIMITED.
October, 2011	Incorporation of NAHCO FTZ LIMITED.

Review of business and future prospects

The review of the company's business and future prospects contained in the Chairman's statement are an integral part of the Directors Report and should be read in conjunction with Directors Report.

Results for the year

	2011 N'000
Group profit for the year before taxation	1,178,771
Taxation for the year	(421,051)
Profit for the year after taxation	<u>757,720</u>
Non- controlling interest	39,943
Profit after taxation and non-controlling interest	<u>797,663</u>
Appropriated as follows:	
Interim dividend paid	(184,570)
Dividend reserve	(307,617)
Retained profit for the year	<u>(305,476)</u>
	<u>-</u>

The Directors recommend a final dividend of 25 kobo per share to the Shareholders at the Annual General Meeting. A bonus issue of 1 share for every 5 held is also to be proposed at the same meeting

Report of the Directors (continued)

Assets Values Information relating to fixed assets is contained in note 12 to the financial statements.

Directors The directors who served on the Board during the year under review are:

Senator Ike Nwachukwu	Chairman
Alh. Suleiman Yahyah	Vice -Chairman
Mr. Kayode T. Oluwasegun-Ojo	Managing Director / CEO
Mr. Gordon Gofwan	Executive Director
Mr. Mobolaji Balogun	
Arc. Usman Arabi Bello	
Mr. Denis Hasdenteufel (French)	
Mr. Ian Petrie (British)	
Dr. Faruk Umar - (Appointed on 22 nd June, 2011)	
Mr. Wolfgang Wallmeroth (German)	
Mr. Osita Apollos Onyenwe - (Resigned on 22 nd June, 2011)	

By a deed poll in 2012, the Managing Director/CEO changed his surname and notified all relevant institutions accordingly.

Directors Retiring by rotation In accordance with the Articles of Association of the Company and provisions of the Companies and Allied Matters Act, CAP 20, LFN , 2004 Mr. Denis Hasdenteufel, Mr. Wolfgang Wallmeroth and Alh. Suleiman Yahyah are the Directors retiring by rotation and being eligible to offer themselves for re-election.

Disclosure of Directors' age In accordance with Section 252(i) of the Companies and Allied Matters Act, CAP C 20 LFN 2004, disclosure is hereby made that Senator Ike Nwachukwu, a director is above 70 years.

Directors' Interest The direct and indirect interests of the Directors in the issued share capital of the company as recorded in the register of Directors' shareholdings and/or notified by them for the purpose of Sections 275 and 276 of the Companies and Allied Matters Act, CAP C 20 LFN 2004 are as follows:

Directors' Shareholding:

	31 st December, 2010	31 st December, 2011	29 th February, 2012
Senator Ike Nwachukwu	62,500	62,500	62,500
Suleiman Ismail Yahyah -Direct	1,959,047	1,959,047	1,959,047
- Indirect	117,172,812	117,172,812	117,172,812
Arc. Usman A. Bello	2,109,375	2,109,375	2,109,375
Mobolaji Balogun (Indirect)	309,375	309,375	309,375
Kayode T. Oluwasegun-Ojo	35,625	85,625	85,625
Dr. Faruk Umar	775,566	775,566	775,566
Others	Nil	Nil	Nil

Report of the Directors (continued)

Directors' interest (continued)

The following Directors have declared their interests in line with corporate governance best practices and pursuant to section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004.

- a) Rosehill Group Limited is a partner in NAHCO ENERGY & POWER LIMITED. Alhaji Yahyah is also a Director of Rosehill Group Limited.
- b) Chapel Hill Advisory Partners Limited was the Lead Issuing House in respect of the Company's bond issuance programme. Mr. Balogun is also a Director of Chapel Hill Advisory Partners Limited.
- c) Ericon Bello Consortium was appointed a consultant for the construction of the cargo warehouse complex project in Abuja. Arc. Bello is also a Director of Ericon Bello Consortium.

Related party transactions

The Company carries out business for Airlines, some of whom are founder shareholders of the Company. However, in line with Company policy, transactions are carried out at arms length basis.

Shareholding

The Registrars have advised that the called up and fully paid shares of the Company as at 31st December 2011 was beneficially held as follows:

Share Range Analysis:

Range	31 st December, 2011			29 th February, 2012		
	No. Of holders	Units	%	No. Of holders	Units	%
1 - 10,000	70,654	131,493,848	10.69	70,415	130,794,794	10.63
10,001 - 100,000	8,262	232,733,035	18.92	8,253	233,404,619	18.97
100,001 - 1,000,000	921	222,876,416	18.11	953	229,806,714	18.68
1,000,001 - 10,000,000	76	200,926,551	16.33	78	194,023,723	15.77
10,000,001 - 100,000,000	6	197,155,722	16.02	6	197,155,722	16.02
100,000,001 - 1,230,468,750	2	245,283,178	19.93	2	245,283,178	19.93
Grand total	79,921	1,230,468,750	100	79,707	1,230,468,750	100

The following shareholders held more than 5% of the issued share capital:

	31 st December, 2010	28 th February, 2011
British Airways	10.7%	10.7%
Air France	5.8%	5.8%
Lufthansa Commercial Holding GmbH	6.0%	6.0%
Rosehill Group Ltd	9.5%	9.5%

Directors' responsibilities

The Companies and Allied Matters Act, CAP C 20 LFN 2004 requires the Directors to prepare the financial statements, in respect of each financial year, that give a true and fair view of the state of affairs of the company as at the end of the year and of the profit or loss, and cash flows generated by the company for the year ended on that date.

Report of the Directors (continued)

Directors' responsibilities (continued)

In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Ensure that the applicable accounting standards have been followed, and in the case of any material departure, that these have been fully disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis, unless it is deemed inappropriate to assume that the company will continue in business.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any point in time, the financial position of the company, and enable them to ensure that financial statements comply with the Companies and Allied Matters Act, CAP C20 LFN 2004. The Directors are also responsible for the safeguarding of the assets of the company, and for the taking of any reasonable steps for the prevention and detection of fraud and other irregularities.

Acquisition of own Share

The Company did not acquire any of its shares during the year.

Audit committee

Pursuant to Section 359(3) of the Companies and Allied Matters Act CAP C20 LFN 2004, the company has an audit committee comprising of Directors and Shareholders. The report of the audit committee is included in the financial statements and their function is laid out in Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004.

Corporate Governance

Nigerian Aviation Handling Company Plc is committed to observing high standards of corporate governance and complies with the Code of Corporate Governance issued by the Securities and Exchange Commission. The Board of Directors recognises the importance of best corporate governance principles, its valuable contribution to long term business prosperity and accountability to its shareholders.

GOVERNANCE STRUCTURE

THE BOARD

The Board comprises ten (10) Directors, made up of eight (8) non-Executives and two (2) Executives Directors. The Board is responsible to shareholders for creating and delivering sustainable value through its general supervision of the Company's business. The positions of the Chairman and the Chief Executive Officer are held by different persons, in order to avoid undue concentration of power. The Chairman is responsible for the leadership of the Board and creating the conditions for overall effectiveness of the individual Directors' and the Board in general. All the Directors bring various and varied competencies to bear on all Board decisions. Each individual Director has experience, knowledge, qualifications, expertise and integrity necessary to effectively discharge the duties of the Board of Directors. The Board meets regularly and is responsible for effective control and monitoring of the Company's strategy.

Report of the Directors (continued)

Corporate Governance (continued)

THE BOARD (continued)

The Board has established a number of committees to assist it in the discharge of its responsibilities. The Company has established the Board charter and the Board Committees Charter. The Board and the Committees Charter spells out the responsibilities, appointment, terms of references, composition, the review of the charter among other things.

During the year under review the Board met at various times to provide strategic directions, policy and leadership in attaining the objectives of the Company.

The Board monitors the activities of the Executive Management and the accomplishment of set objectives through reports at its meetings.

RELATIONSHIP WITH SHAREHOLDERS

As a deliberate policy nahco aviance maintains an effective and candid communication with its shareholders which enables them to understand the company's business, financial conditions and operating performance and trends. The Board places considerable importance on effective communication with its shareholders as it recognizes the importance of ensuring an appropriate balance in meeting their needs. The company strives at all times to build enduring relationships with the shareholders. The Board ensures that shareholders receive prior notice of meetings and that all other statutory notices and information are communicated regularly. Shareholders can freely communicate their thoughts and recommendations whenever they feel the need to do so by contacting the Company Secretary.

BOARD MEETINGS

The Board met ten (10) times during the 2011 financial year. The following is the list of the Directors and their attendance at the Board meetings:

Directors	Designation	Number of meetings during tenure	Number of meetings attended
Sen. Ike Nwachukwu	Chairman	10	10
Alh.Suleiman Yahyah	Vice Chairman	10	10
Mr. KayodeT. Oluwasegun-Ojo	Managing Director/CEO	10	10
Mr. Gordon Gofwan	Executive	9	9
Mr. Mobolaji Balogun	Non Executive	10	9
Mr. Ian Petrie	Non Executive	10	7
Mr. Wolfgang Wallmeroth	Non Executive	10	7
Arc. Usman Bello	Non Executive	10	10
Dr. Faruk Umar	NonExecutive	5	5
Mr. Denis Hasdenteufel	NonExecutive	10	9
Mr. Osita Onyenwe	Non Executive (Resigned – 22 nd June, 2011)	5	3

Report of the Directors (continued)

Corporate Governance (continued)

BOARD COMMITTEES

In performing its oversight functions of the Company's business the Board operates as a full Board or through the Board Committees whose compositions and functions are listed below.

