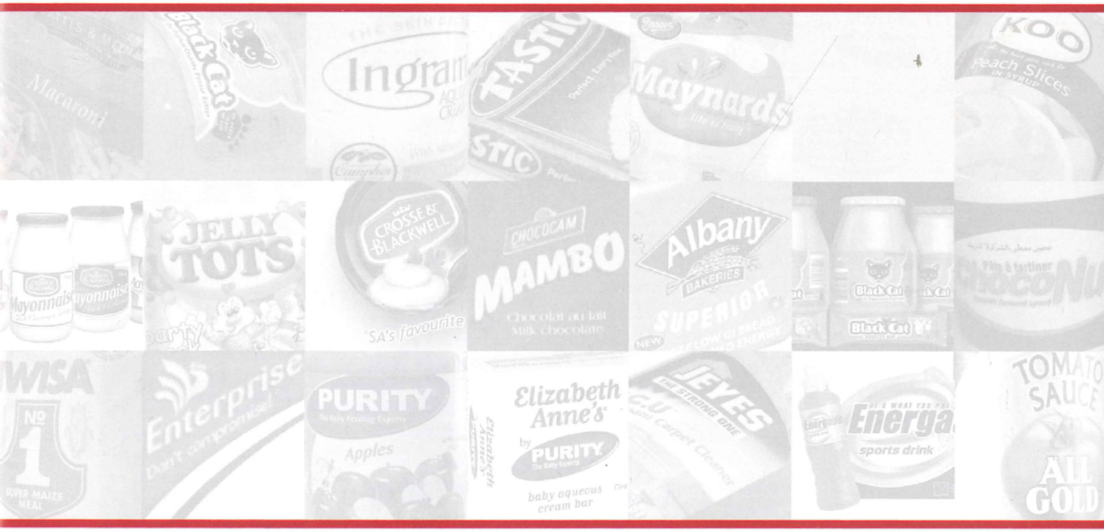
Tiger Brands

Group results and dividend declaration

for the six months ended 31 March 2011



Headline earnings per share excluding once-off empowerment transaction costs

–2%

Earnings per share

+13%

Interim dividend

+4%

Cash flow remains strong and acquisitions successfully completed

Commentary

Introduction

These abridged results for the six months ended 31 March 2011 have been prepared in accordance with International Financial Reporting Standards, IAS 34 – Interim Financial Reporting – and the Listings Requirements of the JSE Limited.

Tiger Brands achieved headline earnings per share (HEPS) of 747,9 cents for the six months ended 31 March 2011, representing an increase of 12% compared to that achieved for the six months ended 31 March 2010. Headline earnings for the six months ended 31 March 2011 amounted to R1 186,0 million (2010: R1 056,9 million). Earnings per share (EPS) increased by 13% to 748,1 cents per share.

As advised previously to shareholders, Tiger Brands implemented its BEE Phase II transaction in October 2009. This transaction gave rise to a once-off charge in the six months to 31 March 2010 of R150,7 million after tax, which was disclosed as an abnormal item in the income statement. There was no corresponding charge in the six months to 31 March 2011. After excluding the impact of this once-off charge from the prior period results, HEPS for the six months ended 31 March 2011 reflects a decrease of 2% compared to that achieved in the corresponding period last year.

Overview of results

Operating income for the six months ended 31 March 2011 declined by 3% on a 1% increase in turnover. The modest increase in turnover was influenced by price deflation in certain food commodities relative to pricing levels for the same period last year, the impact of promotional discounting in certain categories to restore volume growth, and a continuation of the difficult trading conditions experienced in the previous financial year.

The Group operating margin reduced to 15,0% from 15,7% for the same period last year. The **Rice, Sorghum** and **Babycare** businesses, as well as **International & Exports** (excluding **Deciduous Fruit**), achieved good operating results, while the **Milling & Baking** and **Beverages** businesses produced a moderate improvement in operating income. The remaining businesses recorded declines in operating income, with **Snacks & Treats** and **Personal Care** producing disappointing results. Within **International & Exports**, the sustained strength of the Rand continued to negatively impact the performance of the **Deciduous Fruit** business. The strong Rand also impacted on the translation of the results of the foreign operations **Haco** (Kenya) and **Chococam** (Cameroon).

The reduction in **net financing costs** to R11,9 million (2010: R48,4 million), was due to the continuing lower interest rate environment and a further decrease in Group borrowing levels. Good working capital management has enabled the Group to close the period in a net cash position of R166,0 million (2010: net debt of R888,6 million).

Income from associates reflected an improvement of 28% compared to the corresponding period last year. Both **Empresas Carozzi** (24,4% held) and **Oceana Group Limited** ("**Oceana**") (44,8% held) contributed to this improvement, with Empresas Carozzi increasing its contribution to Tiger Brands' headline earnings by some 26% and Oceana by 10%.

Oceana is separately listed on the JSE Limited and on 11 May 2011, reported a 10% increase in headline earnings per share for the six months ended 31 March 2011.

The average tax rate, before abnormal items, increased to 31,9% (2010: 29,7%). The lower tax rate for the same period in 2010 was primarily due to a reduced STC charge as a result of the full distribution to shareholders in that period (i.e. the 2009 final distribution to shareholders, paid in January 2010) being effected by way of a reduction of capital out of share premium. In the current reporting period, only a portion of the 2010 final distribution to shareholders was paid out of share premium in January 2011, with the remaining portion paid out of distributable reserves.

