

Tiger Brands
Adding value to life

(Registration number 1944/017881/06)
(Incorporated in the Republic of South Africa)
Share code: TBS ISIN: ZAE000071080

Group results and capital distribution for the year
ended 30 September 2009

CONTINUING OPERATIONS:

Turnover up 8% to R20,4 billion
Operating income up 24% to R3,1 billion
Group approves R561 million investment in new wheat mill
Headline earnings per share from continuing operations up 20%
Total dividend and capital distribution for the year 704 cents per
share

Domestic Food

Most categories achieved pleasing performances
Rice profitability declined as consumers switched into more
affordable carbohydrate categories, benefiting the Milling
business
Beverages reflects a sound recovery

Home & Personal Care (HPC)

Baby and Personal Care categories show modest growth
Homecare performance improves after a disappointing pest season in
the first half

Exports and International

Deciduous fruit exports were adversely impacted by a strong Rand
exchange rate in the second half
Central and East African acquisitions successfully bedded down
during 2009
Exports into African markets continue to perform well

Fishing

Oceana delivers 18% headline earnings growth
Sea Harvest treated as a discontinued operation for the eight
months prior to disposal
Sea Harvest was disposed of on 28 May 2009.
With effect from 1 April 2009 Oceana was reclassified from a joint
venture to an associate.

Introduction

These abridged results have been prepared in accordance with
International Financial Reporting Standards, IAS 34 - Interim
Financial Reporting - and the Listing Requirements of the JSE
Limited.

The condensed financial information has been reviewed by Ernst &
Young Inc., whose unqualified review opinion is available for
inspection at the Company's registered office. It is anticipated
that an unqualified audit opinion will be issued once the detailed
financial statements have been finalised.

The unbundling and separate listing of the Company's Healthcare
interests on 29 August 2008, and the disposal of the Company's
interest in Sea Harvest on 28 May 2009, have given rise for the
need to distinguish between earnings from continuing operations,
which exclude both the Healthcare and Sea Harvest results, and

total Group earnings. Total Group earnings include the Healthcare results for the eleven months ended 29 August 2008 in the comparative period as well as the results of Sea Harvest for the eight months ended 28 May 2009 in the current period and for the full twelve months of the comparative period.

Earnings from continuing operations

Tiger Brands achieved headline earnings per share (HEPS) from continuing operations of 1 382,1 cents for the twelve months ended 30 September 2009, representing a 20% increase on that achieved in the prior year.

Earnings per share (EPS) from continuing operations increased by 45% to 1 556,8 cents per share.

The higher percentage improvement in EPS compared to HEPS is primarily due to the inclusion in 2009, of an abnormal amount of R201,1 million (relating to the capital profit of R234,3 million arising from the disposal of the Group's residual shareholding in Adcock Ingram Holdings Limited, net of taxation of R33,2 million) as well as the inclusion of a capital profit of R62,1 million from the disposal of the Group's 73,16% interest in Sea Harvest.

Furthermore, the comparative period included a charge of R112,3 million relating to the impairment of the carrying value of the goodwill associated with the Beverages business. These three items were excluded for the purposes of determining HEPS in the respective reporting periods.

Total Group earnings

Total Group headline earnings for the year amounted to R2 209,8 million (2008: R2 406,5 million).

On a per share basis, total Group headline earnings decreased by 8% to 1 407,4 cents compared to the prior year, whilst total Group earnings per share increased by 10% to 1 583,0 cents. For the reasons outlined in the introductory statement above, total Group headline earnings per share and total Group earnings per share for the current year are not directly comparable with the previous year.

Overview of results

As the Company no longer has joint control of Oceana, it has ceased to proportionately consolidate its results with effect from the end of March 2009. Accordingly, although Oceana's results are included for the full year, the first six months to 31 March 2009 are shown on a proportional consolidation basis, whereas the results for the second six months to 30 September 2009 have been equity accounted as an associate company. This change in the basis of accounting for Oceana makes meaningful comparison of the Group's results difficult and hence, to assist shareholders in comparing the performance of the Company with the previous year, comparative information in the commentary below excludes Oceana's results (which have been commented on separately under the Group's Fishing interests). Also see Note 11 of the accompanying results for further information in this regard.

The commentary below therefore relates only to the Group's FMCG businesses.

Turnover from continuing operations (excluding Oceana) amounted to R19,7 billion, reflecting an increase of 12% on the previous year. This rate of growth is lower than the 24% increase recorded at the half year. This reflects the impact of the significant price deflation in food commodities and a weaker trading environment. The full year improvement in turnover has benefited from the

inclusion of the turnover of the African businesses, Haco Industries (Kenya) and Chococam (Cameroon), in which the Company acquired a 51,0% and 74,7% stake on 1 June 2008 and 1 August 2008 respectively.