All Board Committees make recommendation for approval by the full Board.

- 1) Technical Committee.
- 2) Governance and Standards.
- 3) Establishment, Appointment and Remuneration.
- 4) Finance and Strategic Planning.
- 5) Innovation and Development.
- 6) Risk and Compliance.

Technical Committee

The Committee was chaired by a Non-Executive Director and made up of two (2) other Non-Executive Directors and two (2) Executive Directors .

The terms of reference include:

- a. To review Management submission of capital project that are engineering and technical in nature as approved by the Board.
- b. To review and make recommendation to the Board on capital project which are beyond the scope of approval limit of Management.
- c. To review Management proposal on the purchase of Ground Support Equipment (GSE) in line with the Company's strategic plan;

Governance and Standards Committee

The Committee was chaired by a Non-Executive Director and made up of two (2) other Non-Executive Directors and two (2) Executive Directors .

The terms of reference include:

- a. To establish and review on regular bases, the existence of an appropriate code of conduct which focuses on leadership policies and general behaviour within the Company.
- b. Oversees the Board's performance evaluation process.
- c. Access the effectiveness of the Board of Directors as a whole.
- d. Oversees the compliance of all the Company's committees with the Company's corporate Governance policies and standards.

Establishment Appointment and Remuneration Committee

The Committee was chaired by a Non-Executive Director and made up of two (2) other Non-Executive Directors and two (2) Executive Directors .

The terms of reference include:

- a. To make recommendation on the composition of the Board and define the criteria and the procedure for the appointment of Directors to the Board.
- b. To conduct evaluation competency on the appointment of non Executive Directors and the senior management.
- c. Ensures the Company's remuneration policies and practices support recruitment, development and retention of Executive Directors and senior management and recommend remuneration and promotion of executives and senior management.

Report of the Directors (continued)

Finance and Strategic Planning Committee

The Committee was chaired by a Non-Executive Director and made up of three (3) other Non-Executive Directors and two (2) Executive Directors .

The terms of reference include:

- a. Stay informed on a timely basis about the Company's financial status.
- b. As appropriate, review and recommend to the Board, key financial policy matters, oversee development of the budget, financial reporting, its policies and processes.
- c. To review and recommend to the Board the strategic planning process, long range objectives and strategic plan along with specific business and marketing plans of the company.

Innovation and Development Committee

The Committee was chaired by a Non-Executive Director and made up of two (2) other Non-Executive Directors and two (2) Executive Directors .

The terms of reference include:

- a. To support Management on the redefinition of market and support management in seeking new way of being innovative by updating traditional ways of doing business and adding new ones.
- b. Oversee the strategic direction of the company's innovation and product development programmes, to ensure alignment with the company's overall corporate strategy.

Risk and Compliance Committee

The Committee was chaired by a Non-Executive Director and made up of two (2) other Non-Executive Directors and two (2) Executive Directors .

The terms of reference include:

- a. Oversight function on all risk related issues.
- b. Determine the efficiency and effectiveness of administrative operating and accounting controls used by the company.
- c. Reviewing company's policies and practices as regards the business conduct, ethics and integrity. Encourage whistle blowing process.
- d. To keep under review the effectiveness of the company internal controls, audit function and risk management system.

The details of the committees' functions are contained in the Committees' charter.

Board Committee's Meeting

Technical

Members	Number of meetings during tenure	Number of meetings attended
Arc. Usman Bello-Chairman	1	1
Dr. Faruk Umar	1	1
Mr. Ian Petrie	1	1
Mr. Kayode T. Oluwasegun - Ojo	1	1
Mr. Gordon Gofwan	1	1

Report of the Directors (continued)

Finance and Strategic Planning

Members	Number of meetings during tenure	Number of meetings attended
Alh . Suleiman Yahyah Chairman	3	3
Mr. Mobolaji Balogun	3	2
Mr. Wolfgang Wallmeroth	3	3
Mr. Ian Petrie	3	3
Mr. Kayode T. Oluwasegun- Ojo	3	3
Mr. Gordon Gofwan	3	2

Governance and Standards

Members	Number of meetings during tenure	Number of meetings attended
Mr. Wolfgang Wallmeroth – Chairman	2	2
Arc. Usman Bello	2	2
Dr. Faruk Umar	Nil	Nil
Mr. Kayode T. Oluwasegun- Ojo	2	2
Mr. Osita Onyenwe	1	1
Mr. Gordon Gofwan	1	Nil

Establishment, Appointment & Remuneration

Members	Number of meetings during tenure	Number of meetings attended
Dr. Faruk Umar- Chairman	3	3
Mr. Ian Petrie	4	3
Arc. Usman Bello	4	4
Mr. Kayode T. Oluwasegun - Ojo	4	4
Mr. Osita Onyenwe Resigned 22 nd June, 2011	1	1
Mr. Gordon Gofwan	3	3

Innovations and Developments

Members	Number of meetings during tenure	Number of meetings attended
Mr. Denis Hasdenteufel Chairman	2	2
Mr. Wolfgang Wallmeroth	2	2
Alh. Suleiman Yahyah	2	2
Mr. Kayode T. Oluwasegun- Ojo	2	2
Mr. Gordon Gofwan	2	2

Report of the Directors (continued)

Risk and Compliance

Members	Number of meetings during tenure	Number of meetings attended
Mr. Ian Petrie - Chairman	1	1
Mr. Wolfgang Wallmeroth	1	1
Mr. Mobolaji Balogun	1	1
Mr. Kayode T. Oluwasegun - Ojo	1	1
Mr. Gordon Gofwan	1	Nil

Joint Committee

Members	Number of Meetings during tenure	Number of Meetings attended
Alh. Suleiman Yahyah- Chairman	4	4
Arc. Usman Bello	4	4
Mr. Bolaji Balogun	4	3
Mr. Osita Onyenwe	1	1
Mr. Ian Petrie	4	2
Mr. Wolfgang Wallmeroth	4	2
Dr. Faruk Umar	2	2
Mr. Kayode Oluwasegun - Ojo	4	4
Mr. Gordon Gofwan	3	3

The Joint Committee of the Board is a joint meeting of all the Board Committees.

The Audit Committee

The Audit Committee is composed of six members made up of three representatives of the Shareholders elected at the 2010 Annual General Meeting for a tenure of one year till the conclusion of the 2011 Annual General Meeting; and three representatives of the Board of Directors nominated by the Board.

The terms of reference include as provided in section 359 (6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004:

1. Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
2. Reviews the scope and planning of audit requirements;
3. Reviews the findings on management matters in conjunction with the external auditor and departmental responses thereon;
4. Keeps under review the effectiveness of the Company's system of accounting and internal control;
5. Makes recommendations to the Board in regard to the appointment, removal and remuneration of the external auditors of the Company; and

Report of the Directors (continued)

The Audit Committee (continued)

6. Authorises the internal auditor to carry out investigations into any activities of the Company which may be of interest or concern to the Committee.

Members	Number of Meetings during tenure	Number of Meetings attended
1. Ms. Amina Maina - Chairman	3	2
2. Mrs. Bisi Bakare	3	3
3. Barr. Nnodu Okeke	3	3
4. Mr. Ian Petrie	3	2
5. Mr. Wolfgang Wallmeroth	3	1
6. Arc. Usman Bello	3	3

SHAREHOLDERS' INFORMATION

Share Capital History

Date	Authorized Share Capital Increased from (₦)	Authorized Share Capital Increased to (₦)	Issued Share Capital Increased from (₦)	Issued Share Capital Increased to (₦)	Consideration
25 May 2007	150,000,000	500,000,000	150,000,000	375,000,000	Bonus (3:2)
25 May 2007	-	500,000,000	375,000,000	392,500,000	Rights
25 May 2007	-	500,000,000	392,500,000	437,500,000	Public Offer
09 May 2008	-	500,000,000	437,500,000	492,187,500	Bonus (1:8)
21 August 2009	500,000,000	750,000,000	-	492,187,500	-
21 August 2009	-	-	492,187,500	615,234,375	Bonus (1:4)

Report of the Directors (continued)

Donations

The Company made donations and gifts amounting to the following:

	₦
Association of Nigerian Licensed Customs Agents (ANLCA)	2,210,000
Grants to family of deceased Audit Committee member	1,800,000
Sponsorship of Golf tournament & Ground Handling Conference	1,744,684
Kaduna Polo Club	1,500,000
Air Transport Senior Staff Association Of Nigeria (ATSSAN)	128,200
League of Airport Aviation Correspondent Services	300,000
May Day Rally	300,000
National Union of Air Transport Employees (NUATE)	250,000
National Association of Government Approved Freight Forwarders (NAGAFF)	350,000
National Association of Freight Forwarders & Consolidation (NAFFAC)	100,000
	8,682,884
	=====

The Company did not make any donation or gift to any political party or organizations.

Unclaimed dividend

Shareholders who are yet to receive their dividend are advised to contact the Registrar, City Securities Limited, Registrars, Primrose Tower, Tinubu Street, Lagos.