The net loss attributable to **non-controlling** interests of R9,7 million is largely due to the loss incurred by the Group's **Deciduous Fruit** business, partially offset by the non-controlling interests' share of income for the current six months in respect of the two non-South African subsidiaries, **Haco** and **Chococam**.

Review of operations

Continued weak consumer demand coupled with rising cost pressures, including higher fuel and utility costs, were largely responsible for the subdued results recorded by most categories. Margins were negatively impacted by increased competitor pricing pressure in some categories, while the ability to fully recover cost increases was constrained by weak consumer demand. In addition, with Easter being approximately three weeks later in the current year compared to the prior year, some retailers delayed a portion of their Easter buy-in to April which negatively impacted some business segments.

DOMESTIC FOOD turnover grew by 1%, while operating income declined by 3%.

The **Grains** segment increased operating income by 5%, notwithstanding a decrease in turnover of 2%. This was driven primarily by the **Rice** business which benefited from relatively stable dollar-based raw material prices and a stronger Rand.

The **Wheat Milling** business, as well as the **Albany** bakery business, experienced a reduction in volumes due to the difficult trading environment, which was exacerbated by significant price discounting by competitors in the market place. However, the loss of volume was minimised as a result of the inherent strength of the **Albany** brand. The recently introduced range of **Albany** buns has been readily accepted by consumers. The previously announced upgrade of the Durban bakery, at a cost of approximately R109 million, is scheduled for completion in September

Commentary (continued)

2011. The expansion of the Hennenman flour mill, at an estimated cost of R561 million, is proceeding according to schedule and is expected to be fully commissioned by the end of 2012. The **Maize** business was adversely affected by increased competitor activity as well as reduced consumption. **Tastic**, the Company's premium rice brand, improved its market share, whilst **Aunt Caroline** rice volumes benefited from the lower cost of imported rice and the stronger Rand. The **King Food** business performed well, benefiting from lower sorghum raw material costs and a strong performance from **Ace Instant** porridge.

Volumes achieved by the **Groceries** business reflected a pleasing recovery compared to the same period last year. This was driven by lower net realisations in an effort to rebuild market share. **Snacks & Treats**' performance continued to disappoint with operating income declining by 42% compared to 2010, as pressure on consumer discretionary spending continued. The results were negatively impacted as pricing was adjusted to defend market share. In addition, an adverse sales mix in favour of lower margin products, a significant increase in marketing investment and the cost of restructuring due to changes in the sales and customer structure, contributed to the poor result. Good volume growth was achieved by the **Smoothies**, **Jungle Energy Bar** and **TV Bar** product lines. The **Beverages** category experienced a reduction in sales volumes, although operating income was marginally ahead of the comparative period as a result of the ongoing focus on costs. **Energade** continued to gain market share and remains the leading brand in the sports drinks sector.

A reduction in core business volumes, caused by aggressive pricing on dealer owned brands and competition from low priced regional offerings, negatively impacted the **Value Added Meat Products** business. Despite this, the **Enterprise** brand was able to maintain its market share. The **Out of Home** business improved volumes significantly during the current six months, although selling prices were negatively affected by competitors increasing imports as a result of the strong Rand.

HOME, PERSONAL AND BABYCARE (HPCB) produced a disappointing overall result, with operating income declining by 4% on a 4% increase in turnover. The performance at an operating income level was adversely affected by an increase in overhead costs, higher marketing spend and once-off restructuring costs.

The **Personal Care** business experienced a decline in volumes due to aggressive competitor activity and pricing. Turnover grew by 1%, while operating income declined by 20%. This negative operating leverage was driven by the lower volumes, pressure on realisations and an under-recovery of increases in material input costs. In addition, there was a substantial increase in marketing spend which should stimulate volumes in the second half of the year. The **Home Care** business delivered strong volume growth, benefiting from competitive pricing and favourable weather conditions which assisted the performance of the household insecticides category. The **DOOM** and **Peaceful Sleep** brands were the primary drivers of volume growth during the period. Given the challenging environment, the **Babycare** business performed well during the period as mothers continued to place their trust in the **Purity** brand.

INTERNATIONAL & EXPORTS comprises the Company's **Foreign Operations**, **Exports**, as well as the **Deciduous Fruit** business. Their respective performances are reported on separately in the accompanying segmental analysis forming part of the interim results.

Exports achieved a pleasing performance, continuing to benefit from the focused expansion drive into the rest of Africa.

With regard to the **Foreign Operations**, the continuing strength of the Rand negatively affected the conversion of the results of **Haco** and **Chococam**, into Rand. Chococam's performance was disappointing, with significant increases in raw material and packaging costs, as well as regional supply disruptions negatively impacting its results. However, Haco produced an impressive result for the period and achieved significant volume growth. Haco recently rebranded its corporate identity to **Haco Tiger Brands (East Africa)** to mark Tiger's successful integration into Kenya and East Africa.

