

TIGER BRANDS LIMITED

Group results and capital distribution for the six months ended 31 March 2010

Tiger Brands Limited

(Registration number 1944/017881/06)

(Incorporated in the Republic of South Africa)

Share code: TBS ISIN: ZAE000071080

Headline earnings per share excluding once-off empowerment transaction costs +22%

Headline earnings per share +7%

Interim cash distribution +10%

COMMENTARY

INTRODUCTION

These abridged results have been prepared in accordance with International Financial Reporting Standards, IAS 34 - Interim Financial Reporting - and the Listings Requirements of the JSE Limited. In terms of International Financial Reporting Standards - IFRS 5, the prior period discontinued operations reflect the profit attributable to the Company's interest in Sea Harvest which was disposed of with effect from 28 May 2009.

Tiger Brands achieved headline earnings per share (HEPS) of 668,9 cents for the six months ended 31 March 2010, representing a 7% increase on that achieved in the six months ended 31 March 2009. Earnings per share (EPS) increased by 5% to 662,2 cents per share. Headline earnings of R1 056,9 million and profit attributable to ordinary shareholders of R1 046,3 million increased by 7% and 6% respectively.

As previously advised, the Company's BEE Phase II transaction which was approved by shareholders on 12 October 2009, became effective on 20 October 2009. Arising from this transaction, a once-off charge amounting to R150,7 million after tax has been included in abnormal items for the six months ended 31 March 2010. Excluding this once-off abnormal charge, HEPS and EPS for the half year ended 31 March 2010, reflect an increase of 22% and 20% respectively compared to that achieved in the corresponding period last year.

OVERVIEW OF RESULTS

In the prior year, the Company ceased to proportionately consolidate the results of Oceana with effect from the end of March 2009 as, from that date, the Company no longer had joint control of Oceana. Accordingly, Oceana's results are included in the comparative six month period on a proportional consolidation basis, whereas its results for the six months to 31 March 2010 are equity accounted in line with the accounting policy for associate companies. The Group's share of Oceana's results is consequently included in HEPS and EPS in both periods. This change in the basis of accounting for Oceana makes meaningful comparison of the Group's operational results difficult and hence, to assist shareholders in comparing the performance of the Group with the same period last year, the comparative information in the commentary below excludes Oceana's results

(which have been commented on separately under the Group's Fishing interests). Also refer to Note 13 of the accompanying results for further information in this regard. The commentary below therefore relates only to the Group's FMCG businesses.

The trading environment for the period under review was characterised by price deflation on the Group's staple product categories such as wheat, rice and maize, as well as an overall market contraction which resulted in a general decline in sales volumes. Turnover from continuing operations (excluding Oceana) amounted to R10,2 billion, reflecting a decrease of 2% on the previous period.

Operating income for the half year (excluding Oceana) rose by 5% to R1 594,4 million. The Group operating margin improved from 14,6% last year to 15,7%, benefiting from the decline in soft commodity prices. The Grains, Snacks & Treats, Beverages and Value Added Meat Products businesses all contributed to the operating margin improvement.

Abnormal items reflect a net abnormal charge of R187,3 million before tax for the six month period. The current period composition of abnormal items primarily comprises the Share-based Payment - IFRS 2 empowerment transaction costs associated with the Company's BEE Phase II transaction implemented in October 2009.

Net financing costs (excluding Oceana) of R48,4 million (2009 : R165,7 million) reflect the benefits of a lower interest rate environment combined with reduced net debt levels in the current six month period relative to the same period last year. Group net debt rose from R377,4 million at 30 September 2009 to R888,6 million at 31 March 2010, primarily due to the acquisition of the Crosse & Blackwell business. Net interest cover remains at a sound level of 33,2 times.

Income from associates reflects a significant increase compared to the prior period due to the inclusion in the current period of the Company's share of the after tax earnings of Oceana. A strong trading performance by Chilean-based Empresas Carozzi was partially offset by the effect of the depreciation of the Chilean Peso against the Rand. In addition, the prior year result included a capital profit of R16,8 million.

The average tax rate, before abnormal items, reduced to 29,7% (2009: 32,6%). This was primarily due to a reduced STC charge as a result of the 2009 final dividend being distributed as a payment of capital out of share premium in January 2010.

The negative amount attributable to non-controlling interests (minority shareholders in subsidiaries) is mainly due to the loss incurred in the Deciduous Fruit business, partially offset by the minorities' share of current year income in respect of the two African subsidiaries, Haco and Chococam.

REVIEW OF OPERATIONS

Good performances compared to the first six months of the prior year were experienced in most of the Group's businesses despite underlying consumer demand having weakened.

DOMESTIC FOOD turnover decreased by 1% as food inflation declined rapidly during the period under review.