Disabled Persons

The Company gives full and fair consideration to applications for employment made by disabled persons. During the year under review, there were no disabled persons in the company's employment.

Employees Health, Safety and Welfare

Health and safety regulations are in force within the company for the benefit of all employees. A staff clinic is maintained and in addition the Company has made arrangement with private hospitals and clinics for the treatment of employees on referral basis. Also, the Company has a dedicated unit for Health, Safety Environment and Quality in line with standard policy applicable to aviation industry

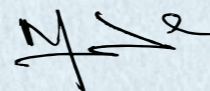
Employees' development

This is carried out at various levels within the company through both internal and external training.

Auditors

The Auditors, Horwath Dafinone have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, LFN 2004, CAP 20. A resolution will be proposed authorising the Directors to fix their remuneration.

By Order of the Board



Mrs Folashade O. Ode
Company Secretary
Lagos, Nigeria
23rd March, 2012

Senior Management Team



Mr. Kayode T. Oluwasegun-Ojo
Managing Director / CEO



Mr. Norbert Bielderman
Chief Operating Officer



Gordon Gofwan
Executive Director, Business Development



Umar Birmah
Group Head, Human Resources and Org. Devt.

Senior Management Team



Folashade Ode
Company Secretary



Sanya Onayoade
Head, Corporate Communications



Ana Maria Martinez-Atienza
Asst Chief Operating Officer (Commercial)



Ahmed Gulma
Head, Internal Audit



Ona Peters
Head, Enterprise Risk Manager

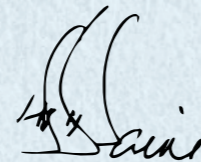
Report of the Audit Committee

To the members of Nigerian Aviation Handling Company Plc.

In compliance with the provisions of section 359 (6) of the companies and Allied Matters Act, CAP C20 LFN, 2004, we, the members of the Audit Committee of Nigerian Aviation Handling Company Plc, confirm that the accounting and reporting policies of the company as contained in the audited financial statement for the year ended 31st December, 2011 are in accordance with legal requirements and agreed ethical practices.

We confirm that the External Auditors, Horwath Dafinone have issued an unqualified opinion on the Company's financial statements for the year ended 31st December, 2011.

In our opinion, the scope and planning of the year ended 31st December, 2010 was adequate and we confirm that the response by the management to the External Auditors' findings on Management matters were satisfactory.



MS AMINA MAINA
Chairman, Audit Committee

Dated this 21st day of March, 2012.

Members of the Audit Committee:

Ms Amina Maina	Chairman
Arc. Usman Musa Bello	Member
Mr. Ian Petrie	Member
Mr. Wolfgang Wallmeroth	Member
Barr. Nnodu Okeke	Member
Mrs. Bisi Bakare	Member

The Company Secretary, Mrs. Folasade Ode acted as Secretary to the Committee during the year.

Report of the Independent Auditors

To The Shareholders Of Nigerian Aviation Handling Company Plc.



Horwath Dafinone
Chartered Accountants
Ceddi Towers
16, Wharf Road, Apapa
P.O. Box 2151, Marina
Lagos, Nigeria.
Tel: +234 1 4600518 - 9
+234 1 7615480
+234 1 4600619
+234 1 803 978 6138
Fax +234 1 4600618
E-mail: info@dafinone.com
TIN NO 01660732-0001

We have audited the financial statements of Nigerian Aviation Handling Company Plc ("the Company") and its subsidiaries (together "the Group") which comprise, the profit and loss account, the balance sheet as at 31st December 2011, the principal accounting policies, the cash flow statement for the year then ended, other explanatory notes, the value added statement and the five year financial summary. These financial statements are set out on pages 18 to 31 and have been prepared using the accounting policies set out on pages 16 and 17

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Standards (Formerly known as Statements of Accounting Standards) issued by the Financial Reporting Council of Nigeria (formerly known as the Nigerian Accounting Standards Board) and the Companies and Allied Matters Act, CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

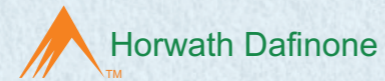
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and Nigerian Standards on Auditing issued by the Institute of Chartered Accountants of Nigeria. The standards require that we comply with ethical requirements, plan and perform the audit so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

Basis of our opinion

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

*Horwath Dafinone is an independent member of Crowe Horwath International, with offices and associated firms Worldwide.
A list of partners' name is available at the above address.*

Report of the Independent Auditors (cont'd)



Basis of our opinion (continued)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the information contained within the financial statements.

We obtained all of the information and explanations that were required for the purpose of our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Report on other legal and regulatory requirements

In accordance with the Companies and Allied Matters Act CAP C20 LFN 2004 we confirm that the financial statements are in agreement with the accounting records, which have been properly kept.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company and the Group at 31st December, 2011 and of the financial performance and the cash flows for the Company and the Group for the year ended on that date, and comply with the Companies and Allied Matters Act CAP C20 LFN 2004, and the applicable Financial Reporting Standards (formerly known as Statements of Accounting Standards) issued by the Financial Reporting Council of Nigeria (formerly known as the Nigerian Accounting Standards Board).

Lagos, Nigeria
23rd March, 2012

Amwase Dafinone
Horwath Dafinone
Chartered Accountants



Principal Accounting Policies

for the year ended 31st December, 2011

a. Basis of accounting

The financial statements have been prepared under the historical cost convention

b. Basis of consolidation

The group financial statements represent the financial statements of Nigerian Aviation Handling Company Plc and its subsidiaries, NAHCO FTZ LIMITED and NAHCO ENERGY & POWER LIMITED.

The financial information in respect of the subsidiaries is consolidated from the date that effective control over the business operations of the companies was achieved

c. Turnover

Turnover represents the amounts invoiced to the customers less trade discounts but excluding value added tax and sale of fixed assets.

d. Fixed assets

Fixed assets are recorded at the cost incurred in both acquiring the asset and putting it into its condition prior to its use. Capital work in progress are stated at cost and transferred to relevant class of assets when put into use.

e. Depreciation of fixed assets

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Class of assets	%
Building	5
Furniture, fittings and equipment	10
Computer equipment and software	20
Motor vehicles	25
Plant and machinery	10

Capital work in progress, representing assets in the course of construction, is not depreciated until the assets are brought into use.

f. Debtors

These are stated after making specific provisions for debts considered doubtful of recovery.

g. Stock

These are valued at lower of cost and net realisable value, after making adequate allowances for obsolete and slow moving items

Principal Accounting Policies

for the year ended 31st December, 2011 (cont'd)

h. Foreign currencies

Transactions denominated in foreign currencies are translated into Naira at the rates of exchange ruling at the date of the transaction or the rates at which the transactions are contracted to be settled. At the balance sheet date, balances denominated in foreign currencies other than those subject to contracted rates of settlement, are translated into Naira at the rates ruling at that date. Exchange gains and losses arising from such translation are dealt with in the profit and loss account.

i. Taxation

Provision for income tax is based on the profits of the company as adjusted for in accordance with the current tax legislation. Education tax is based on the provisions of the Education Tax Act, 1993. Deferred taxation is accounted for using the liability method and calculated at the current tax rate on the differences between the net book value of the qualifying fixed assets and their corresponding tax written down value.

j. Retirement Benefits

In line with the provisions of the Pension Reform Act 2004, the company operates a defined contribution pension scheme. Staff contributions to the pension scheme are funded through payroll deductions while the company's contribution is charged to the profit and loss account.

Profit and Loss Account

(for the year ended 31st December, 2011)

	Note	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
Turnover	3 (a)	7,141,628	7,141,628	6,345,539
Operational costs		(3,831,767)	(3,831,767)	(3,269,750)
Gross profit		3,309,861	3,309,861	3,075,789
Administrative expenses		(2,193,552)	(2,085,599)	(1,527,976)
Trading profit		1,116,309	1,224,262	1,547,813
Other income	4	169,776	169,776	165,245
Operating profit	3 (b)	1,286,085	1,394,038	1,713,058
Interest receivable and similar income	5	37,663	37,663	55,251
Interest payable and similar charges	6	(144,977)	(144,977)	(57,152)
Profit before taxation	7	1,178,771	1,286,724	1,711,157
Taxation	8 (i)	(421,051)	(421,051)	(533,653)
Profit for the year after taxation		757,720	865,673	1,177,504
Non-controlling interest	23	39,943	-	-
Profit after taxation and non-controlling interest		797,663	865,673	1,177,504
Dividend (interim)	9	(184,570)	(184,570)	(307,617)
Profit for the year after taxation and dividend		613,093	681,103	869,887
Appropriated as follows:				
Dividend reserve	9	307,617	307,617	492,187
Retained profit for the year	10	305,476	373,486	377,700
		613,093	681,103	869,887
Basic earnings per share	11	65k	70k	96k

The statement of principal accounting policies on pages 16 and 17 and the notes on pages 21 to 29 form part of these financial statements.

