Tiger Brands

PRELIMINARY ANNUAL RESULTS AND DECLARATION OF CAPITAL REDUCTION AND FINAL DIVIDEND FOR THE YEAR ENDED 30 SEPTEMBER 2010

CONTINUING OPERATIONS: FMCG

Turnover down
2% to R19,3 billion

Operating income down
1% to R3,0 billion

Total dividend and capital distribution for the year up 6% to 746 cents per share

Headline earnings per share up 6% **excluding** once-off empowerment costs

Cash available from operations up 35% to R2,6 billion

CONTENTS

Tiger Brands

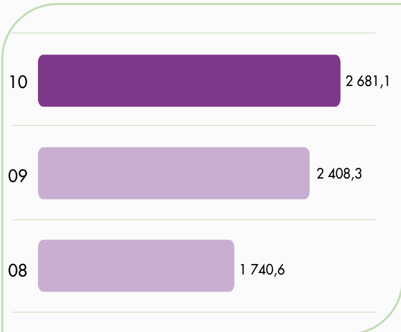
Divisional highlights

Domestic Food

> The Grains, Beverages and Perishables categories achieved pleasing performances

> Groceries and Snacks & Treats categories were challenged in a difficult trading environment

Operating profit (Rm)

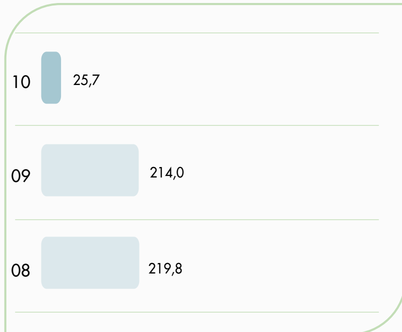


Exports and International

> Deciduous fruit exports reflected a R203 million decline in operating profit from 2009

> Export performance into Africa exceeded expectations

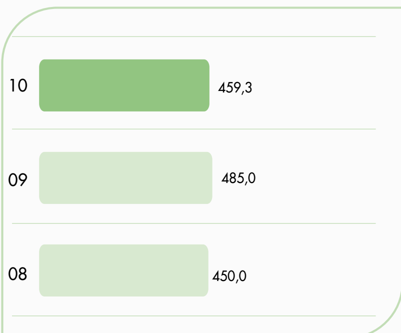
Operating profit (Rm)



Home and Personal Care

> Soft market conditions, a poor pest season and business integration challenges on Personal Care led to a decline in operating profit

Operating profit (Rm)

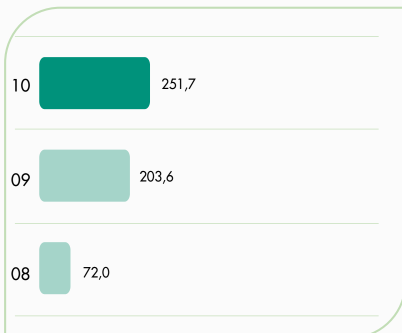


Associates

> Oceana headline earnings increased by 13%

> Good earnings growth achieved by Carozzi was partially offset by rand strength

Attributable earnings (Rm)



With effect from 1 April 2009 Oceana was reclassified from a joint venture to an associate.

Commentary

INTRODUCTION

These abridged results for the year ended 30 September 2010 have been prepared in accordance with International Financial Reporting Standards, IAS 34 – Interim Financial Reporting – and the Listings Requirements of the JSE Limited.

The condensed financial information has been reviewed by Ernst & Young Inc., whose unqualified review opinion is available for inspection at the Company's registered office. It is anticipated that an unqualified audit opinion will be issued once the detailed financial statements have been finalised.

Tiger Brands achieved headline earnings per share (HEPS) of 1 393,0 cents for the year ended 30 September 2010, representing a decline of 1% on that achieved in the prior year.

Earnings per share (EPS) declined by 12% to 1 385,9 cents per share. Headline earnings for the year amounted to R2 203,5 million (2009: R2 209,8 million).

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 amounting to R152,7 million after tax, which is disclosed as an abnormal item in the income statement for the year ended 30 September 2010. Excluding this amount, HEPS reflected an increase of 6% compared to that achieved in the previous financial year.

OVERVIEW OF RESULTS

Turnover and operating income from continuing operations (excluding Oceana) declined by 2% and 1% respectively. The decline in turnover was driven primarily by the impact of the significant price deflation in food commodities and a weaker trading environment.