Within the Grains segment, the strong growth in operating income relative to the deflationary decrease in turnover was primarily as a result of falling grain prices which benefited the Milling & Baking and Rice

businesses in particular. The Albany brand achieved volume and market share growth, assisted by the launch of its Smooth Wholegrain Loaf. The Group's breakfast cereal brands such as Jungle Oats, Morvite and Ace Instant continued to gain market share in the Ready-to-Eat porridge segment.

The Crosse & Blackwell mayonnaise business was successfully integrated into the Groceries division and produced a good performance. Core Groceries volumes and margins, however, were negatively impacted by abnormally high cost increases in respect of cans and glass packaging containers. These cost increases have been partially absorbed by the Groceries business as a result of the tight economic conditions. Snacks & Treats recorded an increase in operating income of 9% off a turnover growth of 5% in a discretionary consumer spend category which remains under pressure. Notwithstanding the cooler summer conditions, the Beverages category achieved a 20% improvement in operating income as the business benefited from further improvements to the business model. The Value Added Meat Products category benefited from a reduction in raw material prices as well as from the significant product rationalisation initiatives undertaken in the prior year. Out of Home consumption continued to decline, however, the Company's Out of Home business managed to improve operating income, which was aided by the decision to close the loss-making pre-prepared meals business in the prior year.

HOME & PERSONAL CARE (HPC)

The performance of the HPC business was disappointing with both turnover and operating income declining by 6%. The integration of Designer Group into Tiger Brands' Personal Care business provided a number of challenges, contributing to a significant decline in turnover and operating income during the current six month period. The consolidation of the two Personal Care businesses has now been successfully completed. The newly focussed Personal Care business is expected to see the benefits of the integration in the medium term.

The Purity and Elizabeth Anne's brands performed satisfactorily in the recessionary environment with the Baby Care category showing a 10% improvement in operating income. Home Care experienced a poor pest season, which contributed to a decline in turnover and operating income of 7% and 10% respectively.

EXPORTS & INTERNATIONAL saw a decline in operating income of 84% compared to the prior year. The Deciduous Fruit business, Langeberg & Ashton Foods, incurred an operating loss of R30,4 million for the six months to 31 March 2010, primarily as a result of the strong Rand exchange rate and high price increases on cans. Tiger Brands International's enhanced distribution capability contributed to increased sales, particularly in Zambia, Zimbabwe and Malawi. The Company's African subsidiaries, Haco and Chococam, performed satisfactorily but the translation of their results was negatively impacted by the strong Rand exchange rate.

FISHING

The Company's remaining fishing interest comprises its investment in Oceana Group Limited (45% held). Oceana is separately listed on the JSE Limited and reported a 5% increase in headline earnings per share for the half year ended 31 March 2010. Oceana's interim results were separately published on 6 May 2010. The equity accounted earnings of Oceana for the

six months to 31 March 2010 amounted to R47,9 million after tax. The Group's share of Oceana's turnover and operating income for the six months to 31 March 2009, which was proportionately consolidated in that period, amounted to R736,5 million and R79,2 million respectively.

CORPORATE ACTIVITIES

Acquisition of Crosse & Blackwell

On 1 October 2009, the Company acquired the Crosse & Blackwell mayonnaise business from Nestlé. This encompassed the full range of brands, inventories, the manufacturing facility located in Bellville, Cape Town and the factory staff. The acquisition is in line with Tiger Brands' strategy of expanding into adjacent categories with well established brands.

TIGER BRANDS PHASE II BLACK ECONOMIC EMPOWERMENT TRANSACTION

As previously announced on SENS on 12 October 2009, the Company listed a further 16 322 520 new ordinary shares on the JSE Limited with effect from 20 October 2009 in terms of its BEE Phase II transaction. In terms of the transaction, 9,09% of Tiger Brands' enlarged issued share capital was allocated to the following empowerment entities:

- Brimstone Investment Corporation Limited (1,01%)
- The Tiger Brands Black Managers Trust No II (1,58%)
- The Tiger Brands General Staff Share Trust (0,44%)
- The Thusani Trust (1,01%)
- The Tiger Brands Foundation (5,05%)

The financial impact of the BEE Phase II transaction is included in note 12 of the accompanying results.

CAPITAL REDUCTION OUT OF SHARE PREMIUM IN LIEU OF INTERIM DIVIDEND

The Board has decided to declare a capital reduction distribution (in lieu of the interim dividend) out of share premium of 270 cents per share, for the six months ended 31 March 2010, which represents an increase of 10% on the 2009 interim dividend declared last year of 245 cents per share.

The declaration of the capital reduction distribution out of share premium is subject to shareholder approval. A copy of the shareholder circular, including notice of general meeting, will be posted to shareholders on or about 1 June 2010. Shareholders are referred to the more detailed announcement relating to the capital reduction that has been issued today.

The interim capital distribution takes cognisance of the Company's previously stated intention to correct, over time, the historical imbalance between the interim and final distribution relative to headline earnings per share.