Balance sheet at 31st December, 2011

	Note	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
Tangible fixed assets	12	5,942,894	5,942,894	4,484,258
Investment	13	-	35,500	-
Non-current assets				
Bond repayment fund	14	107,500	107,500	-
		<hr/>	<hr/>	<hr/>
		6,050,394	6,085,894	4,484,258
Current Assets				
Stocks	15	29,035	29,035	51,125
Debtors and prepayments	16	3,260,138	3,339,092	1,872,819
Cash and bank	17	505,072	483,571	879,959
		<hr/>	<hr/>	<hr/>
		3,794,245	3,851,698	2,803,903
Creditors: Amounts falling due within one year				
Creditors and accruals	18	(1,168,270)	(1,168,270)	(1,031,333)
Taxation	8(ii)	(510,412)	(510,412)	(409,834)
		<hr/>	<hr/>	<hr/>
Net current assets		2,115,563	2,173,016	1,362,736
		<hr/>	<hr/>	<hr/>
Total assets less current liabilities		8,165,957	8,258,910	5,846,994
Creditors: Amounts falling due after more than one year				
Deferred Tax	8(iii)	(927,000)	(927,000)	(854,000)
Long term loan	20	(2,150,000)	(2,150,000)	-
		<hr/>	<hr/>	<hr/>
Net assets		5,088,957	5,181,910	4,992,994
		<hr/>	<hr/>	<hr/>
Capital and reserves				
Share capital	21	615,234	615,234	615,234
Share premium	22	1,914,758	1,914,758	1,914,758
Dividend reserve	9	307,617	307,617	492,187
Revenue reserves	10	2,276,291	2,344,301	1,970,815
Non-controlling interest	23	(24,943)	-	-
		<hr/>	<hr/>	<hr/>
		5,088,957	5,181,910	4,992,994
		<hr/>	<hr/>	<hr/>

Sen. Ike O. S. Nwachukwu - (Chairman)

Mr. Kayode T. Oluwasegun Ojo - (Managing Director)

The statement of principal accounting policies on pages 16 and 17 and the notes on pages 21 to 29 form part of these financial statements.

Cash Flow Statement

(for the year ended 31st December, 2011)

	Note	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
Operating activities				
Operating profit		1,286,085	1,394,038	1,713,058
Adjustment for items not involving the movement of funds:				
Depreciation	12	719,674	719,674	562,118
Loss/(gain) on disposal of fixed assets		23,972	23,972	(303)
Provision for doubtful debts	6	(52,404)	(52,404)	(35,373)
		<u>1,977,327</u>	<u>2,085,280</u>	<u>2,239,500</u>
Other adjustments to reconcile operating profit to cash from operating activities				
Decrease/(increase) in stock	15	22,090	22,090	(15,851)
Increase in debtors and prepayment	16	(1,347,834)	(1,426,788)	(743,512)
Increase in creditors	18	136,937	136,937	105,928
Taxation paid including WHT deducted		(286,958)	(286,958)	(476,871)
		<u>501,562</u>	<u>530,561</u>	<u>1,109,194</u>
Cashinflow from operating activities				
Investing activities				
Purchase of fixed assets	12	(2,223,884)	(2,223,884)	(1,627,154)
Proceeds from sale of fixed assets		21,602	21,602	31,060
Investments purchased	13	-	(35,500)	-
Bond repayment fund	14	(107,500)	(107,500)	-
Interest received	5	37,663	37,663	55,251
Investment by subsidiary	23	15,000	-	-
		<u>(2,257,119)</u>	<u>(2,307,619)</u>	<u>(1,540,843)</u>
Cash outflow from investing activities				
Financing activities				
Interest payable and similar charges	6	(92,573)	(92,573)	(21,779)
Dividend paid		(676,757)	(676,757)	(861,328)
Proceeds from bond issue	20	2,150,000	2,150,000	-
		<u>1,380,670</u>	<u>1,380,670</u>	<u>(883,107)</u>
Cash inflow/(outflow) from financing activities				
Decrease in cash		(374,887)	(396,388)	(1,314,756)
Cash and cash equivalent at the beginning of the year		879,959	879,959	2,194,715
Cash and cash equivalent at the end of the year	17	505,072	483,571	879,959
		<u>=====</u>	<u>=====</u>	<u>=====</u>

Notes to the Financial Statements (for the year ended 31st December, 2011)

1. Legal Form

Nigerian Aviation Handling Company Plc was incorporated as a Private Limited Liability Company on 6th December, 1979. The status of the company was changed to a Public Limited Liability Company (PLC) on 4th August, 2005 and its shares were subdivided into 50 kobo shares from the original ₦1 share. The Federal Government through the Federal Airports Authority of Nigeria (FAAN) has sold its 60% shareholding to Nigerian citizens under the Government's Privatisation Programme. The company was listed on the Nigerian Stock Exchange from 27th November, 2006.

2. Information regarding Directors, Employees and turnover

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
(a) Directors and staff			
Directors' emoluments:			
Directors' fees	30,000	30,000	27,050
Directors' other expenses	21,592	21,592	25,261
Other emoluments	52,025	52,025	52,267
Staff participatory scheme	15,612	15,612	20,811
	<u>119,229</u>	<u>119,229</u>	<u>125,389</u>
	=====	=====	=====
Directors' compensation for loss of offices	-	-	77,676
	<u>-</u>	<u>-</u>	<u>77,676</u>
	=====	=====	=====
Emoluments			
Chairman	8,363	8,363	8,423
	<u>8,363</u>	<u>8,363</u>	<u>8,423</u>
Highest paid director	33,111	33,111	80,912
	<u>33,111</u>	<u>33,111</u>	<u>80,912</u>
	=====	=====	=====
Number of other directors earning	2011 No.	2011 No.	2010 No.
₦ 2,600,000 - ₦ 2,620,000	1	1	-
₦ 5,300,000 - ₦ 5,320,000	1	1	-
₦ 7,920,000 - ₦ 7,930,000	4	4	5
₦ 7,970,000 - ₦ 7,970,000	1	1	-
₦ 8,100,000 - ₦ 8,120,000	1	1	-
₦ 8,240,000 - ₦ 8,250,000	-	-	1
₦ 8,390,000 - ₦ 8,400,000	-	-	1
₦ 9,420,000 - ₦ 9,430,000	-	-	1
₦ 22,030,000 - ₦ 22,050,000	1	1	-
₦ 23,960,000 - ₦ 23,970,000	-	-	1
₦ 24,060,000 - ₦ 24,070,000	-	-	1
	<u>=</u>	<u>=</u>	<u>=</u>
	₦ '000	₦ '000	₦ '000
(b) Employee costs during the year			
Payroll costs	2,367,602	2,367,602	2,081,893
Staff participation scheme (note i)	88,469	88,469	117,931
Pension costs	108,339	108,339	99,961
Medical expenses	26,295	26,295	16,656
Training	207,096	207,096	49,764
Industrial Training Fund	27,011	27,011	22,304
Staff welfare	54,531	54,531	38,052
	<u>2,879,343</u>	<u>2,879,343</u>	<u>2,426,561</u>
	=====	=====	=====

Notes to the Financial Statements

(for the year ended 31st December 2011 (continued))

2. Information regarding Directors, employees and turnover (continued)

(b) Employee costs during the year (continued)

- (i) The amount set aside for Staff Participation Scheme, represents 7.5% of the profit before taxation and is allocated between the Directors, Management and Staff.

	Group 2011 No.	Company 2011 No.	Company 2010 No.
(c) Scale of higher paid employees' remuneration			
Number of employees earning:			
₦ 650,001 - ₦ 700,000	551	551	556
₦ 750,001 - ₦ 800,000	1	1	1
₦ 850,001 - ₦ 900,000	92	92	53
₦ 900,001 - ₦ 950,000	6	6	3
₦ 950,001 and above	981	981	989
	====	====	====
Average number of persons employed:			
Operations	1,517	1,517	1,449
Administration	114	114	153
	-----	-----	-----
	1,631	1,631	1,602
	=====	=====	=====

3. Sectoral analysis of turnover and profit

Analysis of class of business of turnover and operating profit are as stated below:

	Group ₦ '000	Company ₦ '000	Company ₦ '000
(a) Turnover			
Class of turnover:			
Passenger handling	2,972,592	2,972,592	2,792,592
Cargo handling	3,908,333	3,908,333	3,236,480
Equipment rental and maintenance	260,703	260,703	316,467
	-----	-----	-----
	7,141,628	7,141,628	6,345,539
	=====	=====	=====
(b) Operating profit			
Class of business:			
Passenger handling	484,801	484,801	634,049
Cargo handling	786,096	786,096	993,574
Equipment rental and maintenance	123,140	123,140	85,435
Losses of subsidiaries	(107,953)	-	-
	-----	-----	-----
	1,286,085	1,394,038	1,713,058
	=====	=====	=====

(c) Country derivation

All the operations of the company are carried out within Nigeria.

