

Tiger Brands Limited
 (Registration number 1944/017881/06)
 (Incorporated in the Republic of South Africa)
 Share code: TBS ISIN: ZAE000071080
 ("Tiger Brands" or "the Company")

CAPITAL REDUCTION OUT OF SHARE PREMIUM IN RESPECT OF THE SIX MONTHS ENDED 31 MARCH 2010

The board of directors has approved a cash distribution (in lieu of the interim dividend) by way of a reduction of capital out of share premium of 270 cents per share, for the six months ended 31 March 2010, to Tiger Brands shareholders recorded in the register on Friday, 9 July 2010 ("the Distribution").

The payment of the Distribution is subject to the passing of the requisite ordinary resolutions at the general meeting to be held at 10:00, on Monday, 21 June 2010. A circular containing full details of the Distribution and convening the general meeting will be posted to shareholders on or about 1 June 2010.

In compliance with the requirements of Strate, the electronic settlement and custody system used by the JSE Limited, the Company has determined the following salient dates for the payment of the Distribution:

Last day to trade cum the Distribution Friday, 2 July 2010
 Shares commence trading ex the Distribution Monday, 5 July 2010
 Record date Friday, 9 July 2010
 Payment date Monday, 12 July 2010

Tiger Brands ordinary shareholders will not be permitted to dematerialise/rematerialise their shares between Monday, 5 July 2010 and Friday, 9 July 2010, both days inclusive.

The illustrative pro forma financial effects of the Distribution set out below have been prepared to assist Tiger Brands shareholders in assessing the impact of the distribution of capital out of share premium on the Net Asset Value per share ("NAV") and Tangible Net Asset Value per share ("TNAV"). The material assumptions are set out in the notes following the table. The pro forma financial effects are the responsibility of the directors and are provided for illustrative purposes only.

	Actual before the distribution as at 31 March 2010(i)	Impact of the distribution of 270 cents per share(ii) & (v)	Pro forma after the distribution as at 31 March 2010
Assets			
Cash and cash equivalents (Rm)	165,9	(437,0)	(271,1)
Equity and liabilities			
Equity attributable to ordinary shareholders(iii) (Rm)	7 553,8	(437,0)	7 116,8
NAV(iv) (cents per share)	4 772,1		4 496,1
TNAV(iv) (cents per share)	3 516,1		3 240,1

Notes:

(i) As per the published unaudited results of Tiger Brands for the six months ended 31 March 2010;

(ii) Adjustments to cash & cash equivalents and equity attributable to ordinary shareholders were made on the assumption that the Distribution was paid on 31 March 2010;

(iii) Equity attributable to ordinary shareholders comprises the following line items:

(Rm)	Actual before the distribution as at 31 March 2010(i)	Impact of the distribution of 270 cents per share(ii) & (v)	Pro forma after the distribution as at 31 March 2010
Ordinary share capital	19,0		19,0
Share premium	955,2	(502,1)	453,1
Non-distributable reserves	864,7		864,7
Accumulated profits	8 330,0		8 330,0
Tiger Brands Limited shares held by subsidiary	(770,3)	27,9	(742,4)
Tiger Brands Limited shares held by empowerment entities	(2 064,1)	37,2	(2 026,9)
Share-based payment reserve	219,3		219,3
Total equity attributable to ordinary shareholders	7 553,8	(437,0)	7 116,8

(iv) The calculation of NAV per share and TNAV per share as at 31 March 2010 has been based on 158 289 687 ordinary shares in issue (which excludes the 10 326 758 treasury shares held by a wholly-owned subsidiary of Tiger Brands as well as 21 426 860 shares held by various empowerment entities which are consolidated for accounting purposes).

(v) The impact of the Distribution takes into account the on-payment of the Distribution by the empowerment entities to the participants in the Company's Broad-based Black Economic Empowerment initiatives.

For income tax purposes, shareholders are advised that the Distribution will be regarded as a return of capital and therefore consideration should be given to the potential capital gains tax consequences. Tiger Brands shareholders are, therefore, advised to consult their tax advisors with regard to how they may be impacted by the Distribution.

On behalf of the Board

I W M Isdale
Group Secretary

Sandton

18 May 2010