Consistent with past practice, it is intended that the Company will continue to maintain an annual dividend/distribution cover of 2 times. In respect of the 2010 financial year, the two times annual dividend/distribution cover will be based on headline earnings per share before taking into account the once-off IFRS 2 costs relating to the Company's BEE Phase II transaction referred to above.

OUTLOOK

On 16 February 2010 the Company advised shareholders that due to the current market contraction, there had been an overall decline in sales volumes which was only expected to reverse in the second half of the 2010 calendar year. In addition, the Company advised that headline earnings per share, before taking into account the once-off IFRS 2 charges relating to the Company's BEE Phase II transaction, were expected to show satisfactory growth in real terms for the year ended 30 September 2010.

The Company continues to experience difficult trading conditions as consumer spending remains under pressure. After due consideration, the Company expects headline earnings per share for the year ending 30 September 2010 (excluding the once-off IFRS 2 charges relating to the Company's BEE Phase II transaction) to show an increase compared to the figure of 1 407,4 cents per share reported in respect of the previous financial year, albeit that the rate of increase is anticipated to be at a lower level than previously indicated to shareholders on 16 February 2010. The following key assumptions have been considered in arriving at the above general forecast which has been compiled using the Group's accounting policies as set out in Tiger Brands' 2009 annual report, including the adoption of a number of new and amended IFRS statements and IFRIC interpretations during 2010, as indicated in note 14 of the accompanying results:

- Consumer spending will remain under pressure during the remaining period of the current financial year
- Soft commodity prices will remain relatively stable at their current levels
- The Rand/Dollar exchange rate will remain fairly stable within a range of R7,20 to R7,60 to the United States Dollar
- Interest rates will not vary materially from their current level
- The price of crude oil will remain fairly stable at around USD80 per barrel

The above outlook statement has neither been reviewed nor reported on by the Company's auditors.

For and on behalf of the Board

Lex van Vught
Chairman

Peter Matlare
Chief Executive Officer

18 May 2010

TIGER BRANDS LIMITED

Non-executive directors: L C van Vught (Chairman), B L Sibiya (Deputy Chairman), S L Botha, R M W Dunne (British), K D K Mokhele, A C Parker, P M Roux

Executive directors: P B Matlare (Chief Executive Officer), N G Brimacombe, M Fleming, B N Njobe, C F H Vaux

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CONSOLIDATED INCOME STATEMENT

		Unaudited		Audited	
		Six months ended		Year ended	
	31 March		31 March	30 Sept	
	2010	Change	2009	2009	
	Rm	%	Rm	Rm	
Continuing operations					
Revenue	1 10 313,3	(9)	11 276,3	20 642,5	
Turnover	1 10 187,4	(9)	11 154,0	20 430,4	
Operating income before abnormal items	2 1 594,4	—	1 601,8	3 133,4	
Abnormal items	3 (187,3)		(50,6)	343,9	
Operating income after abnormal items	1 407,1	(9)	1 551,2	3 477,3	
Interest paid	(163,7)	40	(273,3)	(436,3)	
Interest received	115,3	5	109,4	181,6	
Dividend income	10,6	(18)	12,9	30,5	
Income from associates	4 94,4	63	57,8	203,6	
Profit before taxation	1 463,7	—	1 458,0	3 456,7	
Taxation	(427,3)	9	(470,3)	(977,7)	
Profit for the period from continuing operations	1 036,4	5	987,7	2 479,0	
Discontinued operations					
Profit after tax for the period - Sea Harvest	5 —		43,1	55,0	
PROFIT FOR THE PERIOD	1 036,4	1	1 030,8	2 534,0	
Attributable to:					
Owners of the parent	1 046,3	6	990,1	2 485,5	
Non-controlling interests	(9,9)		40,7	48,5	
	1 036,4	1	1 030,8	2 534,0	
Headline earnings per ordinary share (cents)	668,9	7	627,3	1 407,4	
Diluted headline earnings per ordinary share (cents)	657,1	5	624,5	1 398,4	
Basic earnings per ordinary share (cents)	662,2	5	631,2	1 583,0	
Diluted basic earnings per ordinary share (cents)	650,5	4	628,4	1 572,9	
Headline earnings per ordinary share (cents) for continuing operations	668,9	10	607,1	1 382,1	
Diluted headline earnings per ordinary share (cents) for continuing operations	657,1	9	604,5	1 373,3	
Basic earnings per ordinary share (cents) for continuing operations	662,2	8	610,7	1 556,8	
Diluted basic earnings per ordinary share (cents) for continuing operations	650,5	7	608,0	1 546,9	
Headline earnings per	—		20,1	25,3	