Operating losses incurred by the **Deciduous Fruit** business, **Langeberg & Ashton Foods** (67% held), amounted to R44,5 million (2010: R30,4 million loss) as the strong Rand severely affected profitability notwithstanding an improvement in international selling prices.

International expansion: Africa

The following is a brief update on the various corporate actions which were reported to shareholders at the time of release of the Company's final results in November 2010.

- The acquisition of the entire issued share capital of Deli Foods Nigeria Limited, a company engaged in the manufacturing and marketing of biscuits for the Nigerian market, was finalised with effect from 4 April 2011 for a purchase consideration of R275,8 million.
- The transaction with the East African Group of Companies of Ethiopia, relating to the formation of a new food and HPC joint venture which will operate in the Ethiopian market, was completed with effect from 29 April 2011, resulting in a cash injection by Tiger Brands Limited of R112,8 million for a 51% shareholding in the new company. The principal activities of the joint venture comprise the manufacture and marketing of various home and personal care products, biscuits, flour and pasta, which categories previously formed part of the East African Group's operations.

  The above two acquisitions are expected to generate a combined turnover of approximately R500 million in the first full year.

- The acquisition of a 49% interest in the food and beverage operations of UAC of Nigeria Plc (UAC) was completed with effect from 6 May 2011 for a purchase consideration of R417,2 million. The joint venture company, known as UAC Foods, holds food interests primarily in the branded savoury, snacks, dairy and beverages categories. The UAC businesses which constitute the joint venture, reported total turnover for the financial year ended 31 December 2010 of Naira 10,5 billion, which equates to R477 million at the prevailing exchange rate.

These acquisitions will have no material impact on the Company's headline earnings or net asset value per share in the short term.

In addition, and as announced on SENS on 15 February 2011, the Company concluded an agreement to acquire the entire issued share capital of Davita Trading (Pty) Limited. Davita is a South African manufacturer and exporter of powdered seasonings and beverage products with a presence in 28 countries across Africa and the Middle East. It achieved sales of R600 million for the twelve months ended 28 February 2011.

Shareholders are advised that the Davita transaction was unconditionally approved by the Competition Tribunal on 26 May 2011. Following this approval and the fulfilment of all remaining suspensive conditions, the acquisition will become effective on 31 May 2011. The equity purchase price of R1 504,3 million is subject to a working capital adjustment based on the closing audited balance sheet of Davita as at 31 May 2011.

The acquisition of Davita is expected to be earnings accretive with immediate effect. However, in the short term the impact on Tiger Brands' earnings, headline earnings and net asset value per share will not be significant.

Interim dividend

The directors have declared an interim dividend of 281 cents per share, which represents an increase of 4% compared to the capital distribution of 270 cents per share declared on 17 May 2010.

The Company's stated policy of paying a total annual dividend based on a headline earnings cover of 2 times, remains in place.

Outlook

Tiger Brands expects trading conditions to continue to remain challenging for the remainder of the current financial year. Nevertheless, the Company is anticipated to benefit in the second six months from the efficiency improvements and other performance enhancing measures which have been implemented by management.

In line with its strategy, the Company continues to pursue value enhancing opportunities which will further increase its manufacturing and distribution footprint outside of South Africa.

For and on behalf of the Board

Lex van Vught	**Peter Matlare**
Chairman	Chief Executive Officer

27 May 2011

Declaration of Ordinary Dividend No 133

The Board has approved an interim dividend of 281 cents per share for the six month period ended 31 March 2011. Shareholders are advised of the following dates in respect of the interim dividend:

Last day the shares trade cum the interim dividend	Friday, 24 June 2011
Shares trade ex the interim dividend	Monday, 27 June 2011
Record date to determine those shareholders entitled to the interim dividend	Friday, 1 July 2011
Payment in respect of the interim dividend	Monday, 4 July 2011

Share certificates may not be dematerialised or re-materialised between Monday, 27 June 2011 and Friday, 1 July 2011, both days inclusive.

By order of the Board

I W M Isdale
Secretary

Sandton
27 May 2011

TIGER BRANDS LIMITED

Non-executive directors: L C van Vught (Chairman), B L Sibiya (Deputy Chairman), S L Botha, R M W Dunne (British), M P Nyama, M Makanjee, K D K Mokhele, R D Nisbet, A C Parker

Executive directors: P B Matlare (Chief Executive Officer), C F H Vaux

Company secretary: I W M Isdale

Registered office: 3010 William Nicol Drive, Bryanston, Sandton, 2021

Postal address: PO Box 78056, Sandton, 2146, South Africa

Share registrars: Computershare Investor Services (Pty) Limited, 70 Marshall Street, Johannesburg, 2001

Postal address: PO Box 61051, Marshalltown, 2107, South Africa, Telephone: (011) 370 5000