Operating income for the year (excluding Oceana) rose by 28% to R3 054,9 million. The group operating margin from continuing operations improved from 13,5% last year to 15,5%, benefiting from a recovery in selling prices of certain raw material cost increases which were partially absorbed by the Group in the prior year, as well as a normalised Beverages performance after this category was adversely impacted in the prior year by cool and wet summer conditions. The Milling & Baking, Groceries, Snacks & Treats and Value Added Meat Products businesses produced exceptional operating performances while Other Grains, Home & Personal Care (HPC) and Out of Home recorded single digit operating income growth. Within Exports & International, the sustained strength of the rand negatively impacted the performance of the Deciduous Fruit business, but pleasing results were achieved by Haco, Chococam and the Tiger Brands Export division. Abnormal items (excluding Oceana) reflect a net abnormal profit of R342,4 million in 2009. The current year composition of abnormal items primarily includes a capital profit of R234,3 million relating to the sale of the Group's residual shareholding in Adcock Ingram Holdings Limited; a capital profit of R62,1 million relating to the disposal of the Group's 73,16% interest in Sea Harvest; the release to income of an amount of R81,4 million relating to the Sea Harvest put option provision which is no longer required; and the costs of R29,8 million incurred in the current year relating to the unsuccessful attempt by Tiger Brands to acquire the entire issued share capital of AVI Limited.

Net financing costs from continuing operations (excluding Oceana) of R256,5 million (2008: R87,7 million) rose sharply over the prior year, reflecting the increased level of gearing of the FMCG business as a consequence of the unbundling of Adcock Ingram, as well as the impact of higher working capital demands, particularly during the first six months of the year.

Group net debt from continuing operations has reduced to R377,4 million at 30 September 2009 from a peak of R2 104,4 million at 31 March 2009. Net borrowing levels in the second half benefited from the gross proceeds of R578,1 million received on 28 May 2009 for the disposal of Sea Harvest, as well as the net proceeds of R465,6 million relating to the sale of the shares in Adcock Ingram Holdings Limited received on 30 September 2009. Net interest cover for the year of 12,4 times remains at a sound level and is likely to improve in the year ahead given the lower levels of debt and the more favourable interest rate environment.

Income from associates reflects a significant increase compared to the prior year. This is due to the inclusion for the first time of the Company's share of the after tax earnings of Oceana (for the second half as noted above), as well as the inclusion of a capital profit of R16,6 million arising on the part disposal of a subsidiary by Chilean-based Empresas Carozzi. A stronger trading performance by Empresas Carozzi also contributed to the improvement.

The average tax rate, before abnormal items, increased to 32,4% (2008: 30,7%). This was primarily due to a reduced STC charge in 2008 as a result of a portion of the 2007 final dividend being distributed as a payment of capital out of share premium in January 2008.

The lower share of income attributable to minorities is largely due to the declining profitability in the Group's Deciduous Fruit business, partially offset by a full twelve month contribution by the two partly owned African subsidiaries, Haco and Chococam, which were acquired during the second half of 2008.

Review of operations

FMCG

Strong performances were experienced in most FMCG categories, however, underlying consumer demand weakened marginally in the second half of the financial year compared to the first six months. An encouraging trend of a reduction in the rate of inflation in the second half of the year extended across most categories.

DOMESTIC FOOD increased turnover and operating income by 10% and 38% respectively.

Within the Grains segment, the higher growth in operating income relative to turnover was primarily as a result of falling soft commodity prices which benefited the Milling & Baking business in particular. The prior year results were also adversely affected by the substantial increases in raw material commodity costs which were not fully recovered in selling prices. The Board has recently approved a significant capital investment to replace and increase the capacity of the wheat mill in Hennenman at a total cost of approximately R561 million over the next three years. Ace instant porridge continues to be a very successful innovation in which the Group continues to invest, both in the form of marketing and additional production capacity. Notwithstanding the difficult trading environment, the Albany brand recovered both volumes and market share in the second half. The capital project to increase the capacity of the Pietermaritzburg bakery involving leading edge technology, at a total cost of approximately R200 million, is scheduled for commissioning in July 2010. Tastic and Aunt Caroline rice volumes were negatively impacted by some consumers switching from rice to maize products, primarily as a result of the impact of high raw material rice prices.

Demand for Jungle oats was particularly strong with the oats category continuing to reap the benefits of the previously reported major upgrade to its manufacturing facility in Maitland. The Sorghum beverages business continued to disappoint with both volumes and margins remaining under pressure.

The Groceries business recorded a 27% improvement in operating income off a 19% increase in turnover. Strong volume growth was achieved by Fatti's & Moni's with the new state-of-the-art pasta manufacturing facility operational for the full twelve month period compared to six months in the prior year. The KOO, All Gold and Black Cat brands grew sales volumes, albeit at a much slower rate than in the prior year, as consumer demand remained sluggish particularly during the second half. The well known Crosse & Blackwell mayonnaise brand, acquired from Nestlé on 1 October 2009, will be integrated into the Groceries business in the year ahead.