ordinary share (cents) for discontinued operations			
Diluted headline earnings per ordinary share (cents) for discontinued operations	–	20,1	25,1
Basic earnings per ordinary share (cents) for discontinued operations	–	20,5	26,2
Diluted basic earnings per ordinary share (cents) for discontinued operations	–	20,4	26,0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited		Audited
	as at		as at
	31 March	31 March	30 Sept
	2010	2009	2009
	Rm	Rm	Rm
ASSETS			
Non-current assets	6 253,0	5 482,0	5 439,8
Property, plant & equipment	2 581,4	2 045,4	2 202,7
Goodwill and other intangibles	1 988,1	1 652,5	1 669,1
Investments	1 584,7	1 710,8	1 509,8
Deferred taxation asset	98,8	73,3	58,2
Current assets	6 168,2	6 420,1	6 247,5
Inventories	3 108,2	3 455,9	3 059,9
Trade and other receivables	2 854,3	2 755,1	2 681,4
Taxation receivable	39,8	70,2	–
Cash and cash equivalents	165,9	138,9	506,2
Assets classified as held for sale	–	898,6	–
TOTAL ASSETS	12 421,2	12 800,7	11 687,3
EQUITY AND LIABILITIES			
Capital and reserves	7 553,8	5 924,9	6 983,7
Ordinary share capital and share premium	974,2	51,7	70,8
Non-distributable reserves	864,7	784,4	788,7
Accumulated profits	8 330,0	6 286,0	7 309,8
Tiger Brands Limited shares held by subsidiary	(770,3)	(817,7)	(817,7)
Tiger Brands Limited shares held by empowerment entities	(2 064,1)	(502,2)	(502,2)
Share based payment reserve	219,3	122,7	134,3
Non-controlling interests	304,5	457,9	301,0
TOTAL EQUITY	7 858,3	6 382,8	7 284,7
Non-current liabilities	954,9	1 068,7	965,3
Deferred taxation liability	208,7	227,3	156,1
Provision for post-retirement medical aid	337,5	316,8	326,4
Long-term borrowings	408,7	524,6	482,8
Current liabilities	3 608,0	5 115,7	3 437,3
Trade and other payables	2 658,9	3 024,4	2 684,1
Provisions*	303,3	291,2	300,1
Provision for Sea Harvest put option	–	81,4	–
Taxation	–	–	52,3

Short-term borrowings	645,8	1 718,7	400,8
Liabilities classified as held for sale	–	233,5	–
TOTAL EQUITY AND LIABILITIES	12 421,2	12 800,7	11 687,3

*March 2009: certain accruals and provisions were reclassified due to stricter application of IAS 37.

ABRIDGED CASH FLOW STATEMENT

	Unaudited		Audited
	Six months ended	Year ended	
	31 March	31 March	30 Sept
	2010	2009	2009
	Group	Group	Group
	Rm	Rm	Rm
Cash operating profit	1 825,2	1 842,0	3 566,1
Working capital changes	(212,0)	(512,7)	(424,7)
Cash generated from operations	1 613,2	1 329,3	3 141,4
Net financing costs	(48,4)	(158,3)	(247,0)
Dividends received	79,0	18,1	86,7
Taxation paid	(511,0)	(599,6)	(1 033,2)
Cash available from operations	1 132,8	589,5	1 947,9
Capital distributions and dividends paid	(742,4)	(877,2)	(1 267,8)
Net cash inflow/(outflow) from operating activities	390,4	(287,7)	680,1
Net cash (outflow)/inflow from investing activities	(923,0)	(343,3)	132,4
Net cash (outflow)/inflow from financing activities	(6,1)	79,3	100,1
Net decrease in cash and cash equivalents	(538,7)	(551,7)	912,6
Cash and cash equivalents at the beginning of the period	187,2	(725,4)	(725,4)
Cash and cash equivalents at the end of the period	(351,5)*	(1 277,1)	187,2

*Includes an increase of R97,8 million on short-term borrowings regarded as cash and cash equivalents

STATEMENT OF COMPREHENSIVE INCOME

	Unaudited		Audited
	Six months ended	Year ended	
	31 March	March	30 Sept
	2010	2009	2009
	Rm	Rm	Rm
Profit for the period	1 036,4	1 030,8	2 534,0
Net gain on hedge of net investment	18,4	(13,0)	16,1
Foreign currency translation adjustments	(13,8)	17,2	(34,6)
Net loss on cash flow hedges	(1,1)	(21,4)	(22,6)
Net gain on available for sale financial assets	55,9	21,7	(24,9)

Tax effect	(9,5)	(2,3)	1,0
Other comprehensive income, net of tax	49,9	2,2	(65,0)
Other comprehensive income, net of tax for associates	—	—	(14,5)
Total comprehensive income for the period, net of tax	1 086,3	1 033,0	2 454,5
Attributable to:			
Owners of the parent	1 096,2	992,3	2 406,0
Non-controlling interests	(9,9)	40,7	48,5
	1 086,3	1 033,0	2 454,5