Consolidated income statement

	Notes	Unaudited Six months ended 31 March 2011 Rm	Change %	31 March 2010 Rm	Audited Year ended 30 Sept 2010 Rm
Revenue	1	**10 450,3**	1	10 313,3	19 554,7
Turnover	1	**10 339,4**	1	10 187,4	19 316,0
Operating income before abnormal items	2	**1 551,4**	(3)	1 594,4	3 015,1
Abnormal items	3	**—**		(187,3)	(187,6)
Operating income after abnormal items		**1 551,4**	10	1 407,1	2 827,5
Interest paid		**(112,7)**	31	(163,7)	(302,3)
Interest received		**100,8**	(13)	115,3	220,1
Dividend income		**10,1**	(5)	10,6	18,6
Income from associates	4	**121,0**	28	94,4	251,7
Profit before taxation		**1 670,6**	14	1 463,7	3 015,6
Taxation		**(494,1)**	(16)	(427,3)	(840,1)
PROFIT FOR THE PERIOD		**1 176,5**	14	1 036,4	2 175,5
Attributable to:					
Owners of the parent		**1 186,2**	13	1 046,3	2 192,3
Non-controlling interests		**(9,7)**		(9,9)	(16,8)
		1 176,5	14	1 036,4	2 175,5
Basic earnings per ordinary share (cents)		**748,1**	13	662,2	1 385,9
Diluted basic earnings per ordinary share (cents)		**736,6**	13	650,5	1 363,6

Consolidated statement of financial position

	Unaudited as at 31 March 2011 Rm	Unaudited as at 31 March 2010 Rm	Audited as at 30 Sept 2010 Rm
ASSETS			
Non-current assets	**6 394,0**	6 154,2	6 288,6
Property, plant and equipment	**2 698,8**	2 581,4	2 585,6
Goodwill and other intangibles	**1 982,2**	1 988,1	1 985,8
Investments	**1 713,0**	1 584,7	1 717,2
Current assets	**7 081,0**	6 168,2	6 695,3
Inventories	**3 038,9**	3 108,2	2 898,7
Trade and other receivables	**2 949,8**	2 854,3	2 875,3
Taxation receivable	**—**	39,8	—
Cash and cash equivalents	**1 092,3**	165,9	921,3
TOTAL ASSETS	**13 475,0**	12 322,4	12 983,9
EQUITY AND LIABILITIES			
Capital and reserves	**8 714,3**	7 553,8	8 315,9
Ordinary share capital and share premium	**51,7**	974,2	481,4
Non-distributable reserves	**944,1**	864,7	957,3
Accumulated profits	**10 115,3**	8 330,0	9 366,5
Tiger Brands Limited shares held by subsidiary	**(718,1)**	(770,3)	(742,4)
Tiger Brands Limited shares held by empowerment entities	**(1 957,6)**	(2 064,1)	(1 998,5)
Share based payment reserve	**278,9**	219,3	251,6
Non-controlling interests	**271,2**	304,5	285,5
TOTAL EQUITY	**8 985,5**	7 858,3	8 601,4
Non-current liabilities	**876,4**	856,1	878,0
Deferred taxation liability	**119,9**	109,9	123,5
Provision for post-retirement medical aid	**366,2**	337,5	350,7
Long-term borrowings	**390,3**	408,7	403,8
Current liabilities	**3 613,1**	3 608,0	3 504,5
Trade and other payables	**2 625,1**	2 658,9	2 578,9
Provisions	**388,8**	303,3	387,3
Taxation	**63,2**	—	62,3
Short-term borrowings	**536,0**	645,8	476,0
TOTAL EQUITY AND LIABILITIES	**13 475,0**	12 322,4	12 983,9

Consolidated statement of comprehensive income

	Unaudited Six months ended 31 March 2011 Rm	Unaudited Six months ended March 2010 Rm	Audited Year ended 30 Sept 2010 Rm
Profit for the period	**1 176,5**	1 036,4	2 175,5
Net gain on hedge of net investment	**0,8**	18,4	29,8
Foreign currency translation adjustments	**(5,8)**	(13,8)	(37,4)
Net loss on cash flow hedges	**(3,3)**	(1,1)	(19,9)
Net (loss)/gain on available for sale financial assets	**(47,2)**	55,9	91,3
Tax effect	**(0,5)**	(9,5)	(17,6)
Other comprehensive income, net of tax	**(56,0)**	49,9	46,2
Other comprehensive income, net of tax for associates	**—**	—	—
Total comprehensive income for the period, net of tax	**1 120,5**	1 086,3	2 221,7
Attributable to:			
Owners of the parent	**1 130,2**	1 096,2	2 238,5
Non-controlling interests	**(9,7)**	(9,9)	(16,8)
	1 120,5	1 086,3	2 221,7

Condensed consolidated cash flow statement

	Unaudited Six months ended 31 March 2011 Rm	Unaudited Six months ended 31 March 2010 Rm	Audited Year ended 30 Sept 2010 Rm
Cash operating profit	**1 772,3**	1 825,2	3 492,6
Working capital changes	**(124,7)**	(212,0)	(112,6)
Cash generated from operations	**1 647,6**	1 613,2	3 380,0
Net financing costs	**(11,9)**	(48,4)	(82,2)
Dividends received	**88,3**	79,0	149,2
Taxation paid	**(497,5)**	(511,0)	(821,5)
Cash available from operations	**1 226,5**	1 132,8	2 625,5
Capital distributions and dividends paid	**(771,9)**	(742,4)	(1 179,5)
Net cash inflow from operating activities	**454,6**	390,4	1 446,0
Net cash outflow from investing activities	**(338,2)**	(923,0)	(1 100,4)
Net cash (outflow)/inflow from financing activities	**(21,5)**	(6,1)	1,2
Net increase/(decrease) in cash and cash equivalents	**94,9**	(538,7)	346,8
Effects of exchange rate changes	**—**	15,1	(10,7)
Cash and cash equivalents at the beginning of the period	**508,2**	172,1	172,1
Cash and cash equivalents at the end of the period	**603,1**	(351,5)	508,2
Cash resources	**1 092,3**	165,9	921,3
Short-term borrowings regarded as cash and cash equivalents	**(489,2)**	(517,4)	(413,1)
	603,1	(351,5)	508,2