Notes to the Financial Statements

for the year ended 31st December, 2011 (continued)

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
4. Other income			
Office rental	92,667	92,667	74,676
Rental from trans shipment warehouse	52,323	52,323	62,044
Insurance claim	4,040	4,040	16,111
Profit on disposal of fixed assets	-	-	303
Income from advertisements	1,170	1,170	1,275
Sundry income	19,576	19,576	10,836
	<u>169,776</u>	<u>169,776</u>	<u>165,245</u>
	=====	=====	=====
5. Interest receivable and similar income			
Interest income	36,955	36,955	55,251
Exchange gain	708	708	-
	<u>37,663</u>	<u>37,663</u>	<u>55,251</u>
	=====	=====	=====
6. Interest payable and similar charges			
Bank charges and interest	22,124	22,124	18,401
Provision for doubtful debt	52,404	52,404	35,373
Interest on Bond	70,449	70,449	-
Exchange loss	-	-	3,378
	<u>144,977</u>	<u>144,977</u>	<u>57,152</u>
	=====	=====	=====
7. Profit before taxation			
Profit before taxation is stated after Charging/ (crediting):			
Depreciation	719,694	719,694	562,118
Directors' emolument (note 2a)	119,229	119,229	125,389
Directors' compensation for loss of offices (note 2a)	-	-	77,676
Board expenses	208,632	198,055	145,400
General meeting expenses	97,560	97,560	40,072
Auditors' remuneration	7,000	7,000	7,000
Staff participation scheme (note 2 b(i))	88,469	88,469	117,931
Provision for doubtful debts	52,404	52,404	35,373
Loss/(profit) on disposal of fixed assets	23,972	23,972	(303)
Transformation expenses	57,296	57,296	21,030
Management services fees	86,410	86,410	-
Bond issue expenses	102,728	102,728	-
Concession fees	331,255	331,255	304,674
Interest on Bonds	70,449	70,449	-
Training expenses	207,129	207,129	49,764
	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
	=====	=====	=====

Notes to the Financial Statements

for the year ended 31st December, 2011 (continued)

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
8. Taxation			
i) Profit and loss account			
Income tax for the year	303,000	303,000	336,000
Education tax	42,000	42,000	46,000
(Over provision)/under provision in prior year	3,051	3,051	(1,347)
Deferred Tax (note 8 iii)	73,000	73,000	153,000
	<u>421,051</u>	<u>421,051</u>	<u>533,653</u>
ii) Balance sheet			
Prior year unpaid tax	165,412	165,412	27,834
Income tax for the year	303,000	303,000	336,000
Education tax	42,000	42,000	46,000
	<u>510,412</u>	<u>510,412</u>	<u>409,834</u>
iii) Deferred tax			
Balance at beginning of the year	854,000	854,000	701,000
Charge for the year (note 8 i)	73,000	73,000	153,000
	<u>927,000</u>	<u>927,000</u>	<u>854,000</u>
9. Dividend reserve			
Balance at 1 st January	492,187	492,187	553,711
Dividend proposed	307,617	307,617	492,187
Paid during the year	(492,187)	(492,187)	(553,711)
	<u>307,617</u>	<u>307,617</u>	<u>492,187</u>

At the Board of Directors meeting held on 20th July 2011, an interim dividend of 15 kobo per ordinary share of 50 kobo each was approved amounting to ₦184,570,312. The interim dividend was paid during the year.

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
10. Revenue reserves			
Balance brought forward	1,970,815	1,970,815	1,593,115
Retained profit for the year	305,476	373,486	377,700
	<u>2,276,291</u>	<u>2,344,301</u>	<u>1,970,815</u>
11. Basic earnings per share			

Basic earning per share is calculated on the profit after taxation divided by 1.230 billion ordinary shares of 50 kobo each in issue at the year end.

Notes to the Financial Statements

for the year ended 31st December, 2011 (cont'd)

12. Tangible Fixed Assets

	Land & building ₦ '000	Plant & machinery ₦ '000	Motor vehicles ₦ '000	Computer equipment and software ₦ '000	Furniture fittings & equipment ₦ '000	Capital work-in progress ₦ '000	Total ₦ '000
<u>Company and Group</u>							
<u>Cost</u>							
At 1 st January, 2011	1,600,581	4,147,484	345,698	849,736	201,618	461,512	7,606,629
Reclassification	13,982	-	-	-	-	(13,982)	-
Additions	29,128	682,239	105,686	157,804	40,036	1,208,991	2,223,884
Disposals	-	(327,511)	(32,817)	(198)	(3,313)	-	(363,839)
At 31 st December, 2011	<u>1,643,691</u>	<u>4,502,212</u>	<u>418,567</u>	<u>1,007,342</u>	<u>238,341</u>	<u>1,656,521</u>	<u>9,466,674</u>
<u>Depreciation</u>							
At 1 st January, 2011	593,363	1,642,373	166,598	598,275	121,762	-	3,122,371
Reclassification	-	-	-	-	-	-	-
Additions	81,222	415,666	84,205	113,674	24,907	-	719,674
Disposal	-	(281,198)	(32,765)	(198)	(4,104)	-	(318,265)
At 31 st December, 2011	<u>674,585</u>	<u>1,776,841</u>	<u>218,038</u>	<u>711,751</u>	<u>142,565</u>	<u>-</u>	<u>3,523,780</u>
<u>Net Book Value</u>							
At 31 st December, 2011	<u>969,106</u>	<u>2,725,371</u>	<u>200,529</u>	<u>295,591</u>	<u>95,776</u>	<u>1,656,521</u>	<u>5,942,894</u>
At 31st December, 2010	<u>1,007,218</u>	<u>2,505,111</u>	<u>179,100</u>	<u>251,461</u>	<u>79,856</u>	<u>461,512</u>	<u>4,484,258</u>

Notes to the Financial Statements

for the year ended 31st December, 2011 (cont'd)

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
13. Investment			
Shares in subsidiaries :			
NAHCO FTZ LIMITED (note 13(i))	-	10,000	-
NAHCO ENERGY & POWER LIMITED (note 13(ii))	-	25,500	-
	<u>-</u>	<u>35,500</u>	<u>-</u>
	=====	=====	=====

- (i) The company holds 10 million ordinary shares of ₦1 in this subsidiary representing 100% of the issued share capital of ₦10 million.
- (ii) The company holds 25.5 million ordinary shares of ₦1 in this subsidiary representing 63% of the issued share capital of ₦40.5 million. The remaining shares are held by Rosehill Group Limited, a shareholder of Nigerian Aviation Handling Company Plc.

14. Bond repayment fund

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
Balance at year end	107,500	107,500	-
	=====	=====	=====

The balance on this account represents the amount available in the Debt Service Reserve Account (note 20) for the eventual repayment of the principal amount of Bond. In line with the Trust Agreement the Company will fund this account to enable the Trustees meet the obligation of interest and the principal amounts to Bondholders.

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
15. Stocks			
Spare parts	13,939	13,939	39,157
Stationery	8,833	8,833	8,901
Medical	790	790	581
Diesel	5,473	5,473	2,486
	<u>29,035</u>	<u>29,035</u>	<u>51,125</u>
	=====	=====	=====

16. Debtors and prepayments

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
Trade debtors	1,083,500	1,083,500	725,716
Other debtors	62,921	62,921	154,063
Amounts due from subsidiaries	-	1,655,453	-
Deposit for fixed assets	1,669,178	120,093	641,908
Prepayments and accrued income	103,136	75,722	49,214
Withholding tax recoverable	341,403	341,403	301,918
	<u>3,260,138</u>	<u>3,339,092</u>	<u>1,872,819</u>
	=====	=====	=====

Notes to the Financial Statements

for the year ended 31st December, 2011 (cont'd)

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
17. Cash and bank balances			
Cash balances	3,616	3,616	1,449
Bank balance:			
Current account	319,870	298,369	261,980
Fixed deposit accounts	152,163	152,163	592,170
Domiciliary accounts	29,423	29,423	24,360
	<u>505,072</u>	<u>483,571</u>	<u>879,959</u>
	=====	=====	=====
18. Creditors : Amounts falling due within one year			
Trade creditors	27,452	27,452	15,157
Other creditors including PAYE and social security (note (19))	285,021	285,021	280,849
Accruals and deferred income	855,797	855,797	735,327
	<u>1,168,270</u>	<u>1,168,270</u>	<u>1,031,333</u>
	=====	=====	=====
19. Other creditors			
These comprise:			
Pension contributions	58,488	58,488	45,505
VAT	48,111	48,111	23,332
Withholding taxes	62,254	62,254	69,156
PAYE	1,619	1,619	-
Staff participating scheme	109,075	109,075	141,071
Others	5,474	5,474	1,785
	<u>285,021</u>	<u>285,021</u>	<u>280,849</u>
	=====	=====	=====
20. Long term loan			
₦ 2.15 Billion 13% Series 1 Bond 2016	2,150,000	2,150,000	-
	<u>2,150,000</u>	<u>2,150,000</u>	<u>-</u>
	=====	=====	=====

In September 2010 the Company under its Naira 5 billion Bond issuance programme issued bonds amounting to ₦2,150,000,000. The Bonds issued are for a period of 5 years maturing on 29th September, 2016 and attract interest at 13% payable every 6 months.

The Company also entered into an agreement with First Trustees Nigeria Limited, the Trustees to the issue, to establish a Debt Service Reserve Account (DSRA) to be maintained by the Trustees. The Company is making payments every month into the DSRA to enable the Trustees meet up the interest and repayment obligations to the Bondholders on the due dates.

Notes to the Financial Statements

for the year ended 31st December, 2011 (cont'd)

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
21. Share capital			
Authorised: 1,500,000,000 ordinary shares of 50 kobo each	750,000 =====	750,000 =====	750,000 =====
Allotted, called-up and fully paid:			
1,230,468,750 ordinary shares of 50 kobo each	615,234 =====	615,234 =====	615,234 =====
22. Share premium			
Balance at year end	1,914,758 =====	1,914,758 =====	1,914,758 =====

The share premium relates to the net surplus arising from the issues of shares by way of rights and public offer in 2008.