OTHER GROUP SALIENT FEATURES

	Unaudited		Audited
	Six months ended		Year ended
	31 March	31 March	30 Sept
	2010	2009	2009
	Group	Group	Group
	Rm	Rm	Rm
Net worth per ordinary share (cents)	4 772	3 773	4 439
Net debt to equity (%)	11,3%	33,0%	5,2%
Interest cover - net (times)	33,2	9,9	12,4
Current ratio (:1)	1,7	1,3	1,8
Capital expenditure (R million)	463,3	252,4	561,1
- replacement	184,3	129,6	320,7
- expansion	279,0	122,8	240,4
Capital commitments (R million)	818,8	497,4	1 006,1
- contracted	431,4	139,3	336,8
- approved	387,4	358,1	669,3
Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities.			
Contingent liabilities (R million)			
Guarantees and contingent liabilities	15,2	31,3	54,6
Inventories carried at net realisable value	191,9	95,3	89,6
Carrying and fair value of investments (R million)	1 584,7	1 710,8	1 509,8
Listed	354,3	604,3	303,2
Unlisted	158,0	146,7	160,3
Associates (carrying value)	1 072,4	959,8	1 046,3

SEGMENTAL ANALYSIS

	Unaudited six months ended				Audited year ended			
	31 March		31 March		Change	30 Sept		
	2010	2009	2009	2009				
	Rm	%	Rm	%	%	Rm	%	
Turnover								
FMCG - CONTINUING OPERATIONS	10 187,4	100	10 417,5	90	(2)	19 699,8	94	
Domestic Food	8 356,5	82	8 480,5	73	(1)	15 922,3	76	

Grains	4 185,3	41	4 681,8	40	(11)	8 793,4	42
Milling and baking	2 905,3	29	3 158,3	27	(8)	6 266,8	30
Other Grains	1 280,0	12	1 523,5	13	(16)	2 526,6	12
Groceries	1 750,6	18	1 419,1	13	23	2 651,6	13
Snacks & Treats	919,6	9	877,2	8	5	1 746,9	8
Beverages	642,1	6	623,1	5	3	1 056,3	5
Value Added Meat							
Products	721,3	7	740,6	6	(3)	1 413,2	7
Out of Home	137,6	1	138,7	1	(1)	260,9	1
HPC	972,2	10	1 030,9	9	(6)	1 883,7	9
Personal	300,2	3	344,8	3	(13)	681,2	3
Babycare	300,6	3	286,3	2	5	560,8	3
Homecare	371,4	4	399,8	4	(7)	641,7	3
Exports and							
International	935,1	9	969,2	9	(4)	2 030,6	10
OTHER INTERGROUP							
SALES - FMCG	(76,4)	(1)	(63,1)	(1)	(21)	(136,8)	(1)
Fishing - Oceana*	—	—	736,5	6	(100)	730,6	3
TOTAL CONTINUING							
OPERATIONS	10 187,4	100	11 154,0	96	(9)	20 430,4	97
DISCONTINUED							
OPERATIONS -							
Sea Harvest	—	—	465,8	4	(100)	605,5	3
TOTAL TURNOVER	10 187,4	100	11 619,8	100	(12)	21 035,9	100
	Unaudited six months ended		Unaudited six months ended			Audited year ended	
	31 March		31 March			30 Sept	
	2010		2010		Change	2009	
	Rm	%	Rm	%	%	Rm	%
Operating income							
before abnormal							
items							
FMCG - CONTINUING							
OPERATIONS	1 594,4	100	1 522,6	93	5	3 054,9	96
Domestic Food	1 399,7	88	1 131,0	69	24	2 408,3	76
Grains	781,6	49	600,9	37	30	1 414,1	44
Milling and baking	581,5	36	439,9	27	32	1 157,7	36
Other Grains	200,1	13	161,0	10	24	256,4	8
Groceries	275,4	17	250,3	15	10	471,7	15
Snacks & Treats	155,0	10	141,7	9	9	282,4	9
Beverages	80,0	5	66,4	4	20	89,5	3
Value Added Meat							
Products	77,0	5	55,7	3	38	113,1	4
Out of Home	30,7	2	16,0	1	92	37,5	1
HPC	243,5	15	259,9	16	(6)	485,0	15
Personal	87,8	6	104,5	6	(16)	197,9	6
Babycare	86,8	5	79,2	5	10	166,0	5
Homecare	68,9	4	76,2	5	(10)	121,1	4
Exports and							
International	24,6	2	155,9	9	(84)	214,0	7
Other	(73,4)	(5)	(24,2)	(1)	(203)	(52,4)	(2)

Fishing - Oceana*	-	-	79,2	4	(100)	78,5	2
TOTAL CONTINUING OPERATIONS	1 594,4	100	1 601,8	97	-	3 133,4	98
DISCONTINUED OPERATIONS - Sea Harvest	-	-	47,1	3	(100)	56,8	2
TOTAL OPERATING INCOME BEFORE ABNORMAL ITEMS	1 594,4	100	1 648,9	100	(3)	3 190,2	100