Other group salient features

	Unaudited Six months ended 31 March 2011 Rm	Unaudited Six months ended 31 March 2010 Rm	Audited Year ended 30 Sept 2010 Rm
Net worth per ordinary shcre (cents)	**5 493**	4 772	5 247
Net (cash)/debt to equity (%)	**(1,8)**	11,3	(0,5)
Interest cover – net (times)	**131,2**	33,2	36,9
Current ratio (:1)	**2,0**	1,7	1,9
Capital expenditure (R million)	**291,4**	463,3	634,2
– replacement	**207,1**	184,3	363,1
– expansion	**84,3**	279,0	271,1
Capital commitments (R million)	**699,9**	818,8	817,0
– contracted	**467,6**	431,4	546,7
– approved	**232,3**	387,4	270,3
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	**324,9**	308,8	318,4
Inventories carried at net realisable value	**158,6**	191,9	134,1
Write-down of inventories recognised as an expense	**25,7**	25,6	21,0
Carrying and fair value of investments (R million)	**1 713,0**	1 584,7	1 717,2
Listed (fair value)	**339,6**	354,3	388,6
Unlisted (fair value)	**163,1**	158,0	161,1
Associates (carrying value)	**1 210,3**	1 072,4	1 167,5

Consolidated statement of changes in equity

	Share capital and premium Rm	Non-distributable reserves Rm	Other capital reserves Rm	Cash flow hedge reserve Rm
Balance at 30 September 2009	**70,8**	**628,7**	**84,8**	**(13,4)**
Profit for the period	–	–	–	–
Other comprehensive income for the period	–	–	–	(19,9)
	70,8	628,7	84,8	(33,3)
Issue of share capital and premium	1 765,6	–	–	–
Capital distributions out of share premium	(1 355,0)	–	–	–
BEE Phase II capital contribution	–	–	–	–
Transfers between reserves	–	121,2	1,2	–
Share-based payment expense	–	–	–	–
Sale of shares by empowerment entity	–	–	–	–
Dividends paid to empowerment entities and minorities	–	–	–	–
Balance at 30 September 2010	**481,4**	**749,9**	**86,0**	**(33,3)**
Profit for the period	–	–	–	–
Other comprehensive income for the period	–	–	–	(3,3)
	481,4	749,9	86,0	(36,6)
Issue of share capital and premium	7,9	–	–	–
Capital distribution out of share premium	(437,6)	–	–	–
Sale of shares by empowerment entity	–	–	–	–
Transfers between reserves	–	42,8	–	–
Share-based payment expense	–	–	–	–
Dividends on ordinary shares	–	–	–	–
Total dividends	–	–	–	–
Less: Dividends on treasury and empowerment shares	–	–	–	–
Balance at 31 March 2011	**51,7**	**792,7**	**86,0**	**(36,6)**

Available-for-sale reserve Rm	Foreign currency translation reserve Rm	Accu-mulated profits Rm	Shares held by subsidiary and em-powerment entities Rm	Share-based payment reserve Rm	Total attribut-able to owners of the parent Rm	Non-controlling interests Rm	Total Rm
148,1	**(59,5)**	**7 309,8**	**(1 319,9)**	**134,3**	**6 983,7**	**301,0**	**7 284,7**
—	—	2 192,3	—	—	2 192,3	(16,8)	2 175,5
87,6	(21,5)	—	—	—	46,2	—	46,2
235,7	(81,0)	9 502,1	(1 319,9)	134,3	9 222,2	284,2	9 506,4
—	—	—	(1 625,0)	—	140,6	—	140,6
—	—	—	199,6	—	(1 155,4)	(8,9)	(1 164,3)
—	—	—	—	—	—	13,4	13,4
—	—	(122,4)	—	—	—	—	—
—	—	—	—	117,3	117,3	—	117,3
—	—	—	4,4	—	4,4	(1,2)	3,2
—	—	(13,2)	—	—	(13,2)	(2,0)	(15,2)
235,7	**(81,0)**	**9 366,5**	**(2 740,9)**	**251,6**	**8 315,9**	**285,5**	**8 601,4**
—	—	1 186,2	—	—	1 186,2	(9,7)	1 176,5
(45,5)	(7,2)	—	—	—	(56,0)	—	(56,0)
190,2	(88,2)	10 552,7	(2 740,9)	251,6	9 446,1	275,8	9 721,9
—	—	—	—	—	7,9	—	7,9
—	—	—	64,9	—	(372,7)	—	(372,7)
—	—	—	0,3	—	0,3	—	0,3
—	—	(42,8)	—	—	—	—	—
—	—	—	—	27,3	27,3	—	27,3
—	—	(394,6)	—	—	(394,6)	(4,6)	(399,2)
—	—	(461,1)	—	—	(461,1)	(4,6)	(465,7)
—	—	66,5	—	—	66,5	—	66,5
190,2	**(88,2)**	**10 115,3**	**(2 675,7)**	**278,9**	**8 714,3**	**271,2**	**8 985,5**