Oceana's results are included as Income from Associates for the financial year ended 30 September 2010, whereas in the comparative period, Oceana's results were proportionately consolidated for the first six months and reflected as Income from Associates in the second six months. The Group's share of Oceana's results is consequently included in HEPS and EPS in both years for the full 12 month periods. This change in the basis of accounting for Oceana makes meaningful comparison of the Group's results at both a revenue and operating income level difficult and, to assist shareholders in comparing the performance of the Group with the previous year, comparative information in the commentary excludes Oceana's results (which have been commented on separately under the Group's **Fishing** interests). Also see Note 14 of the accompanying results for further information in this regard. The operational commentary below therefore relates only to the Group's **FMCG** businesses.

The Group operating margin from continuing operations improved from 15,5% last year to 15,6%, benefiting from lower soft commodity prices during 2010. The Milling & Baking, Other Grains, Beverages, Out of Home and Value Added Meat Products businesses produced good operating performances while Groceries, Snacks & Treats and Personal Care recorded disappointing declines in operating income. Within Exports & International, the sustained strength of the Rand negatively impacted the performance of the Deciduous Fruit business, as well as the translation of the results of Haco (Kenya) and Chococam (Cameroon) into Rands. The positive momentum of the Tiger Brands Export division continued, resulting in a pleasing performance for the year.

Abnormal items reflect a net abnormal charge of R187,6 million before tax in 2010. The current year composition of abnormal items primarily comprises the IFRS 2 empowerment transaction costs associated with the Company's BEE Phase II transaction implemented in October 2009.

Net financing costs (excluding Oceana) of R82,2 million (2009: R256,5 million) fell sharply from the prior year, reflecting the benefits of a lower interest rate environment combined with reduced debt levels in the current year. The strong cash flows generated during the second half of the year enabled the group to turn a net debt position of R888,6 million at 31 March 2010, into a net cash position of R41,5 million as at 30 September 2010.

Income from associates reflects a significant increase compared to the prior year due to the inclusion in 2010 of the full 12 months of the Company's share of the after tax earnings of Oceana (whereas the prior year only included six months as noted above). A strong trading performance by Empresas Carozzi was partially offset by the effect of the strengthening of the Rand against the Chilean Peso. In addition, the prior year results included a capital profit of R16,6 million arising on the part disposal by Empresas Carozzi of a subsidiary.

The average tax rate, before abnormal items, decreased to 29,7% (2009: 32,3%). This was primarily due to a reduced STC charge in 2010 as a result of distributions to shareholders being made during the year by way of a reduction of capital out of share premium, in lieu of the 2009 final dividend and the 2010 interim dividend. The net loss attributable to non-controlling interests (minority shareholders in subsidiaries) is largely due to the loss incurred in the Group's **Deciduous Fruit** business, partially offset by the minorities' share of current year income in respect of the two African subsidiaries, Haco and Chococam.

REVIEW OF OPERATIONS

FMCG

Mixed performances were evident within the **FMCG** categories as consumer demand remained weak.

DOMESTIC FOOD increased operating income by 11%, while turnover declined by 1% primarily due to food deflation.

Within the **Grains** segment, the strong growth in operating income compared to the deflationary decrease in turnover was primarily as a result of low soft commodity prices which benefited the **Milling & Baking** and **Rice** businesses in particular.

Despite the difficult trading environment, the **Albany** brand ended the year with a marginal growth in volumes, assisted by the launch of its Smooth Wholegrain Loaf. The capital project to increase the capacity of the Pietermaritzburg bakery, which involved the use of leading edge technology, was successfully completed at a cost of R187 million and commissioned during September 2010. The Board has approved an upgrade of the Durban bakery in order to meet consumer demand and address capacity constraints, at a total cost of approximately R109 million. This upgrade will be completed during 2011. **Tastic** and **Aunt Caroline** rice volumes responded positively to lower selling prices which resulted from the lower cost of imported rice due to the stronger Rand. The **Jungle Oats**, **Morvite** and **Ace Instant** brands performed well, growing volumes and market share in the ready-to-eat porridge segment.

