

## **Tiger Brands Media Announcement**

21 February 2017

### **TIGER BRANDS TO DISPOSE OF SHAREHOLDING IN KENYAN BUSINESS, HACO.**

Bryanston

The Board of Directors of Tiger Brands today announced its decision to dispose of the company's 51% stake in its Kenyan business, Haco Tiger Brands (E.A.) Limited ("Haco"), which it acquired in 2008.

According to Tiger Brands' CEO Lawrence Mac Dougall, the company took the decision to sell its interest in Haco after a detailed review of the business was conducted, along with its partner, Dr Chris Kirubi. "The review evaluated the Haco business in the context of its mutual alignment with Tiger Brands' long term strategic focus and core competencies. In addition to products manufactured and marketed by Haco under its own brands, the majority of Haco's business lies in the manufacturing and distribution of products under licence. This is not aligned with our current operating model which is premised on full ownership of leading FMCG brands."

This has culminated in Dr Kirubi, who holds the balance of the 49% of the business, making an offer to Tiger Brands to purchase its 51% shareholding at a price that was considered fair and reasonable. Tiger Brands accepted the offer.

"We thank Dr Kirubi for his invaluable insight and contribution to Haco over the past 9 years and are confident in Haco's prospects under his leadership," says Mac Dougall.

Dr Kirubi commented on the partnership with Tiger Brands and the quality of engagement with the leadership team. "The partnership with Tiger Brands has been professional and constructive over the years and I am pleased with how we have managed this transaction. I have always been passionate about Haco's success and I remain fully committed and dedicated to its growth and progress. My Board and I, together with our dedicated staff, look forward to driving the next chapter of Haco's growth and innovation as Haco seeks to meet the needs of the growing and discerning market in Africa and beyond."

The agreement relating to the disposal of the shares is subject to a number of suspensive conditions, including receipt of the necessary regulatory approvals in Kenya.

Tiger Brands remains optimistic about opportunities in Africa. “The recent decisions to dispose of our interest in Haco and EATBI should not be viewed as a withdrawal from Africa. Rather, growth outside of South Africa will be based on refocusing our business on core categories and competencies,” says Mac Dougall. “The intention with the renewed international strategy is for it to be accretive to domestic performance.”

The impact of the Haco transaction on Tiger Brands’ earnings, headline earnings and net asset value per share will not be material.

[ENDS]

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**About Tiger Brands**

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.

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.

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 employees approximately 21 474 employees across Africa. This does not include seasonal and casual labour.