Segmental analysis

	Unaudited six months ended 31 March 2011 Rm	%	31 March 2010 Rm	%	Change %	Audited year ended 30 Sept 2010 Rm	%
Turnover							
Domestic Operations	**9 455,5**	**91**	9 325,7	92	1	17 493,6	91
Food	**8 440,5**	**81**	8 356,5	82	1	15 715,0	82
Grains	**4 119,1**	**40**	4 185,3	41	(2)	8 085,5	42
Milling and Baking	**2 919,9**	**28**	2 905,3	29	1	5 849,1	30
Other Grains	**1 199,2**	**12**	1 280,0	12	(6)	2 236,4	12
Groceries	**1 880,6**	**18**	1 750,6	18	7	3 166,5	17
Snacks & Treats	**922,2**	**9**	919,6	9	–	1 726,0	9
Beverages	**639,5**	**6**	642,1	6	–	1 083,5	6
Value Added Meat Products	**737,6**	**7**	721,3	7	2	1 384,8	7
Out of Home	**141,5**	**1**	137,6	1	3	268,7	1
HPCB	**1 015,0**	**10**	972,2	10	4	1 786,7	9
Personal	**304,1**	**3**	300,2	3	1	596,7	3
Babycare	**325,7**	**3**	300,6	3	8	591,3	3
Homecare	**385,2**	**4**	371,4	4	4	598,7	3
Domestic intergroup sales	**–**	**–**	(3,0)	–	100	(8,1)	–
International & Exports	**883,9**	**9**	861,7	8	3	1 822,4	9
Exports	**243,6**	**3**	189,5	2	29	370,4	2
Foreign operations	**249,3**	**3**	249,8	2	–	504,0	3
Deciduous Fruit	**456,9**	**4**	495,8	5	(8)	1 086,1	5
Other intergroup sales	**(65,9)**	**(1)**	(73,4)	(1)	10	(138,1)	(1)
TOTAL TURNOVER	**10 339,4**	**100**	10 187,4	100	1	19 316,0	100

	Unaudited six months ended					Audited year ended	
	31 March 2011 Rm	**%**	31 March 2010 Rm	%	Change %	30 Sept 2010 Rm	%
Operating income before abnormal items							
Domestic Operations	**1 535,8**	**99**	1 569,8	98	(2)	2 989,4	99
Food	**1 353,3**	**88**	1 399,7	88	(3)	2 681,1	89
Grains	**823,7**	**53**	781,6	49	5	1 677,4	55
Milling and Baking	**587,9**	**38**	581,5	36	1	1 363,7	45
Other Grains	**235,8**	**15**	200,1	13	18	313,7	10
Groceries	**257,4**	**17**	275,4	17	(7)	445,9	15
Snacks & Treats	**90,3**	**6**	155,0	10	(42)	235,1	8
Beverages	**80,9**	**5**	80,0	5	1	112,3	4
Value Added Meat Products	**72,4**	**5**	77,0	5	(6)	147,0	5
Out of Home	**28,6**	**2**	30,7	2	(7)	63,4	2
HPCB	**233,5**	**14**	243,5	15	(4)	459,3	15
Personal	**70,3**	**4**	87,8	6	(20)	169,9	6
Babycare	**96,3**	**6**	86,8	5	11	167,9	5
Homecare	**66,9**	**4**	68,9	4	(3)	121,5	4
Other*	**(51,0)**	**(3)**	(73,4)	(5)	31	(151,0)	(5)
International & Exports	**15,6**	**1**	24,6	2	(37)	25,7	1
Exports	**36,3**	**2**	29,8	2	22	53,6	2
Foreign operations	**23,8**	**2**	25,2	2	(6)	56,6	2
Deciduous Fruit	**(44,5)**	**(3)**	(30,4)	(2)	(46)	(84,5)	(3)
TOTAL OPERATING INCOME BEFORE ABNORMAL ITEMS	**1 551,4**	**100**	1 594,4	100	(3)	3 015,1	100

**Includes the corporate office and management expenses relating to international investments. Also included are cash settled IFRS 2 income of R0,8 million (2010: R41,4 million expense) and IFRS 2 charges relating to the Phase I and II Black Economic Empowerment transactions of R27,7 million (2010: R22,0 million). September 2010 includes IFRS 2 charges relating to the Phase I and II Black Economic Empowerment transactions of R56,1 million and cash settled options of R62,6 million.*