	Group 2011 ₦ '000
23. Non-controlling interest	
Non-controlling interest in the equity capital	15,000
Share of current losses	(39,943)

	(24,943) =====

This represents the portion of the minority shareholder in the called up share capital of the subsidiary, NAHCO ENERGY & POWER LIMITED, together with their share of losses that are attributable to their proportion of the ordinary share capital.

24. Related party transactions

The Company entered into the following transactions during the year with the under listed companies:

- (i) Rosehill Group Limited
 - (a) Holding Company

The company entered into a management support agreement with the Rosehill Group Limited (RGL), which was approved by the shareholders at the Extraordinary General meeting held on 18th August, 2011. Under the terms of the agreement, which commenced from 1st September, 2011, RGL will receive a management services fee of 3.5% of the Company's consolidated net turnover. The fee is payable quarterly in arrears and the amount due and unpaid as at the year end amounted to ₦ 87 million.

- (b) Subsidiary Companies

An amount of ₦ 11.1 million was also paid to Rosehill Group Limited for professional services rendered in submitting bid documents and assistance in search of technical partners.

Notes to the Financial Statements

for the year ended 31st December, 2011 (cont'd)

24. Related party transactions (continued)

(ii) Chapel Hill Advisory Partners Limited

Chapel Hill Advisory Partners Limited were the leadbook runner/issuing house in respect of the ₦ 5 billion debt issuance programme under which the ₦ 2.150 billion 13% Series I Bonds 2016 were issued by the company.

The company paid ₦ 25.6 million for the professional services rendered by Chapel Hill Advisory Partners Limited in respect of the Bond issue.

(iii) Ericon Bello & Associates

The company has engaged Ericon Bello & Associates, a consultancy consortium, as consultants in respect of the design of the cargo warehouse at the Abuja International Airport. The consultancy fees are estimated to be approximately ₦74 million.

During the year an amount of ₦15.75 million was paid to the consultancy consortium as a payment on account for consultancy services rendered.

25. Contingent liabilities

- (i) The company is subject to various claims arising in the normal course of business. The pending legal claims for which no provision has been made in these accounts amounted to ₦ 478.3 million (2010: ₦ 734.6 million). In the opinion of the directors, based on legal advice, no material loss is expected to arise from these claims

26. Capital commitments

	Group 2011 ₦ '000	Company 2011 ₦ '000	Company 2010 ₦ '000
Contracted for but not provided	292,423	292,423	1,046,000
Authorised but not contracted for	1,303,340	1,303,340	2,975,000
	<u>1,595,763</u>	<u>1,595,763</u>	<u>4,021,000</u>
	=====	=====	=====

27. The financial statements were approved by the Board of directors on 23rd March, 2012.

Statement of Value Added

for the year ended 31st December, 2011

	Group 2011 ₦ '000	%	Company 2011 ₦ '000	%	Company 2010 ₦ '000	%
Turnover	7,141,628		7,141,628		6,345,539	
Other income	207,439		207,439		220,496	
	<hr/>		<hr/>		<hr/>	
Less: Bought in goods and services:	7,349,067		7,349,067		6,566,035	
Imported	(559,481)		(559,481)		(359,499)	
Local	(1,830,502)		(1,762,492)		(1,285,234)	
	<hr/>		<hr/>		<hr/>	
	4,959,084	100	5,027,094	100	4,921,302	100
	=====		=====		=====	
Applied in the following ways:						
To pay employees and directors:						
Salaries, wages, Pensions and related costs	2,998,572	60	2,998,572	60	2,629,626	53
To providers of capital:						
Interest and similar charges	22,124	-	22,124	-	18,401	-
Dividend to shareholders	492,187	10	492,187	10	799,804	16
To Government:						
Income and Education tax	421,051	9	421,051	8	533,653	11
To provide for replacement and development:						
Depreciation	719,674	15	719,674	14	562,118	12
Profit retained	305,476	6	373,486	8	377,700	8
	<hr/>		<hr/>		<hr/>	
	4,959,084	100	5,027,094	100	4,921,302	100
	=====		=====		=====	

Five Year Financial Summary

Year ended 31st December	Group		Company			
	2011 ₦ 'm	2011 ₦ 'm	2010 ₦ 'm	2009 ₦ 'm	2008 ₦ 'm	2007 ₦ 'm
Balance Sheet						
Employment of Capital						
Fixed assets	5,943	5,943	4,484	3,450	3,143	3,082
Investment	-	35	-	-	-	-
Net current assets	108	108	-	-	-	-
Net current assets/ (liabilities)	2,115	2,173	1,363	1,928	1,573	(21)
Deferred tax	(927)	(927)	(854)	(701)	(499)	(328)
Long term liabilities	(2,150)	(2,150)	-	-	-	(1,033)
Non-controlling interest	(25)	-	-	-	-	-
Net assets	5,089	5,182	4,993	4,677	4,217	1,700
Capital Employed:						
Share capital	615	615	615	615	492	375
Share premium	1,915	1,915	1,915	1,915	1,915	-
Dividend reserve	308	308	492	554	541	263
Revenue reserve	2,276	2,344	1,971	1,593	1,269	1,062
Non-controlling interest	(25)	-	-	-	-	-
Shareholders' funds	5,089	5,182	4,993	4,677	4,217	1,700
Profit & Loss account						
Turnover	7,142	7,142	6,346	6,067	4,430	3,661
Profit before taxation	1,179	1,287	1,711	1,897	1,217	786
Taxation	(421)	(421)	(534)	(650)	(414)	(196)
Non-controlling interest	40	-	-	-	-	-
Interim dividend paid	(185)	(185)	(307)	(246)	-	-
Profit after taxation and dividend	613	681	870	1,001	803	590
Appropriated as follows:						
Dividend reserve	308	308	492	554	541	263
Profit and loss	305	373	378	447	262	327
Revenue reserves brought forward	1,971	1,971	1,593	1,269	1,062	960
Bonus issue	-	-	-	(123)	(55)	(225)
Retained reserves	1,971	1,971	1,593	1,146	1,007	735
Revenue reserves carried forward	2,276	2,344	1,971	1,593	1,269	1,062
Per 50 kobo share						
Basic earnings per share	65k	70k	96k	101k	82k	79k
Interim dividend (actual)	15k	15k	25k	25k	-	-
Final dividend (actual)	25k	25k	40k	45k	55k	30k
Net assets per share (adjusted)	414k	421k	406k	380k	343k	138k

Review of Organisational Performance (Pre and Post Transformation)

	ISSUES	PRE-TRANSFORMATION	POST-TRANSFORMATION
1	STATUS OF THE COMPANY	Company with one line of business	Company with many lines of business (Nahco Group)
2	BUSINESS DEVELOPMENT, DIVERSIFICATION AND EXPANSION	<ol style="list-style-type: none"> 1. The company was operating in only five airports before the transformation. 2. There was no separate office responsible for Business Development 	<ol style="list-style-type: none"> 1. The company has added two more stations: Uyo and Asaba 2. The Company is on the verge of operating a Free Export Processing Zone 3. There is a separate division responsible for Business Development headed by an Executive Director 4. The company has already been pre-qualified for the power distribution.
3	INCREASE IN NUMBER OF CLIENTS	There was no significant increase in the number of airlines handled before the transformation.	More airlines have joined the company: FirstNation, Singapore Airlines, Air Ivorie, Royal Jordan Airlines, Rwand Air, and ASKY Airlines.
4	CERTIFICATION OF OPERATIONS	The organisation's operations were not formally certified.	Certification by highest aviation regulatory body, IATA by issuing ISAGO certificate
5	MODERNIZATION AND EXPANSION OF WAREHOUSE	<ol style="list-style-type: none"> 1. Cargo warehouse was small and facilities inside non-functional or obsolete. 2. Warehouse characterized by crowd 3. Process for collection of cargo scattered 	<ol style="list-style-type: none"> 1. The size of the warehouse has been increased to create more room for cargo storage. 2. Additional vehicular gate has been constructed to give the warehouse a one-directional float 3. More security apparatus installed for effective coverage of the warehouse and its surroundings 4. More lightening has been installed for proper illumination of the warehouse and its surroundings 5. The warehouse is now a one-stop place where the processing and collection of cargo take place in a single place as the shed now has Advice section, Account section, Banks, Custom offices, Anti-Bomb police office, SSS offices as well as offices for various officers of nahco aviance. 6. The warehouse can boast of facilities such as effective cold rooms, strong rooms, dangerous good rooms etc 7. There are also amenities for staff such as canteen, offices, toilets and bathrooms

Review of Organisational Performance (Pre and Post Transformation)

	ISSUES	PRE-TRANSFORMATION	POST-TRANSFORMATION
6	SECURITY	There was no coordinated security system	1. More security equipment have been purchased and installed for effective security coverage of all facilities and personnel operating in the warehouse. There is now a complete CCTV coverage of the warehouse and the tarmac.
7	HUMAN CAPITAL DEVELOPMENT	1. Staff motivation was low 2. Staff morale was not high 3. Staff training received little attention	1. High flying professionals have been employed to man different positions in the organisation 2. Different incentives have been introduced to motivate staff for better performance 3. Staff training is given adequate attention and all staff have benefited from different programmes. 4. Various recreational items like Table Tennis, Scrabble, Whot cards, Monopoly, Ludo, and Chess are now available for staff recreation.
8	EQUIPMENT AVAILABILITY AND DEPLOYMENT	Shortage of equipment	Different types of Ground Support Equipment have been acquired and deployed to different stations to enhance operations. In 2012 alone, a total of 325 different types of GSE were acquired by the organisation
9	STAKEHOLDERS RELATIONSHIP	Relationship with shareholders was not defined as there was no designated officer to cater for their needs	Governance and Stakeholders' office with a manager has been established to cater for the needs of stakeholders
10	CLIENT RELATIONSHIP MANAGEMENT	There was no clear cut relationship with clients airlines	There is a commercial and Cargo relationship units under the office of the Chief Operating Officer's office where issues bordering on relationship with airlines and cargo agents are handled.
11	CORPORATE VISIONING	Vision and mission statements were not broad	1. More precise vision and mission statements have been unveiled to be in tandem with our new business vision and orientation 2. New staff uniforms have also been introduced.