Snacks & Treats recorded a pleasing growth of 14% in operating income off an increase in turnover of 9%. This performance was achieved despite pressure on consumer discretionary spending, which was particularly evident in the chocolate category.

The performance of the Beverages business reflected a marked improvement on the prior year with operating income of R89,5 million being R78,4 million ahead of last year. The prior year

result had been negatively impacted by unfavourable weather conditions.

HOME & PERSONAL CARE (HPC) grew operating income by 8% compared to an increase in turnover of 7%.

Personal Care achieved a modest improvement in operating income in a category where pressure on consumer discretionary spending is particularly noticeable. In Baby care, both the Nutrition and Well-Being categories recorded acceptable results, with the Purity and Elizabeth Anne's brands feeling the impact of the slowing economy as consumers came to grips with the tighter economic realities. The Homecare category was negatively affected by a poor pest season in the first six months, which impacted the performance of the Doom brand in particular. However, the category ended the year with a 6% increase in operating income, primarily due to an improved performance by the Jeyes portfolio.

EXPORTS & INTERNATIONAL

Tiger Brands International, comprising the Tiger Brands Export division, the Decidious Fruit division Langeberg & Ashton Foods (67% held), Haco Industries (Kenya) and Chococam (Cameroon), reflected a combined decrease in operating income of 3% for the year.

This reduction in profitability was attributable to a significant decline in the contribution from the Deciduous Fruit business as a result of softer global demand arising from the global financial crisis and a stronger rand exchange rate. The Tiger Brands Export division produced an excellent result. This was assisted by its enhanced distribution capabilities and heightened in-country sales focus, particularly in Zambia, Angola, Mozambique and Zimbabwe. With regard to Haco and Chococam, 2009 has been a year of bedding down the two African acquisitions concluded during 2008. Haco has performed well during the year under review and, in addition, made a good contribution to the distribution of Tiger Brands' products in the East African region. The overall performance of Chococam was satisfactory despite the business being challenged with significant cost increases in certain major raw materials and an underperformance in its key export market of Gabon.

Fishing

The Company's interest in Sea Harvest was sold to a consortium led by Brimstone Investment Corporation Limited, for R578,1 million on 28 May 2009. The results of Sea Harvest up to the date of sale have been reflected as a discontinued operation in the Group income statement in terms of International Financial Reporting Standards - IFRS 5.

The Company's remaining fishing interest is its investment in Oceana Group Limited (45% held). Oceana is separately listed on the JSE Limited and reported a 18% increase in headline earnings per share for the year ended 30 September 2009. Oceana's results were separately published on 12 November 2009.

The Group's share of Oceana's turnover and operating income for the six months to 31 March 2009, which have been proportionately consolidated, amounted to R730,6 million and R78,5 million respectively.

The equity accounted earnings of Oceana for the second six months to 30 September 2009 amounted to R76,5 million.

Other corporate activities

Acquisition of Crosse & Blackwell

On 1 October 2009, the Company acquired the Crosse & Blackwell business from Nestlé. This encompassed the full range of mayonnaise 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 such as Crosse & Blackwell.

Tiger Brands Phase II Black Economic Empowerment Transaction
As announced on SENS on 12 October 2009, the Company listed a further 16 322 520 new shares on the JSE Limited on 20 October 2009 in terms of its Phase II BEE transaction. The transaction was approved by shareholders at a general meeting of the Company held on 12 October 2009. In terms of the Phase II BEE transaction, 9,09% of Tiger Brands' enlarged issued share capital has been allocated as follows:

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%)

CAPITAL REDUCTION OUT OF SHARE PREMIUM IN LIEU OF FINAL DIVIDEND

At the general meeting of shareholders of the Company held on 12 October 2009, the board of directors was given the general authority to make payments to shareholders out of the Company's share premium account. Pursuant to this authority, the directors have decided to declare a capital distribution (in lieu of the final dividend) out of share premium of 459 cents per share, for the year ended 30 September 2009. This, together with the interim dividend of 245 cents per share, will therefore amount, in aggregate, to a total payment to shareholders of 704 cents per share (2008: 786 cents per share, comprising the interim and final dividend). The total payment of 704 cents per share represents a decrease of 10% on the total dividend of 786 cents per share declared in respect of the previous year, primarily as a result of the unbundling of Adcock Ingram. The Tiger Brands final dividend in respect of 2008 of 541 cents per share took into account the earnings of Adcock Ingram up to the date of the unbundling on 29 August 2008.

Shareholders are referred to the more detailed announcement relating to the capital reduction that has been issued today. The Company's stated policy of paying an annual dividend/distribution, based on a headline earnings cover of 2 times, remains in place.

Outlook

Tiger Brands expects trading conditions to remain difficult, particularly during the first half of the new financial year as consumer spending remains under pressure despite falling food inflation and a stronger rand exchange rate. Headline earnings per share is, however, expected to show satisfactory growth in real terms for the financial year ending 30 September 2010.