Notes

		Unaudited Six months ended 31 March 2011 Rm	31 March 2010 Rm	Audited Year ended 30 Sept 2010 Rm
1.	**Revenue**			
	Turnover	**10 339,4**	10 187,4	19 316,0
	Interest received	**100,8**	115,3	220,1
	Dividend income	**10,1**	10,6	18,6
		10 450,3	10 313,3	19 554,7
2.	**Operating income**			
	Operating income before abnormal items is reflected after charging:			
	Cost of sales	**6 544,6**	6 418,3	12 037,0
	Sales and distribution expenses	**1 375,5**	1 325,3	2 606,6
	Marketing expenses	**295,7**	276,8	576,8
	Other operating expenses	**572,2**	572,6	1 080,5
	Depreciation (included in cost of sales and other operating expenses)	**175,0**	150,9	309,9
3.	**Abnormal items**			
	Net profit on sale of property, plant and equipment	**–**	–	0,4
	Profit on sale of investments	**–**	–	1,0
	Empowerment transaction costs – BEE Phase II	**–**	(185,3)	(188,4)
	Recognition of pension fund surpluses	**–**	–	1,2
	Other	**–**	(2,0)	(1,8)
	Abnormal loss before taxation	**–**	(187,3)	(187,6)
	Taxation	**–**	35,0	35,7
		–	(152,3)	(151,9)
	Non-controlling interests	**–**	–	–
	Abnormal loss attributable to shareholders in Tiger Brands Limited	**–**	(152,3)	(151,9)
4.	**Income from associates**			
	Normal trading	**121,0**	94,4	260,4
	Goodwill impairment – Oceana	**–**	–	(8,7)
		121,0	94,4	251,7

5. Business combinations

2011

5.1 Deli Foods

On 4 April 2011, Tiger Brands acquired 100% of the issued share capital of Deli Foods Nigeria Limited, a company engaged in the manufacturing and marketing of biscuits for the Nigerian market. The acquisition is in line with Tiger Brands' strategy to expand into the African continent and is seen as a first step in entering into this important market.

The purchase considerction is accounted for as follows:

Rm	Acquisition value	Carrying value
Land and buildings	26,4	26,4
Plant and equipment	69,7	69,7
Deferred taxation asset	7,7	7,7
Inventories	27,6	27,6
Trade receivables	14,5	14,5
Fair value of assets acquired	145,9	145,9
Trade payables	(22,7)	(22,7)
Short-term borrowings including bank overdraft	(23,5)	(23,5)
Long-term borrowings	(27,7)	(27,7)
Fair value of the liabilities acquired	(73,9)	(73,9)
Fair value of net assets acquired	72,0	72,0
Goodwill and other intangibles	203,8	
Purchase consideration	275,8	

Goodwill represents the difference between the purchase consideration and the fair value of the net assets acquired. A formal allocation between goodwill and other separately identifiable assets is currently being conducted.

Since the effective date of the transaction was subsequent to 31 March 2011, the acquisition has not contributed any revenue, operating inccme or profit after tax to the 2011 Group interim resu ts.

5.2 East Africa Tiger Brands Industries

Effective 29 April 2011, a transaction was finalised with the East African Group of Companies of Ethiopia relating to the formation of a new food and HPC company which will operate in the Ethiopian market. The company, known as East Africa Tiger Brcnds Industries, is held 51% by Tiger Brands and the balance of 49% by East African Group (Eth) Plc and its associate companies.

The provisional allocation of the purchase price is as follows:

Rm	Acquisition value	Carrying value
Buildings	68,4	68,4
Plant and equipment	49,1	49,1
Inventories	42,9	42,9
Cash and cash equivalents	109,7	109,7
Fair value of assets acquired	270,1	270,1
Trade payables	(7,2)	(7,2)
Short-term borrowings including bank overdraft	(49,3)	(49,3)
Fair value of the liabilities acquired	(56,5)	(56,5)
Fair value of net assets acquired	213,6	213,6
Non-controlling interest	(104,7)	
Goodwill and other intangibles	3,9	
Purchase consideration	112,8	

Since the effective date of the transaction was subsequent to 31 March 2011, the acquisition has not contributed any revenue, operating incсme or profit after tax to the 2011 Group interim results.

Goodwill represents the difference between the purchase consideration and the fair value of the net assets acquired. A formal allocation between goodwill and other separately identifiable assets is currently being conducted.

5.3 Davita Trading (Pty) Limited

As announced on SENS on 15 February 2011, the Company is in the process of acquiring the entire issued share capital of Davita Trading (Pty) Limited. Davita is a South African manufacturer and exporter of powdered seasonings and beverage products with a presence in 28 countries across Africa and the Middle East. On 26 May 2011, the Competition Tribunal approved the transaction. Following this approval and the fulfilment of all remaining suspensive conditions, the acquisition will become effective on 31 May 2011.

The information presented below is for indicative purposes only as it is based on information available as at 31 March 2011 and is therefore subject to finalisation as at the effective date. A formal allocation between goodwill and other separately identifiable assets is currently being conducted.

Rm	Acquisition value	Carrying value
Land and buildings	23,0	23,0
Plant and equipment	7,7	7,7
Deferred taxation asset	1,8	1,8
Inventories	47,5	47,5
Trade receivables	117,4	117,4
Cash and cash equivalents	56,8	56,8
Fair value of assets acquired	254,2	254,2
Trade payables	(17,0)	(17,0)
Long-term borrowings	(200,6)	(200,6)
Taxation payable	(7,8)	(7,8)
Fair value of the liabilities acquired	(225,4)	(225,4)
Fair value of net assets acquired	28,8	28,8
Goodwill and other intangibles	1 475,5	620,3
Purchase consideration	1 504,3	

Since the effective date of the transaction will be subsequent to 31 March 2011, the acquisition has not contributed any revenue, operating income or profit after tax to the 2011 Group interim results.