*With effect from 1 April 2009 Oceana was reclassified from a joint venture to an associate.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and premium Rm	Non-dis-tributable reserves Rm	Other capital reserves Rm	Cash flow hedge reserve Rm
Balance at 30 September 2008	41,8	473,8	82,3	17,4
Net profit for the period				
Other comprehensive income for the period	41,8	473,8	82,3	(30,8)
Issue of share capital and premium	29,0			(13,4)
Adjustment due to finalisation of African acquisitions				
Transfers between reserves		154,9	2,5	
Other reserve movements				
Re-classification from joint venture to associate				
Dividends on ordinary shares				
Total dividends				
Less: Dividends on treasury and empowerment shares				
Adjustment due to sale of Sea Harvest				
Balance at 30 September 2009	70,8	628,7	84,8	(13,4)
Net profit for the period				
Other comprehensive income for the period	70,8	628,7	84,8	(1,1)
Issue of share capital and premium	1 756,3			(14,5)
Capital distribution out of share premium- final BEE Phase II capital	(852,9)			

contribution				
Transfers between reserves		26,1		
Share-based payment reserve				
Balance at 31 March 2010	974,2	654,8	84,8	(14,5)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Available- for-sale reserve Rm	Foreign currency translation reserve Rm	Accu- mulated profits Rm	Shares held by subsidiary and empowerment trusts Rm
Balance at 30 September 2008	163,2	(23,1)	6 203,5	(1 319,9)
Net profit for the period			2 485,5	
Other comprehensive income for the period	(12,3)	(36,4)		
	150,9	(59,5)	8 689,0	(1 319,9)
Issue of share capital and premium				
Adjustment due to finalisation of African acquisitions				
Transfers between reserves			(157,4)	
Other reserve movements			14,8	
Re-classification from joint venture to associate			2,3	
Dividends on ordinary shares			(1 244,8)	
Total dividends			(1 362,7)	
Less: Dividends on treasury and empowerment shares				117,9
Adjustment due to sale of Sea Harvest	(2,8)		5,9	
Balance at 30 September 2009	148,1	(59,5)	7 309,8	(1 319,9)
Net profit for the period			1 046,3	
Other comprehensive income for the period	53,7	(2,7)		
	201,8	(62,2)	8 356,1	(1 319,9)
Issue of share capital and premium				(1 625,0)
Capital distribution out of share premium- final BEE Phase II capital				110,5

contribution				
Transfers between reserves			(26,1)	
Share-based payment reserve				
Balance at 31 March 2010	201,8	(62,2)	8 330,0	(2 834,4)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share-based payment reserve Rm	Total attributable to ordinary share-holders Rm	Non-controlling interests Rm	Total Rm
Balance at 30 September 2008	121,7	5 760,7	458,3	6 219,0
Net profit for the period		2 485,5	48,5	2 534,0
Other comprehensive income for the period		(79,5)		(79,5)
	121,7	8 166,7	506,8	8 673,5
Issue of share capital and premium		29,0		29,0
Adjustment due to finalisation of African acquisitions		—	(2,5)	(2,5)
Transfers between reserves		—		—
Other reserve movements	28,2	43,0		43,0
Re-classification from joint venture to associate	(12,8)	(10,5)	(13,7)	(24,2)
Dividends on ordinary shares		(1 244,8)	(14,1)	(1 258,9)
Total dividends		(1 362,7)	(23,7)	(1 386,4)
Less: Dividends on treasury and empowerment shares		117,9	9,6	127,5
Adjustment due to sale of Sea Harvest	(2,8)	0,3	(175,5)	(175,2)
Balance at 30 September 2009	134,3	6 983,7	301,0	7 284,7
Net profit for the period		1 046,3	(9,9)	1 036,4
Other comprehensive income for the period		49,9		49,9
	134,3	8 079,9	291,1	8 371,0
Issue of share capital and premium		131,3		131,3
Capital distribution out of share premium- final BEE Phase II capital contribution		(742,4)		(742,4)
Transfers between reserves		—	13,4	13,4
Share-based payment reserve	85,0	85,0		85,0

Balance at 31 March 2010	219,3	7 553,8	304,5	7 858,3
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NOTES

