

**TIGER BRANDS**



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**MEDIA RELEASE independent  
TIGER BRANDS YEAR END FINANCIAL RESULTS**

JOHANNESBURG, 23 November 2016 Tiger Brands (JSE: TBS), South Africa's leading fast moving consumer goods manufacturer posted a solid set of results for the year ended 30 September 2016, testament to the strength of its brands and ability of its leadership to navigate the difficult environment. The company recorded an increase in group turnover from continuing operations of 11 percent to R31.7-billion, while group operating income rose 5% to R4.2-billion.

According to CEO, Lawrence Mac Dougall, "This has been one of the most challenging trading environments we've seen in a long time, underpinned by unpredictable forex markets, weak consumer confidence and abnormal raw material inflation. Despite this, we achieved a solid set of results from continuing operations."

Total HEPS increased by 19% to 2 127 cents per share. The company declared a final dividend of 702 cents per share. This, together with the interim dividend of 363 cents per share, brings the total dividend for the year to 1 065 cents, up 12% on the prior year. Domestic operations, which account for the "tiger's share" of the group's income, grew volume by 2% and revenue by 11%. The international business grew revenue by 7% benefitting from pricing and forex gains. Mac Dougall cited disciplined price/volume management and continued cost savings and investments as key drivers of this performance. The international business benefited from the 7<sup>th</sup> consecutive year of profitable growth in central Africa and strong performance from Langeberg & Ashton Foods - the world's largest deciduous food processor located in the Western Cape.

In addition to delivering shareholder value, Tiger Brands is also mindful of its social responsibility to add value to the communities in which it operates. "Our social footprint is premised on making a significant impact on improving food and nutrition security in South Africa," he says.

**TIGER BRANDS LIMITED** Registration No. 1944/017881/06

**Directors**

**Non Executive:** A C Parker (Chairman), B L Sibiyi (Deputy Chairman), M O Ajukwu, S L Botha, M J Bowman, M P Nyama, M Makanjee, K D K Mokhele, R D Nisbet, Y G H Suleman

**Executive:** L C Mac Dougall (**Chief Executive Officer**); N P Doyle (Chief Financial Officer), C F H Vaux

Company Secretary: T Naidoo

The Tiger Brands Foundation, whose primary focus is taking nutrition and nutrition education to the country's most under-resourced schools, supports more than 60 000 learners in 83 non-fee paying schools across all nine provinces with a nutritious breakfast meal every day. "The Foundation receives a trickle dividend from Tiger Brands. It stands to reason, therefore, that the group's performance over the years – in good and difficult conditions – has contributed to the success of the Foundation, which last week served its 40-millionth meal in the in-school nutrition programme."

Other in-house CSI projects benefited a further 41 000 people during the year. The group has also played a significant role in supporting smallholder farmers. Mac Dougall says that "the growth and development of South Africa's agricultural sector is vital to Tiger Brands. We procure 2-million tons of agricultural commodities per year, about two-thirds of that from local suppliers." He says a thriving local agricultural sector creates significant wins for all stakeholders, including rural economic development and the participation of previously marginalised communities.

Mac Dougall is grateful to consumers and customers for their continued support. He says that the group continues to innovate in order to deliver the high quality products that customers have come to expect and rely upon. The group's innovation rate increased to 4.5% of turnover up from 3.5% a year ago.

This year Tiger Brands' household brands like Enterprise; Tastic; All Gold and Oros received top honours at the 18th Annual Sunday Times Top Brands Awards. These brands secured first place or featured in the top 10 in their categories, while KOO won the title Grand Prix Overall Favourite Brand in South Africa, clinching the title away from other strong global icons. The awards are based on a brand equity survey run by independent research powerhouse TNS.

In conclusion he says that a strategic review of the business is well under way. "Our ambition is to achieve top tier financial results *and* create a high performance culture." The new strategy and operating model will explore the full potential of our categories and brands while creating fuel for our growth by achieving a competitive cost base. We want to rejuvenate the domestic business to deliver sustainable profitable growth, and establish a strong and profitable growth trend in the rest of Africa.

Alongside the business strategy review currently underway, the group will also welcome new members to the executive and Board teams. Khotso Mokhele, who has been a Director of Tiger Brands since 2007, will succeed Andre Parker as Chairman of Tiger Brands at the AGM in February 2017. Tiger Brands is also pleased to announce the appointment of Emma Mashilwane and Kevin Hedderwick as independent non-executive directors of the company with effect from 1 December 2016.

"Furthermore, Mary-Jane Morifi has been appointed as Group Corporate Affairs Executive, effective 1 December 2016," says Lawrence "While we are excited by these new appointments, we also bid farewell to Neil Brimacombe who has resigned as Business Executive of our HPCB, Exports and International Business (excluding Deli Foods and LAF). Neil has been with the Company since 2000 and has made a significant contribution to the success of the business. We wish him well in his future endeavours," he said. The resignation of Brimacombe is effective 31 January 2017.

Looking to the future, Mac Dougall says trading conditions are likely to remain difficult with high levels of volatility in commodities and currency. However, the company will continue to focus on growth and driving up efficiencies through continuous improvement initiatives, and will adopt a renewed and more assertive focus on cost savings to improve margins. "The focus will be to achieve growth and optimising margins without sacrificing market share."

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**Notes to the Editor**

Tiger Brands is a leading African manufacturer of branded food, home and personal care products. In South Africa, it has leading market shares across a broad range of categories and, over the years, has grown through acquisitions and by developing its brands.

In addition to its core South African business, the group also has operations in West, East and Central Africa and has built a sizeable exports business for its products throughout Africa. Tiger Brands prides itself on being a world-class manufacturer and marketer. The continuous renovation and innovation of its brands and the successful extension of these brands into adjacent categories and new markets underpin its success. The group's brand strategy is supported by extensive investment in marketing, as well as consumer and shopper research, which is used to obtain comprehensive consumer insights into the relevant categories and markets in which Tiger Brands operates.

Leading Brands include:

Albany; Tastic; Jungle; KOO; Black Cat; All Gold; Oros; Doom; Purity; Enterprise; Energade; Ingram's; Fati's & Moni's; and Maynards.

The key divisions, holding leading brands, are

- Grains – milling, baking, breakfast, rice and pasta
- Consumer – groceries, home, personal and baby care, perishables, snacks, treats and beverages
- International – Chile, Cameroon, Nigeria, Ethiopia, Kenya, Zimbabwe
- Exports - Langeberg & Ashton Foods and Davita Trading

In addition to operations under its control, Tiger Brands holds meaningful minority shareholding interest in several associate companies:

- JSE-listed fishing company Oceana Group Limited (42,1%)
- Chile-based FMCG company Empresas Carozzi (24,4%)
- Nigeria-based FMCG company UAC Foods Limited (49,0%)
- Zimbabwe-listed FMCG company National Foods Holdings Limited (37,4%).

Tiger Brands employs approximately 21 474 workers across Africa, excluding seasonal and casual workers.