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

ANNUAL REPORT

The annual report will be posted to certificated shareholders and those shareholders with dematerialised shares who have requested a copy of the annual report through their CSDP's, during December 2009.

Salient features of the annual report will be available on the Company's website (www.tigerbrands.com) shortly after the annual report is posted.

For and on behalf of the Board

Lex van Vught
Chairman

Peter Matlare
Chief Executive Officer

23 November 2009
TIGER BRANDS LIMITED

Income statement
Year ended 30 September

	Notes	2009 Reviewed Rm	Change %	2008 Audited Rm
Continuing operations				
Revenue	1	20 642,5	8	19 169,7
Turnover	1	20 430,4	8	18 954,0
Operating income before abnormal items	2	3 133,4	24	2 522,6
Abnormal items	3	343,9		4,3
Operating income after abnormal items		3 477,3	38	2 526,9
Interest paid		(436,3)	51	(289,7)
Interest received		181,6	(12)	206,6
Dividend income		30,5	235	9,1
Income from associates	4	203,6	183	72,0
Profit before taxation		3 456,7	37	2 524,9
Taxation		(977,7)	24	(791,6)
Profit for the year from continuing operations		2 479,0	43	1 733,3
Discontinued operations	5			
Profit after tax for the year - Sea Harvest		55,0	(46)	101,0
Profit after tax for the year - Healthcare business		—		510,6
PROFIT FOR THE YEAR		2 534,0	8	2 344,9
Attributable to:				
Ordinary shareholders		2 485,5	9	2 273,7
Minorities		48,5	(32)	71,2
		2 534,0	8	2 344,9
Headline earnings per				
ordinary share (cents)		1 407,4	(8)	1 524,1
Diluted headline earnings per ordinary share (cents)		1 398,4	(8)	1 517,0
Basic earnings per ordinary share (cents)		1 583,0	10	1 440,0
Diluted basic earnings per ordinary share (cents)		1 572,9	10	1 433,3
Dividends and distributions per ordinary share (cents)		704,0	(10)	786,0
Interim dividend declared		245,0		245,0
Final dividend declared		—		541,0
Capital distribution declared 23 November 2009		459,0		—
Headline earnings per ordinary share (cents) for continuing operations		1 382,1	20	1 149,5
Diluted headline earnings per ordinary share (cents) for continuing operations		1 373,3	20	1 144,1

Basic earnings per ordinary share (cents) for continuing operations	1 556,8	45	1 074,1
Diluted basic earnings per ordinary share (cents) for continuing operations	1 546,9	45	1 069,0
Headline earnings per ordinary share (cents) for discontinued operations	25,3	(93)	374,6
Diluted headline earnings per ordinary share (cents) for discontinued operations	25,1	(93)	372,9
Basic earnings per ordinary share (cents) for discontinued operations	26,2	(93)	365,9
Diluted basic earnings per ordinary share (cents) for discontinued operations	26,0	(93)	364,3

Balance sheet
As at 30 September

	2009 Reviewed Rm	2008 Audited Rm
ASSETS		
Non-current assets	5 439,8	5 651,0
Property, plant and equipment	2 202,7	2 369,2
Goodwill and other intangibles	1 669,1	1 713,9
Investments	1 509,8	1 478,7
Deferred taxation asset	58,2	89,2
Current assets	6 247,5	7 025,9
Inventories	3 059,9	3 364,7
Trade and other receivables	2 681,4	3 102,5
Cash and cash equivalents	506,2	558,7
TOTAL ASSETS	11 687,3	12 676,9
EQUITY AND LIABILITIES		
Capital and reserves	6 983,7	5 760,7
Ordinary share capital and share premium	70,8	41,8
Non-distributable reserves	788,7	713,6
Accumulated profits	7 309,8	6 203,5
Tiger Brands Limited shares held by subsidiary	(817,7)	(817,7)
Tiger Brands Limited shares held by empowerment entities	(502,2)	(502,2)
Share-based payment reserve	134,3	121,7
Minority interest	301,0	458,3
TOTAL EQUITY	7 284,7	6 219,0
Non-current liabilities	965,3	1 141,9
Deferred taxation liability	156,1	316,5
Provision for post-retirement medical aid	326,4	327,9
Long-term borrowings	482,8	497,5
Current liabilities	3 437,3	5 316,0

Trade and other payables	2 684,1	3 546,3
Provisions	300,1	299,8
Provision for Sea Harvest put option	—	81,4
Taxation	52,3	54,6
Short-term borrowings	400,8	1 333,9
TOTAL EQUITY AND LIABILITIES	11 687,3	12 676,9