2010

5.4 Crosse & Blackwell

On 1 October 2009, Tiger Brands acquired the Crosse & Blackwell mayonnaise business from Nestlé. The acquisition was in line with Tiger Brands' strategy of expanding into adjacent categories with well established brands. The purchase included both the mayonnaise production plant and staff in Bellville, Cape Town, as well as inventory and intangible assets. The purchase consideration, accounted for from 1 October 2009, comprised the following:

	Unaudited Six months ended 31 March 2011	Unaudited Six months ended 31 March 2010	Audited Year ended 30 Sept 2010
Trademarks	**–**	250,0	250,0
Land and buildings	**–**	50,0	50,0
Plant and equipment	**–**	27,7	27,7
Inventories	**–**	74,5	74,5
Fair value of assets acquired	**–**	402,2	402,2
Goodwill	**–**	72,3	72,3
Purchase consideration	**–**	474,5	474,5

From the date of acquisition to 31 March 2010, the Crosse & Blackwell business contributed R372,7 million to Group revenue and R35,5 million to profit after tax after accounting for acquisition financing costs.

Apart from plant and 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.

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.

	Unaudited Six months ended 31 March 2011	Unaudited Six months ended 31 March 2010	Audited Year ended 30 Sept 2010
6. Property, plant and equipment			
The additions for the period amounted to R291,4 million (2010: R463,3 million) and the net book value of disposals totalled R0,4 million (2010: R2,8 million).			
7. Tax effect of other comprehensive income			
The tax effect of the items reflected in other comprehensive income is as follows:			
Net gain on hedge of net investment	**(0,2)**	(5,2)	(8,4)
Foreign currency translation adjustments	**(2,0)**	(2,2)	(5,5)
Net gain/(loss) on available for sale financial assets	**1,7**	(2,1)	(3,7)
	(0,5)	(9,5)	(17,6)
8. Shares			
Number of ordinary shares in issue (000's) Includes 10 326 758 shares held as treasury stock (March 2010: 10 326 758) and 21 371 686 shares owned by empowerment entities (March 2010: 21 426 860)	**190 355**	190 043	190 200
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)	**158 568**	158 014	158 193
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)	**161 038**	160 844	160 780
9. Headline earnings per share			
Headline earnings per ordinary share (cents)	**747,9**	668,9	1 393,0
Diluted headline earnings per ordinary shares (cents)	**736,5**	657,1	1 370,6
10. Reconciliation between profit for the period and headline earnings	**Rm**	Rm	Rm
Profit attributable to ordinary shareholders	**1 186,2**	1 046,3	2 192,3
Adjusted for:			
(Profit)/loss on sale of property, plant and equipment, including impairment charges on intangibles	**(0,2)**	1,9	3,5
Profit on sale of investments	**—**	—	(1,0)
Associates – goodwill impairment	**—**	8,7	8,7
Headline earnings for the period	**1 186,0**	1 056,9	2 203,5
Tax effect on headline earnings adjustments	**—**	—	—

Notes (continued)

	Unaudited Six months ended 31 March 2011	31 March 2010	Audited Year ended 30 Sept 2010
11. Capital distributions and dividends per share			
Capital distributions and dividends per ordinary share (cents)	**281,0**	270,0	746,0
Capital distribution declared 17 May 2010	**–**	270,0	270,0
Capital distribution declared 23 November 2010	**–**	–	235,0
Dividend declared 23 November 2010	**–**	–	241,0
Dividend declared 27 May 2011	**281,0**	–	–
12. Impact of BEE Phase II transaction			
The impact of the implementation of the BEE Phase II transaction is as follows:			
Operating loss before abnormal items – IFRS 2 charge	**–**	(5,2)	(21,0)
Abnormal items	**–**	(185,3)	(188,4)
Taxation	**–**	34,6	35,7
Dividends paid	**–**	–	(11,9)
Cash and cash equivalents	**–**	4,7	1,1
Taxation receivable	**–**	22,2	22,5
Deferred taxation asset	**–**	12,4	12,9
Ordinary share capital and share premium	**–**	(1 748,4)	(1 659,2)
Tiger Brands Limited shares held by empowerment entities	**–**	1 625,0	1 543,6
Share-based payment reserve	**–**	(67,1)	(82,9)
Non-controlling interests	**–**	(13,4)	(12,4)

13. 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 standards and IFRIC interpretations during the current year:

- IFRS 1 (Amendment) – Limited exemption from comparative IFRS 7 disclosures for first-time adopters
- IFRS 2 (Amendment) – Group cash-settled share-based payment arrangements
- IAS 32 (Amendment) – Classification of rights issues
- IFRIC 19 – Extinguishing financial liabilities with equity instruments
- April 2009 Improvements to IFRS (improvements effective for the current financial year)
- May 2010 Improvements to IFRS (improvements effective for the current financial year)

Where necessary, disclosures have been updated in accordance with these standards, amendments or interpretations. The adoption thereof did not have a material impact on the results, cash flows or financial position of the Group in the current period.

Tiger Brands

Tiger Brands Limited

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Share code: TBS **ISIN:** ZAE000071080

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