MEDIA RELEASE: **TIGER BRANDS PRODUCES SOLID EARNINGS FOR YEAR ENDED 2014**

HIGHLIGHTS

- Group turnover up 11% to R30.1 bn
- Operating income up 15% to R3.6 bn
- HEPS from continuing operation up 15% to 1 804 cents
- Total dividend up 9% to 940 cents per share

Johannesburg, 19 November 2014, Tiger Brands (JSE:TBS) today announced a solid set of results in a difficult trading environment, overcoming a disappointing first-half performance to grow operating income by 15% for the full year. Headline earnings per share from total operations was up 11% to 1 816 cents while headline earnings per share from continuing operations increased by 15% to 1 804 cents. Earnings per share from continuing operations declined by 21% to 1 243 cents, due largely to impairments relating to the group's investment in Dangote Flour Mills ("DFM").

Group turnover increased by 11% to R30,1 billion, underpinned by 4% volume growth and below inflationary pricing of 5%. Operating income increased by 15% to R3,6 billion, with the group's overall operating margin improving from 11,4% to 11,8%.

The domestic businesses grew operating income by 7% to R3,3 billion. Whilst this performance was negatively affected by a 9% decline in the Home, Personal Care and Baby ("HPCB") business, operating income from the domestic food businesses increased by 12% to R2,9 billion.

The group continues to manage its capital expenditure prudently, focusing on return on capital whilst ensuring adequate investment to sustain optimal operational efficiency and capability, and build capacity for growth. The balance sheet remains strong and Tiger Brands continues to generate cash, improving its cash flow to R4.2 billion. Free cash flow of R2.1bn marginally exceeded the group's attributable profit after tax of R2.0 billion.

The final dividend of 611 cents per share together with the interim dividend of 329 cents per share brings the total dividend for the year to 940 cents per share.

"We are pleased with the progress made in executing our long-term strategic objectives," said CEO of Tiger Brands, Peter Matlare. "We have retained our leading brand positions in all of the key categories in which we operate. This was achieved through a strong focus on price and volume management, increased marketing and brand-building activities supported by improved operational efficiencies and various cost saving initiatives. As a result we have achieved domestic volume growth of 4%".

"We will continue to invest in innovation and increase our level of marketing support of core brands to ensure we create long-term sustainable growth in these categories," he added.

Income from associate companies increased by 16% to R597 million (2013: R515 million), reflecting strong growth in particular from Oceana Fishing (share of earnings up by 13% to R282 million) and National Foods Holdings (up 88% to R72 million).

The Exports and International businesses, excluding Nigeria, continued to reflect solid growth, increasing turnover by 16% to R4,6 billion and operating income by 20% to R691 million.

"Expansion into the rest of Africa remains core to Tiger Brands' growth strategy and looks extremely promising," said Matlare. "Although consumers are seeking aspirational brands and increased variety, the reality of low disposable income levels places limitations on consumer spending. To this end, product format, pack size and price points remain key to achieving success."

Existing businesses in Nigeria remain a key focus area, with the priority being to fix and grow these businesses. Significant progress has been made in addressing the challenges in DFM and, as a result, the net reported loss before interest and tax for the Nigerian businesses improved by 27% to R282 million (2013: R384 million). Tiger Brands acquired an additional 2.3% interest in DFM for R74 million as part of the mandatory offer to DFM minority shareholders.

"DFM conducted a review of the utilisation levels of its assets and, based on current market realities, decided to impair certain of its manufacturing assets. The related impairment, amounting to R105 million, is in addition to the R849 million impairment of goodwill and other intangibles announced at the half year. Tiger Brands remains committed to the Nigerian market and will continue to fix and optimise the DFM business, whilst investing into adjacent categories that are expected to deliver long-term profitable growth," he said.

Matlare remains upbeat about the future, despite expecting a challenging year ahead.

"While trading conditions remain difficult, Tiger Brands will continue to build on its strong brands, positive momentum and relentless execution against strategy," he concluded.

ENDS

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About Tiger Brands
Tiger Brands is the largest manufacturer of branded food products in sub-Saharan Africa and participates in a broad range of categories spanning food, home and personal care products. In South Africa, it holds leading market shares across most of the categories in which it operates and, over the years, has grown into the rest of Africa through the development of its leading brands, as well as through acquisitions.