Abridged cash flow statement
Year ended 30 September

	2009 Reviewed Pro forma Continuing Rm	2009 Reviewed Group Rm	2008 Audited Group Rm
Cash operating profit	3 472,5	3 566,1	4 008,3
Working capital changes	(470,7)	(424,7)	(914,1)
Cash generated from operations	3 001,8	3 141,4	3 094,2
Net financing costs	(254,7)	(247,1)	(196,4)
Dividends received	79,2	86,7	55,2
Taxation paid	(1 007,6)	(1 033,2)	(1 059,1)
Dividends received from discontinued operation - Sea Harvest	21,9	—	—
Payment of Competition Commission administrative penalties	—	—	(152,3)
Cash available from operations	1 840,6	1 947,8	1 741,6
Dividends and capital distributions paid	(1 258,9)	(1 267,8)	(1 121,2)
Net cash inflow from operating activities	581,7	680,0	620,4
Net cash inflow/(outflow) from investing activities	172,3	132,5	(2 240,9)
Net cash inflow from financing activities	100,3	100,1	458,7
Net cash inflow from discontinued operation	290,2	—	—
Net increase/(decrease) in cash and cash equivalents	1 144,5	912,6	(1 161,8)
Cash and cash equivalents at the beginning of the year	(957,3)	(725,4)	436,4
Cash and cash equivalents at the end of the year	187,2*	187,2	(725,4)

*Includes a decrease of R950,0 million on short-term borrowings regarded as cash and cash equivalents.

Statement of changes in equity

Share	Shares held by Subsidia-
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	Capital and premium Rm	Non distri- butable reserves Rm	Accu- mulated profits Rm	ries and Empower- ment trusts Rm
Balance at 30 September 2007	536,9	526,5	6 074,8	(1 473,1)
Net profit for the year			2 273,7	
Fair value adjustments recognised in equity		164,4		
Foreign currency translation reserve movement		(18,7)		
	536,9	672,2	8 348,5	(1 473,1)
Issue of share capital and premium	46,2			
Capital distribution out of share premium	(499,8)			42,0
Distribution in specie in respect of unbundling of Adcock Ingram Holdings Limited	(41,5)		(1 450,5)	
Minority interest arising from unbundling of Adcock Ingram Holdings Limited				
Movement in treasury shares as a result of unbundling of Adcock Ingram Holdings Limited				370,8
Share buyback				(259,6)
Transfers between reserves		41,4	(41,4)	
Other reserve movements				
Dividends on ordinary shares			(636,3)	
Total dividends			(694,5)	
Less: Dividends on treasury and empowerment shares			58,2	
Arising on changes in and acquisition of subsidiaries and joint ventures			(16,8)	
Balance at 30 September 2008	41,8	713,6	6 203,5	(1 319,9)
Net profit for the			2 485,5	

year				
Fair value adjustments recognised in equity		(43,1)		
Foreign currency translation reserve movement		(36,4)		
	41,8	634,1	8 689,0	(1 319,9)
Issue of share capital and premium	29,0			
Adjustment due to finalisation of African acquisitions				
Transfers between reserves		157,4	(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	70,8	788,7	7 309,8	(1 319,9)
Statement of changes in equity (continued)				
		Total		
	Share-based payment reserve	Attributable to ordinary shareholders	Minorities	Total
	Rm	Rm	Rm	Rm
Balance at 30 September 2007	119,9	5 785,0	213,6	5 998,6
Net profit for the year		2 273,7	71,2	2 344,9
Fair value adjustments recognised in equity		164,4		164,4
Foreign currency translation reserve movement		(18,7)		(18,7)
	119,9	8 204,4	284,8	8 489,2
Issue of share capital and premium		46,2		46,2
Capital		(457,8)		(457,8)

distribution out of share premium				
Distribution in specie in respect of unbundling of Adcock Ingram Holdings Limited	(33,3)	(1 525,3)	(25,8)	(1 551,1)
Minority interest arising from unbundling of Adcock Ingram Holdings Limited		—	138,0	138,0
Movement in treasury shares as a result of unbundling of Adcock Ingram Holdings Limited		370,8		370,8
Share buyback		(259,6)		(259,6)
Transfers between reserves		—		—
Other reserve movements	35,1	35,1		35,1
Dividends on ordinary shares		(636,3)	(23,5)	(659,8)
Total dividends		(694,5)	(23,5)	(718,0)
Less: Dividends on treasury and empowerment shares		58,2	—	58,2
Arising on changes in and acquisition of subsidiaries and joint ventures		(16,8)	84,8	68,0
Balance at 30 September 2008	121,7	5 760,7	458,3	6 219,0
Net profit for the year		2 485,5	48,5	2 534,0
Fair value adjustments recognised in equity		(43,1)		(43,1)
Foreign currency translation reserve movement		(36,4)		(36,4)
	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