	Unaudited		Audited
	Six months ended		Year ended
	31 March	31 March	30 Sept
	2010	2009	2009
	Rm	Rm	Rm
1. Revenue - continuing operations			
Turnover	10 187,4	11 154,0	20 430,4
Interest received	115,3	109,4	181,6
Dividend income	10,6	12,9	30,5
	10 313,3	11 276,3	20 642,5
2. Operating income - continuing operations			
Operating income before abnormal items is reflected after charging:			
Cost of sales	6 418,3	7 459,1	13 282,5
Sales and distribution expenses	1 325,3	1 323,0	2 506,0
Marketing expenses	276,8	263,3	529,8
Other operating expenses	572,6	506,8	978,7
Depreciation (included in cost of sales and other operating expenses)	150,9	131,2	261,9
3. Abnormal items - continuing operations			
Loss on sale of property, plant and equipment, including impairment charges on intangibles	—	(10,2)	(11,7)
Net (loss)/profit on sale of interest in subsidiaries and joint ventures	—	(0,5)	62,7
Loss on sale of investments	—	(4,3)	(4,3)
Profit on sale of investments, including reversal of impairment	—	—	234,3
Costs relating to the unsuccessful attempt to acquire AVI Limited	—	(32,6)	(29,8)
Empowerment transaction costs - BEE Phase II	(185,3)	—	(12,0)
Release of provision for Healthcare unbundling costs	—	0,8	1,1
Release of provision for Sea Harvest put option	—	—	81,4
Recognition of pension fund surpluses	—	5,7	27,5
Other	(2,0)	(9,5)	(5,3)
Abnormal (loss)/profit before taxation	(187,3)	(50,6)	343,9
Taxation	35,0	2,0	(36,7)

	(152,3)	(48,6)	307,2
Non-controlling interests	—	—	—
Abnormal (loss)/profit attributable to shareholders in Tiger Brands Limited	(152,3)	(48,6)	307,2
4. Income from associates - continuing operations			
Normal trading	94,4	41,0	187,0
Abnormal item - profit on partial sale of interest in subsidiary	—	16,8	16,6
	94,4	57,8	203,6
5. Discontinued Operations			
5.1 Sea Harvest			

On 28 May 2009 the Group disposed of its interest in Sea Harvest. The results of Sea Harvest for the eight months to 28 May 2009, which were included in the 2009 Group results, are presented below:

Turnover	—	465,8	605,5
Operating income before abnormal items	—	47,1	56,8
Abnormal items	—	1,0	2,1
Interest paid	—	(0,4)	(0,5)
Interest received	—	6,0	8,2
Dividends received	—	5,2	7,5
Profit before tax from a discontinued operation	—	58,9	74,1
Taxation	—	(15,8)	(19,1)
Profit for the period from a discontinued operation	—	43,1	55,0
Attributable to non-controlling interests	—	10,9	13,9

The major classes of assets and liabilities of Sea Harvest classified as held for sale as at 31 March 2009 were as follows:

	Unaudited as at		Audited as at
	31 March 2010 Rm	31 March 2009 Rm	30 Sept 2009 Rm
Assets			
Property, plant and equipment	—	298,0	—
Goodwill and other intangibles	—	16,7	—
Investments	—	26,1	—
Cash and cash equivalents	—	254,0	—
Inventory	—	118,1	—
Trade and other receivables	—	185,7	—
Assets classified as held for sale	—	898,6	—
Liabilities			
Interest-bearing liabilities (long- and short-term borrowings)	—	4,9	—
Deferred taxation liability	—	57,2	—

Provision for post-retirement medical aid	–	19,4	–
Trade and other payables	–	151,7	–
Taxation	–	0,3	–
Liabilities directly associated with assets classified as held for sale	–	233,5	–
Net assets directly associated with disposal group	–	665,1	–

The net cash flows generated/(incurred) by the Sea Harvest business were as follows:

	Unaudited		Audited
	Six months ended		Year ended
	31 March 2010	31 March 2009	30 Sept 2009
	Rm	Rm	Rm
Operating activities	–	57,3	98,3
Investing activities	–	(34,6)	(39,6)
Financing activities	–	(0,7)	(0,2)
Net cash inflow	–	22,0	58,5

6. Business combinations
Crosse & Blackwell

On 1 October 2009 Tiger Brands acquired the Crosse & Blackwell mayonnaise business from Nestlé. The sale included both the mayonnaise production plant and staff in Bellville, Cape Town, as well as inventory and intangible assets. The purchase consideration accounted for from 1 October 2009 comprises the following:

Trademarks	250,0	–	–
Land and buildings	50,0	–	–
Plant and equipment	27,7	–	–
Inventories	74,5	–	–
Fair value of assets acquired	402,2	–	–
Goodwill	72,3	–	–
Purchase consideration	474,5	–	–

From date of acquisition to 31 March 2010, the Crosse & Blackwell business has contributed R372,7 million to group revenue and R35,5 million to profit after tax after accounting for acquisition financing costs.

Apart from plant & equipment and inventories, where the carrying value approximated fair value, the carrying values of the remaining assets at the date of acquisition, being trademarks and land and buildings, are not disclosed as these values were not made available to the company during the sale transaction.

Goodwill represents the difference between the purchase consideration and the fair value of the net assets acquired as there are no further separately identifiable intangible assets.

7. Property, plant & equipment

The additions for the period amounted to R463,3 million (2009: R252,4 million) and the net book value of disposals totalled R2,8 million (2009: R2,2 million).