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Comparative Analysis of Operations Performance for 2011

TOTAL PASSENGER FLIGHTS HANDLED 2011

MONTH	LAGOS (INT)	LAGOS (MMA2)	ABUJA (INT)	ABUJA (DOM)	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	791	916	152	200	67	59	35	-	2,220
FEB	678	956.5	137	190	71	50	41	-	2,123.5
MAR	695	1,122	148	526	77	272	32	-	2,872
APR	655	1,035.5	146	464	66	263	20	-	2,649.5
MAY	684	1,110	148	530	61	321	42	-	2,860
JUN	667	907.5	153	459	50	293	33	175	2,737.5
JUL	688	986.5	164	447	57	552	34	181	3,109.5
AUG	712	869.5	171	449	117	574	40	175	3,107.5
SEP	663	980	165	164	64	666	34	168	2,904
OCT	672	1,047	167	189	68	616	49	152	2,960
NOV	667	1,074	163	253	63	606	41	148	3,015
DEC	708	1,143	75	282	60	704	40	150	3,162
TOTAL	8,280	12,147.5	1,789	4,153	821	4,976	441	1,149	33,720.5

TOTAL TECHNICAL FLIGHTS RECORDED 2011.

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	1	-	-	-	-	-	1
FEB	-	-	-	-	-	-	-
MAR	1	-	-	-	-	-	1
APR	1	-	-	-	-	-	1
MAY	4	-	-	-	-	-	4
JUN	1	-	-	-	-	-	1
JUL	4	-	-	-	-	-	4
AUG	1	-	5	-	-	-	6
SEP	1	-	4	-	-	-	5
OCT	-	1	-	-	-	-	1
NOV	-	3	-	-	-	-	3
DEC	-	2	-	-	-	-	2
TOTAL	14	6	9	-	-	-	29

Comparative Analysis of Operations Performance for 2011

TOTAL CARGO FLIGHTS HANDLED 2011.

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	216	-	-	7	-	-	223
FEB	198	-	-	10	-	-	208
MAR	234	1	1	13	-	-	249
APR	193	4	2	13	-	-	212
MAY	224	-	-	8	-	-	232
JUN	217	2	-	11	-	-	230
JUL	252	-	-	8	-	-	260
AUG	257	-	-	11	-	-	268
SEP	198	2	-	9	-	-	209
OCT	220	-	-	11	-	-	231
NOV	230	-	-	10	-	-	240
DEC	234	-	6	9	-	-	249
TOTAL	2,673	9	9	120	-	-	2,811

TOTAL FLIGHTS HANDLED 2011.

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	1,924	352	67	66	35	-	2,444
FEB	1,832.5	327	71	60	41	-	2,331.5
MAR	2,052	675	78	285	32	-	3,122
APR	1,884.5	614	68	276	20	-	2,862.5
MAY	2,022	678	61	329	42	-	3,132
JUN	1,792.5	614	50	304	33	175	2,968.5
JUL	1,927.5	611	57	560	34	181	3,370.5
AUG	1,839.5	620	122	585	40	175	3,381.5
SEP	1,842	331	68	675	34	168	3,118
OCT	1,939	357	68	627	49	152	3,192
NOV	1,971	419	63	616	41	148	3,258
DEC	2,085	359	66	713	40	150	3,413
TOTAL	23,115.5	5,957	839	5,096	441	1,149	36,596.5

Comparative Analysis of Operations Performance for 2011

OUTBOUND CARGO FIGURES (KG) 2011.

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	525,220.30	10,738	98,310	-	-	-	634,268.3
FEB	629,536.00	20,332	75,063	-	-	-	724,931
MAR	740,951.20	18,545	124,133	-	-	-	883,629.2
APR	1,343,398.30	26,582	108,868	-	-	-	1,478,848.3
MAY	814,169.00	25,662	165,517	-	-	-	1,005,348
JUN	1,132,647.00	24,895	127,351	-	-	-	1,284,893
JUL	1,067,945.00	74,029	95,962	-	-	-	1,237,936
AUG	801,430.00	38,532	61,301	-	-	-	901,263
SEP	801,294.00	26,142	58,531	-	-	-	885,967
OCT	742,683.00	13,022	53,359	-	-	-	809,064
NOV	854,756.78	20,173	71,640	-	-	-	946,569.78
DEC	716,406.11	11,367	63,731	-	-	-	791,504.11
TOTAL	10,170,436.69	310,019	1,103,766	-	-	-	11,584,222.69

INBOUND CARGO FIGURES (KG) 2011.

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	2,463,163.4	241,622	94,354	271,449	-	-	3,070,588.4
FEB	2,976,433.25	206,030	87,047	402,103	-	-	3,671,613.25
MAR	4,547,675.55	213,993	139,810	538,355	-	-	5,439,833.55
APR	6,536,099.66	158,159	114,419	443,466	-	-	7,252,143.66
MAY	6,205,658.79	158,091	66,361	300,914	-	-	6,731,024.79
JUN	6,684,080.8	156,920	81,062	333,775	-	-	7,255,837.8
JUL	6,671,503.50	190,541	114,744	300,380	-	-	7,277,168.5
AUG	7,444,189.60	226,824	64,864	501,866	-	-	8,237,743.6
SEP	7,480,788.36	142,550	47,400	251,560	-	-	7,922,298.36
OCT	7,980,108.54	180,339	71,448	369,741	-	-	8,601,636.54
NOV	8,298,645.48	235,607	53,532	354,079	-	-	8,941,863.48
DEC	8,651,065.58	146,407	70,346	337,009	-	-	9,204,827.58
TOTAL	75,939,412.51	2,257,083	1,005,387	4,404,697	-	-	83,606,579.51

Comparative Analysis of Operations Performance for 2011

OUTBOUND PASSENGER FIGURES 2011.

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	86,982	13,870	4,258	4,005	2,587	-	111,702
FEB	73,367	10,201	3,507	2,621	2,460	-	92,156
MAR	80,139	11,607	6,969	2,932	2,589	-	104,236
APR	80,574	13,139	5,945	3,366	1,234	-	104,258
MAY	87,957	12,143	5,812	3,260	2,418	-	111,590
JUN	81,380	13,894	4,964	3,070	2,220	-	105,528
JUL	102,515	17,162	6,451	4,003	2,550	-	132,681
AUG	105,760	20,694	22,858	5,234	3,103	-	157,649
SEP	90,369	16,570	3,774	3,151	2,457	-	116,321
OCT	91,855	19,038	11,739	3,389	7,093	-	133,114
NOV	78,732	14,186	3,585	3,057	1,961	-	101,521
DEC	95,391	18,840	4,618	3,643	2,115	-	124,607
TOTAL	1,055,021	181,344	84,480	41,731	32,787	-	1,395,363

INBOUND PASSENGER FIGURES 2011.

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	78,278	14,429	4,428	3,158	1,992	-	102,285
FEB	64,724	10,627	5,218	2,417	2,155	-	85,141
MAR	73,170	11,651	6,591	2,918	2,113	-	96,443
APR	74,836	11,687	5,347	3,017	1,047	-	95,934
MAY	86,100	14,763	5,727	3,424	3,183	-	113,197
JUN	78,478	13,756	5,257	2,870	2,257	-	102,618
JUL	86,180	13,518	5,073	3,549	2,406	-	110,726
AUG	90,957	17,459	12,027	4,195	2,992	-	127,630
SEP	95,159	19,793	11,720	4,594	2,281	-	133,547
OCT	86,045	15,544	3,324	3,448	1,724	-	110,085
NOV	91,886	17,706	9,020	3,389	4,951	-	126,952
DEC	104,351	18,943	4,571	4,932	3,940	-	136,737
TOTAL	1,010,164	179,876	78,303	41,911	31,041	-	1,341,295

Comparative Analysis of Operations Performance for 2011

CARGO CUSTOMERS HANDLED 2011

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	958	487	155	-	-	-	1,600
FEB	977	444	157	-	-	-	1,578
MAR	981	521	149	-	-	-	1,651
APR	864	412	98	-	-	-	1,374
MAY	751	349	133	-	-	-	1,233
JUN	855	437	101	-	-	-	1,393
JUL	839	na	152	-	-	-	991
AUG	883	na	127	-	-	-	1,010
SEP	894	468	97	-	-	-	1,459
OCT	828	437	163	-	-	-	1,428
NOV	880	466	105	-	-	-	1,451
DEC	898	466	112	-	-	-	1,476
TOTAL	10,608	4,487	1,549	-	-	-	16,644