Other Group salient features

	Reviewed Year ended 30 Sept 2009 Continuing operations	Reviewed Year ended 30 Sept 2009 Group	Audited Year ended 30 Sept 2008 Group
Net worth per ordinary share (cents)	4 439	4 439	3 673
Net debt to equity (%)	5,2	5,2	20,5
Interest cover - net (times)	12,4	12,8	30,5
Current ratio (:1)	1,8	1,8	1,3
Capital expenditure (R million)	561,1	603,9	641,8
- replacement	320,7	363,5	298,8
- expansion	240,4	240,4	343,0
Capital commitments (R million)	1 006,1	1 006,1	435,3
- contracted	336,8	336,8	168,5
- approved	669,3	669,3	266,8
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	54,6	54,6	31,3
Inventories carried at net realisable value	89,6	89,6	68,9
Carrying and fair value of investments (R million)	1 509,8	1 509,8	1 478,7
Listed	303,2	303,2	738,0
Unlisted	160,3	160,3	268,1
Associates (carrying value)	1 046,3	1 046,3	472,6

Segmental analysis

Year ended 30 September

	2009		2008		Change	
	Reviewed		Audited			
	Rm	%	Rm	%	%	
Turnover						
FMCG - CONTINUING						
OPERATIONS	19 699,8	94	17 589,7	77	12	
Domestic Food	15 922,3	76	14 446,8	63	10	
Grains	8 793,4	42	7 959,7	35	10	
Milling and Baking	6 266,8	30	5 948,9	26	5	
Other Grains	2 526,6	12	2 010,8	9	26	
Groceries	2 651,6	13	2 223,0	10	19	
Snacks and Treats	1 746,9	8	1 605,6	7	9	
Beverages	1 056,3	5	1 015,6	4	4	
Value Added Meat Products	1 413,2	7	1 340,5	6	5	
Out of Home	260,9	1	302,4	1	(14)	
HPC	1 883,7	9	1 765,8	8	7	
Personal	681,2	3	630,5	3	8	
Babycare	560,8	3	517,0	2	8	
Homecare	641,7	3	618,3	3	4	
Exports and International	2 030,6	10	1 519,3	7	34	
OTHER INTERGROUP SALES -						
FMCG	(136,8)	(1)	(142,2)	(1)	(4)	
Fishing - Oceana*	730,6	3	1 364,3	6	(46)	
TOTAL CONTINUING						
OPERATIONS	20 430,4		18 954,0		8	
DISCONTINUED OPERATIONS	605,5	3	3 861,3	17	(84)	
Sea Harvest	605,5	3	934,4	4	(35)	
Healthcare	-	-	2 926,9	13	(100)	
TOTAL TURNOVER	21 035,9	100	22 815,3	100	(8)	

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

Year ended 30 September

	2009		2008		Change	
	Reviewed		Audited			
	Rm	%	Rm	%	%	
Operating income before						
abnormal items						
FMCG - CONTINUING						
OPERATIONS	3 054,9	96	2 378,3	67	28	
Domestic Food	2 408,3	76	1 740,6	50	38	
Grains	1 414,1	44	1 004,6	29	41	
Milling and Baking	1 157,7	36	764,9	22	51	
Other Grains	256,4	8	239,7	7	7	
Groceries	471,7	15	372,6	11	27	
Snacks and Treats	282,4	9	246,8	7	14	
Beverages	89,5	3	11,1	-	706	
Value Added Meat Products	113,1	4	70,0	2	62	
Out of Home	37,5	1	35,5	1	6	
HPC	485,0	15	450,0	12	8	
Personal	197,9	6	185,2	5	7	
Babycare	166,0	5	150,6	4	10	
Homecare	121,1	4	114,2	3	6	
Exports and International	214,0	7	219,8	6	(3)	

Other	(52,4)	(2)	(32,1)	(1)	(63)
Fishing - Oceana*	78,5	2	144,3	4	(46)
TOTAL CONTINUING OPERATIONS	3 133,4		2 522,6		24
DISCONTINUED OPERATIONS	56,8	2	1 004,8	29	(94)
Sea Harvest	56,8	2	105,3	3	(46)
Healthcare	—	—	899,5	26	(100)
TOTAL OPERATING INCOME BEFORE ABNORMAL ITEMS	3 190,2	100	3 527,4	100	(10)

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

Notes

Year ended 30 September

	2009 Reviewed Rm	2008 Audited Rm
1. Revenue - continuing operations		
Turnover	20 430,4	18 954,0
Interest received	181,6	206,6
Dividend income	30,5	9,1
	20 642,5	19 169,7
2. Operating income - continuing operations		
Operating income before abnormal items is reflected after charging:		
Cost of sales	13 282,5	12 574,6
Sales and distribution expenses	2 506,0	2 471,7
Marketing expenses	529,8	472,7
Other operating expenses	978,7	912,4
Depreciation (included in cost of sales and other operating expenses)	261,9	245,5
3. Abnormal items - continuing operations		
Loss on sale of property, plant and equipment, including impairment charges on intangibles	(11,7)	(129,5)
Net profit on sale of interest in subsidiaries and joint ventures	62,7	10,6
Loss on sale of investments	(4,3)	—
Profit on sale of investments, including reversal of impairment	234,3	3,8
Costs relating to the unsuccessful attempt to acquire AVI Limited	(29,8)	—
Empowerment transaction costs	(12,0)	—
Release of provision for Sea Harvest put option	81,4	—
Release of provision for Healthcare unbundling costs	1,1	2,1
Recognition of pension fund surpluses	27,5	127,0
Other	(5,3)	(9,7)
Abnormal profit before taxation	343,9	4,3