8. Impairment of intangibles

Included in abnormal items from continuing operations in respect of the six month period ended 31 March 2009 and year ended 30 September 2009, is an amount of R4,0 million relating to the impairment of goodwill and trademarks in respect of the pre-prepared meals division of the Out Of Home business. The impairment was attributable to the expected reduction in the future profit stream of the business..

	Unaudited Six months ended 31 March 2010	31 March 2009	Audited Year ended 30 Sept 2009
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9. Shares

Number of ordinary shares in issue (000's)

Includes 10 326 758 shares held as treasury stock (Mar 2009: 10 326 758) and 21 426 860 shares owned by staff empowerment entities (Mar 2009: 5 896 140)

	190 043	173 243	173 560
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Weighted average number of ordinary shares (net of treasury and empowerment shares) on which headline earnings and basic earnings per share are based (000's)

	158 014	156 863	157 012
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Weighted average diluted number of ordinary shares (net of treasury and empowerment shares) on which diluted headline earnings and basic earnings per share are based (000's)

	160 844	157 554	158 022
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10. Reconciliation between profit for the period and headline earnings

Profit attributable to ordinary shareholders

	Rm	Rm	Rm
	1 046,3	990,1	2 485,5

Adjusted for:

Net profit on sale of interest in subsidiaries and joint ventures

	—	—	(62,7)
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Loss on sale of property, plant & equipment, including impairment charges on intangibles

	1,9	7,4	3,5
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Profit on sale of investments

	—	—	(201,1)
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Loss on sale of investments

		4,3	4,3
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Associates

	8,7	(16,8)	(16,6)
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Profit on partial sale of interest in subsidiary

	—	(16,8)	(16,6)
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Goodwill impairment

	8,7	—	—
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Other

	—	(1,0)	(3,1)
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Headline earnings for the period

	1 056,9	984,0	2 209,8
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Reconciliation between profit for the period and headline earnings

- discontinued operations

	Profit attributable to ordinary shareholders	—	32,2	41,1
	Adjusted for:			
	Profit on sale of property, plant & equipment, including impairment charges on intangibles	—	(0,6)	(1,4)
	Headline earnings for the period	—	31,6	39,7
11.	Capital distribution and dividends per share			
	Capital distribution and dividends per ordinary share (cents)	270,0	245,0	704,0
	Interim dividend declared	—	245,0	245,0
	Capital distribution declared 23 November 2009	—	—	459,0
	Capital distribution declared 17 May 2010	270,0	—	—
12.	Impact of BEE Phase II transaction			
	The impact of the implementation of the BEE Phase II transaction is as follows:			
	Operating loss before abnormal items - IFRS 2 charge	(5,2)	—	—
	Abnormal items	(185,3)	—	(12,0)
	Taxation	34,6	—	—
	Cash and cash equivalents	4,7	—	—
	Taxation receivable	22,2	—	—
	Deferred taxation asset	12,4	—	—
	Ordinary share capital and share premium	(1,748,4)	—	—
	Tiger Brands Limited shares held by empowerment trusts	1,625,0	—	—
	Share-based payment reserve	(67,1)	—	—
	Non-controlling interests	(13,4)	—	—
	Trade and other payables	—	—	(12,0)
13.	Oceana			
	On 1 April 2009 the Group ceased proportional consolidation of Oceana and commenced equity accounting. The results of Oceana for the six months to 31 March 2009, which were included in the Group results, are presented below:			
	Turnover	—	736,5	730,6
	Operating income before abnormal items	—	79,2	78,5
	Abnormal items	—	1,5	1,5
	Interest paid	—	(3,7)	(3,7)
	Interest received	—	5,5	5,5
	Dividends received	—	5,2	5,2
	Profit before tax	—	87,7	87,0
	Taxation	—	(28,7)	(28,4)
	Profit for the period	—	59,0	58,6

14. Changes in accounting policies

The accounting policies adopted and methods of computation are consistent with those of the previous financial year except for the adoption of the following new and amended IFRS and IFRIC interpretations during the period:

- Amendment to IFRS 2 Share-based payment - Vesting Conditions and Cancellations
- IFRS 3 Business Combinations
- Amendment to IFRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments
- IFRS 8 Operating Segments
- IAS 1 Presentation of Financial Statements
- IAS 23 Borrowing Costs
- IAS 27 Consolidated and Separate Financial Statements
- Amendment to IAS 32 Financial Instruments: Presentation and IAS1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendment to IAS 39 - Financial Instruments: Recognition and Measurement - Eligible hedged Items
- Amendment to IAS 39 - Financial Instruments: Recognition and Measurement - Eligible Hedged Items
- April 2009 Improvements to IFRS (improvements effective for the current financial year)
- AC 504 IAS 19 - The limit on a defined benefit, minimum funding requirements and their interaction in a South African pension fund environment

Disclosures have been updated in accordance with these standards and interpretations, and adoption thereof has not had a material impact on the results of the group in the current period. The comparative numbers have not been restated.

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