OUTBOUND CARGO MAIL (KG) 2011

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	2,872.9	-	-	-	-	-	2,872.9
FEB	3,729.5	-	-	-	-	-	3,729.5
MAR	4,601.1	-	-	-	-	-	4,601.1
APR	18,101.4	-	-	-	-	-	18,101.4
MAY	18,137.5	-	-	-	-	-	18,137.5
JUN	21,257.5	-	-	-	-	-	21,257.5
JUL	14,574	-	-	-	-	-	14,574
AUG	19,189.3	-	195	-	-	-	19,384.3
SEP	19,434.1	-	-	-	-	-	19,434.1
OCT	17,570	-	-	-	-	-	17,570
NOV	15,673.4	-	-	-	-	-	15,673.4
DEC	10,491.1	-	-	-	-	-	10,491.1
TOTAL	165,631.8	-	195	-	-	-	165,826.8

Comparative Analysis of Operations Performance for 2011

INBOUND CARGO MAIL (KG) 2011

MONTH	LAGOS	ABUJA	KANO	PORT HARCOURT	KADUNA	UYO	TOTAL
JAN	63,979.8	-	-	-	-	-	63,979.8
FEB	37,159.7	-	-	-	-	-	37,159.7
MAR	38,661.96	-	-	-	-	-	38,661.96
APR	46,172.57	-	-	-	-	-	46,172.57
MAY	41,459.28	-	-	-	-	-	41,459.28
JUN	37,656.77	-	-	-	-	-	37,656.77
JUL	39,645.7	-	-	-	-	-	39,645.7
AUG	44,815.9	-	70	-	-	-	44,885.9
SEP	43,169.9	-	60	-	-	-	43,229.9
OCT	41,237.2	-	-	-	-	-	41,237.2
NOV	42,455.63	-	-	-	-	-	42,455.63
DEC	115,994.75	-	-	-	-	-	115,994.75
TOTAL	592,409.16	-	130	-	-	-	592,539.16

Comparative Analysis of Operations Performance (Kano) 2011

	2008	% Variance 2009/2008	2009	% Variance 2010/2009	2010	% Variance 2011/2010	2011
Pax Flight Handled	465	39	646	11	716	14.7	821
Cargo Flight Handled	99	37	136	(91)	12	(25)	9
Technical Flight Handled	18	(56)	8	363	37	(75.7)	9
Total Flights Handled	582	36	790	(3.2)	765	9.6	839
Number of Pax Handled	70,709	(36)	45,361	32	59,753	172.4	162,783
Volume of Import Cargo Handled (Kgs)	1,616,700	(30)	1,127,935	(21)	819,631	22.7	1,005,387
Volume of Export Cargo Handled (Kgs)	807,254	76	1,422,004	(18.4)	1,160,480	(4.9)	1,103,766
Number of Customer Handled	1,852	(8)	1,697	(12.4)	1,486	4.2	1,549
Volume of Mail Handled (Kgs)	-		1,045,040	-	-	-	325

Comparative Analysis of Operations Performance (Lagos) 2011

	2008	% Variance 2009/2008	2009	% Variance 2010/2009	2010	% Variance 2011/2010	2011
Pax Flight Handled	15,625	93	30,201	(40)	17,866	14.3	20,427.5
Cargo Flight Handled	2,492	(4)	2,394	(5.8)	2,256	18.5	2,673
Technical Flight Handled	23	(9)	21	28.6	27	(48)	14
Total Flights Handled	18,140	80	32,616	(38)	20,149	14.7	23,114.5
Number of Pax Handled	2,243,324	24	2,771,802	(31.2)	1,907,887	8.2	2,065,185
Volume of Import Cargo Handled (Kgs)	90,630,983	26	114,528,619	(50)	57,088,103	33	75,939,412.51
Volume of Export Cargo Handled (Kgs)	26,238,067	19	31,108,211	(37)	19,569,824	(48)	10,170,436.69
Number of Customer Handled	12,838	(34)	8,449	23.3	10,414	1.9	10,608
Volume of Mail Handled (Kgs)	2,288,295	(54)	1,045,040	(6.7)	947,984	(20)	758,040.96

Comparative Analysis of Operations Performance (Abuja) 2011

	2008	% Variance 2009/2008	2009	% Variance 2010/2009	2010	% Variance 2011/2010	2011
Pax Flight Handled	721	62	1,171	52.9	1,791	231.8	5,942
Cargo Flight Handled	14	79	25	48	37	(83.8)	6
Technical Flight Handled	11	(64)	4	-	4	125	9
Total Flights Handled	746	61	1,200	56.8	1,832	225	5,957
Number of Pax Handled	355,460	(24)	271,820	16	315,684	14.4	361,220
Volume of Import Cargo Handled (Kgs)	3,284,911	(1)	3,238,188	(3.8)	3,114,269	(27.50)	2,257,083
Volume of Export Cargo Handled (Kgs)	409,945	(16)	345,348	20.7	416,873	(25.6)	310,019
Number of Customers Handled	-	-	-	-	5,883	(23.7)	4487

Comparative Analysis of Operations Performance (Port Harcourt) 2011

	2008	% Variance 2009/2008	2009	% Variance 2010/2009	2010	% Variance 2011/2010	2011
Pax Flight Handled	512	10	460	62	746	567	4,976
Cargo Flight Handled	-	-	89	18	105	14.3	120
Technical Flight Handled	-	-	7	-	-	-	-
Total Flights Handled	512	9	556	53	851	498.8	5,096
Number of Pax Handled	56,054	(39)	34,389	122	76,328	9.5	83,642
Volume of Import Cargo Handled (Kgs)	1,559,850	15	1,792,498	77.5	3,181,615	38	4,404,697



Ramp Handling

Proxy

NOTICE is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of Nigerian Aviation Handling Company Plc (nahco aviance) will be held at Shehu Musa Ya'Adua Centre, Central Business District, Abuja on 7th June, 2012 at 11.00 a.m.

I/WE* _____ of

Being a member / members of NAHco Plc and holder of _____ shares,

Hereby

Appoint* _____ or failing him/her, the Chairman of the meeting as my/our proxy to act and vote for me/us on my/our behalf at the Meeting of the Company to be held on _____ 2012 which will be held for purpose of considering and, if deemed fit, passing with or without modification, the ordinary resolution to the proposed at the meeting and at each adjournment of same and to vote for or against the ordinary resolutions in accordance with the following instructions:

NOTE

A member who is unable to attend the Annual General Meeting is entitled by law to vote by proxy. The proxy form has been prepared to enable you exercise your right you cannot personally attend the meeting.

The proxy for **should not** be completed if you will be attending the Meeting. If you are unable to attend the Meeting, read the following instructions carefully:

- A. Write your name in BLOCK CAPITALS on the the proxy form where marked*
- B. Write the name of your proxy where marked** and ensure that the proxy form is dated and signed by you. The Common seal must be affixed on the Proxy Form if executed by a corporation.

PLEASE NOTE THAT this Proxy Form must reach the Company Secretary's office at the address overleaf or deposited thereat not less than 48 (forty-eight) hours before the date of Annual General Meeting.

Signature:

Dated this:

day of

2012

To be completed by certified shareholders and dematerialized shareholders with "ow name" registration only

Proposed resolutions	For	Against
1. To receive the report of Directors, the Audited Accounts for the year ended 31st December, 2010 and the Auditors reports thereon.		
2. To declare a dividend		
3. To re-elect Directors who a. Retire by rotation i. General Ike Nwachukwu ii. Ian Petrie iii. Csita Onyenwe Appointed since last AGM Gordon Gofwan		
4. To authorise the Directors to fix the remuneration of the External Auditors		
5. To elect members of the Audit Committee		
6. To approve remuneration of The Directors.		
Please indicate with "X" in the appropriate space how you wish your votes to be cast on the resolution set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.		

Admission Card

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of Nigerian Aviation Handling Company Plc (nahco aviance) will be held at Conference Hall, Nicon Luxury, Plot 903, Tafawa Balewa Way, Area II, Garki, Abuja at 11:00am

NAME OF SHAREHOLDER

SIGNATURE OF PERSON ATTENDING

Note: This shareholder or his/her proxy must produce this Admission Card in order to admitted at the meeting. Shareholder or their proxies are requested to sign the Admission Card at the entrance in the presence of the Registrar on the day of the Annual General Meeting.



**The Company Registrar,
City Securities [Registrars] Limited
Primrose Tower
17A, Tinubu Street,
Lagos.**

Mandate Form

NIGERIAN AVIATION HANDLING COMPANY (nahco aviance)

Mandate for Dividend payment to banks

TO:

The Registrar,
City Securities (Registrars) Ltd.
17A, Tinubu Street
P.O. Box 9117
Lagos

I hereby request that from now on, all my dividend warrants due to me from my holdings in Nigerian Aviation Handling Company Plc be paid directly to my bank named below:

SHAREHOLDER'S FULL NAME (Surname first) _____

SHAREHOLDER'S ADDRESS _____

SHAREHOLDER'S SIGNATURE _____

BANK'S NAME _____

BANK'S BRANCH _____

BANK ADDRESS _____

ACCOUNT NUMBER _____

For Banks use only

Official Stamp and Authorised Signature

Page Number/Name

We agree to the Customer's request as stated above