	Taxation	(36,7)	(39,7)
		307,2	(35,4)
	Minorities	—	—
	Abnormal profit attributable to shareholders in Tiger Brands Limited	307,2	(35,4)
4.	Income from associates - continuing operations		
	Normal trading	187,0	72,0
	Abnormal item - profit on partial sale of interest in subsidiary	16,6	—
		203,6	72,0
5.	Discontinued operations		
5.1	Sea Harvest		
	On 28 May 2009 the Group disposed of Sea Harvest. The results of Sea Harvest for the eight months to 28 May 2009 (2008: 12 months to 30 September 2008), which are included in the Group results, are presented below:		
	Turnover	605,5	934,4
	Operating income before abnormal items	56,8	105,3
	Abnormal items	2,1	8,9
	Interest paid	(0,5)	(1,0)
	Interest received	8,2	11,5
	Dividends received	7,5	10,3
	Profit before tax from a discontinued operation	74,1	135,0
	Taxation	(19,1)	(34,0)
	Profit for the year from a discontinued operation	55,0	101,0
	Attributable to minorities	13,9	25,6
	The net cash flows generated/(incurred) by the Sea Harvest business are as follows:		
	Operating activities	98,3	47,1
	Investing activities	(39,6)	(43,0)
	Financing activities	(0,2)	(0,7)
	Net cash inflow	58,5	3,4
	The major classes of assets and liabilities of Sea Harvest were not classified as held for sale as at 30 September 2008 as the decision taken to discontinue the operation was made during the current financial year.		
	Assets		
	Property, plant and equipment	—	288,0
	Goodwill and other intangibles	—	17,7
	Investments	—	22,0
	Deferred taxation asset	—	0,6
	Cash and cash equivalents	—	231,9
	Inventory	—	151,3
	Trade and other receivables	—	200,3
	Assets classified as held for sale	—	911,8
	Liabilities		
	Interest-bearing liabilities (long- and short-term borrowings)	—	4,7

Deferred tax liability	–	57,8
Provision for post-retirement medical aid	–	19,2
Trade and other payables	–	171,9
Taxation	–	10,0
Liabilities directly associated with assets classified as held for sale	–	263,6
Net assets directly associated with disposal group	–	648,2

5.2 Healthcare interests

On 25 August 2008 the unbundling of Adcock Ingram Holdings Ltd was completed.

The results of Adcock Ingram Holdings Ltd for the 11 months to 24 August 2008, which were included in the 2008 Group results, are presented below:

Turnover	–	2 926,9
Operating income before abnormal items	–	899,5
Abnormal items	–	(71,4)
Interest paid	–	(171,5)
Interest received	–	47,7
Dividends received	–	5,2
Profit before tax from a discontinued operation	–	709,5
Taxation	–	(198,9)
Profit for the year from a discontinued operation	–	510,6

The net cash flows generated/(incurred) by the Healthcare business are as follows:

Operating activities	–	342,2
Investing activities	–	(1 429,5)
Financing activities	–	1 312,9
Net cash inflow	–	225,6

6. Business combinations
2009

6.1 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 to be accounted for from 1 October 2009 comprises the following:

		Rm
Trademarks		250,0
Land and buildings		50,0
Plant and equipment		37,2
Inventories		74,5
Fair value of assets acquired		411,7
Goodwill		62,8
Purchase consideration		474,5

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.

Since the effective date of the transaction was subsequent to 30 September 2009, the acquisition has not contributed any revenue or operating income to the 2009 group results.

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.

2008

6.2 African acquisitions

On 1 June 2008 the Group acquired 51,0% of Haco Industries (Kenya) Limited ("Haco") and on 1 August 2008 the Group acquired 74,7% of Chocolaterie Confiserie Camerounaise Sa ("Chococam"), collectively referred to as the "African acquisitions".

The functional currency of Haco is the Kenyan Shilling, whilst Chococam is the Cameroon Franc.

The fair value of the identifiable assets and liabilities of the African acquisitions were:

	Re- stated Recog- nised on acqui- sition Rm	Pre- viously Recog- nised on acqui- sition Rm	Carrying value at date of Acqui- sition Rm
Property, plant and equipment	147,3	145,6	145,6
Trademarks	53,3	54,1	0,8
Deferred taxation asset	1,5	1,5	1,5
Deposits, cash and cash equivalents	12,1	12,1	12,1
Debtors	111,0	111,0	111,0
Inventories	116,3	126,5	126,5
Fair value of assets acquired	441,5	450,8	397,5
Creditors and provisions	98,4	94,8	94,8
Long-term and short-term borrowings	76,6	76,6	76,6
Provision for post-retirement medical aid	4,8	4,8	4,8
Taxation payable	2,3	2,3	2,3
Deferred taxation liability	14,3	14,3	14,3
Fair value of liabilities acquired	196,4	192,8	192,8
Fair value of net assets acquired	245,1	258,0	204,7
Minority interest	(79,5)	(82,0)	
Goodwill arising on acquisition	32,6	17,9	
Purchase consideration	198,2	193,9	

During the course of 2009, certain adjustments were made to the amounts recognised on acquisition, as permitted by IFRS3 - Business Combinations.

The effect of the adjustments resulted in a reclassification between trademarks and property, plant and equipment, as well as a restatement of property, inventories and creditors and a corresponding adjustment to goodwill.

In addition, the deferred purchase price was finalised resulting in a final adjustment to goodwill and the purchase consideration.

The total cost of the acquisition was R198,2 million (2008: R193,9 million) and was funded out of external resources.

Cash outflow on acquisition:

Net cash acquired on acquisition	(12,1)	(12,1)
Cash paid	198,2	184,2
Net cash outflow	186,1	172,1

From the date of acquisition to September 2008, the African acquisitions contributed R126,6 million to revenue from continuing operations and R7,6 million to group operating income.

Should the African acquisitions have been included from 1 October 2007 to 30 September 2008, their contributions are estimated to have been R536,2 million to revenue and R21,4 million to profit after tax before accounting for acquisition financing costs. The Group's share of the R21,4 million profit after tax before accounting for acquisition financing costs was R15,4 million.

The significant factors that contributed to the recognition of goodwill included, but were not limited to, the establishment of a presence within the Central and East African markets, with local management and distribution capabilities to drive the Group's product sales into the various channels and customers that exist within those markets.

7. Property, plant and equipment

The additions for the year amounted to R561,1 million (2008: R641,8 million) and the net book value of disposals totalled R4,0 million (2008: R5,4 million).

8. Impairment of intangibles

Included in abnormal items from continuing operations 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 is attributable to the expected reduction in the future profit stream of the business.

Included in the September 2008 abnormal items from continuing operations was the impairment of goodwill relating to the Bromor Foods acquisition in August 2006. The impairment amounted to R112,3 million and was largely attributable to the expected reduction in the future profit stream, as well as an increase in the discount rate applied to the future cash flows of the business.

Year ended 30 September

	2009 Reviewed	2008 Audited
9. Shares		
Number of ordinary shares in issue (000's)	173 560	173 043
Includes 10 326 758 (2008:10 326 758) shares held as treasury stock and 5 896 140 (2008: 5 896 140) shares owned by staff empowerment entities		
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)	157 012	157 893
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)	158 022	158 637
10. Reconciliation between profit for the year and headline earnings	Rm	Rm
Profit attributable to ordinary shareholders	2 485,5	2 273,7
Adjusted for:		
Net profit on sale of interest in subsidiaries and joint ventures	(62,7)	(8,7)
Loss on sale of property, plant and equipment, including impairment charges on intangibles	3,5	141,7
Profit on sale of investments	(201,1)	-
Loss on sale of investments	4,3	-
Associates	(16,6)	1,4
Profit on sale of property, plant and equipment	-	(1,3)
Profit on partial sale of interest in subsidiary	(16,6)	-
Impairment of property, plant and equipment	-	2,7
Other	(3,1)	(1,6)
Headline earnings for the year	2 209,8	2 406,5
Reconciliation between profit for the year and headline earnings - discontinued operations		
Profit attributable to	41,1	577,8

ordinary shareholders		
Adjusted for:		
Profit on sale of property, plant and equipment, including impairment charges on intangibles	(1,4)	17,2
Net profit on sale of interest in subsidiaries	—	(3,5)
Headline earnings for the year	39,7	591,5

11. 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 (2008: 12 months to 30 September 2008), which are included in the Group results, are presented below:

Turnover	730,6	1,364,3
Operating income before abnormal items	78,5	144,3
Abnormal items	1,5	5,3
Interest paid	(3,7)	(3,0)
Interest received	5,5	7,6
Dividends received	5,2	8,7
Profit before tax	87,0	162,9
Taxation	(28,4)	(47,3)
Profit for the year	58,6	115,6

12. 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 year:

- IFRIC 12 Service Concession

Arrangements

- IFRIC 13 Customer Loyalty Programmes

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation

- IAS 39 Amended Financial Instruments: Recognition and Measurement - Reclassification of financial assets

- IFRS 7 Amended Financial Instruments: Disclosures - Reclassification of financial assets

The application of these standards and interpretations did not have a significant impact on the Group's reported results and cash flows for the year ended 30 September 2009 and the financial position at 30 September 2009.

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