The newly acquired **Crosse & Blackwell** mayonnaise business was successfully integrated into the **Groceries** division and produced an excellent result for the year. The core Groceries business saw some recovery in volumes during the second half of the year as a consequence of lower selling prices in an effort to defend market shares in key categories. The sustained high cost of cans and glass packaging containers continued to place pressure on margins in the Groceries categories. The performance of the **Snacks & Treats** business was disappointing with operating income declining by 17%, primarily due to pressure on consumer discretionary spending. In addition, a fire at the Gums and Jellies manufacturing unit adversely impacted sales and service levels during the second half of the year. The **Beverages** category achieved volume growth on its core product offerings which, combined with factory and logistics efficiencies, lifted operating income by 25% to R112,3 million.

The **Value Added Meat Products** business benefited from increased marketing support as well as a reduction in raw material prices. The Group's **Out of Home** business managed to improve operating income, which was assisted by the contribution of the Crosse & Blackwell brand as well as the decision to close the loss-making pre-prepared meals business in the prior year.

HOME & PERSONAL CARE (HPC) produced a disappointing result, with both turnover and operating income declining by 5%.

A number of unexpected challenges were experienced with the integration of the Designer Group into Tiger Brands' **Personal Care** business. This contributed significantly to Personal Care's decline in turnover and operating income for the year. The rationalisation benefits of the integration have subsequently started to materialise and these should have a positive impact in the 2011 financial year.

Purity – the **Babycare** motherbrand – continued to meet the needs of both mothers and babies with an expanded product range. The **Homecare** category did well to maintain operating income in line with the prior year after being adversely affected by a poor pest season during the first six months of the year.

EXPORTS & INTERNATIONAL recorded a decline in operating income of 88% compared to the prior year.

The **Deciduous Fruit** business, Langeberg & Ashton Foods (67% held), incurred a significant operating loss of R84,6 million (2009: R118,8 million operating profit) for the year primarily due to the strong rand exchange rate and the impact of significant price increases on cans in 2010. The **Tiger Brands Export** division delivered an outstanding result as the Group's expansion programme into Africa continued its momentum. The results of the African subsidiaries, **Haco** and **Chococam**, were negatively affected, on translation into Rand, as a result of the strengthening of the rand exchange rate throughout the year. Haco performed well during the year under review and continued to benefit from the expansion of its distribution of Tiger Brands' products in the East African region. The overall performance of Chococam was satisfactory, with good progress being made on the strengthening of the brand propositions and in the improvement of operational efficiencies.

FISHING

Following the disposal of Sea Harvest in the prior year, the Company's remaining fishing interest comprises its investment in **Oceana Group Limited** (45% held). Oceana is separately listed on the JSE Limited and reported a 13% increase in headline earnings per share for the year ended 30 September 2010. Oceana's results were separately published on 11 November 2010.

The equity accounted earnings of Oceana for the year ended 30 September 2010 amounted to R132,1 million after tax. The Group's share of Oceana's turnover and operating income for the six months to 31 March 2009, which was proportionately consolidated, amounted to R730,6 million and R78,5 million respectively. In addition, the equity accounted earnings of Oceana for the second six months ended 30 September 2009 amounted to R76,5 million.

OTHER CORPORATE ACTIVITIES

ACQUISITION OF CROSSE & BLACKWELL

On 1 October 2009, the Group acquired the Crosse & Blackwell business from Nestlé. This encompassed the full range of mayonnaise brands, inventories, the manufacturing facility located in Bellville, Cape Town and the factory staff. The acquisition is in line with Tiger Brands' strategy of expanding into adjacent categories with well established brands.

INTERNATIONAL EXPANSION: AFRICA

As one of its key strategic thrusts, the Company continues to seek growth opportunities on the rest of the African continent. Good progress has been made in this regard with the recent conclusion of two acquisition agreements.

An agreement has been signed 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. Ethiopia, which has a population of approximately 85 million, has experienced high GDP growth rates for a number of years. Most categories in the packaged consumer goods sector are enjoying good growth, stimulated by the fast growing economy. The principal activities of the joint venture will comprise the manufacture and marketing of various home and personal care products, biscuits, flour and pasta, which categories currently form part of the East African Group's existing operations. The East African Group is the largest manufacturer of detergents in Ethiopia and this business will also form part of the joint venture.

The shareholding in the new company will be held as to 51% by Tiger Brands and the balance of 49% by East African Group (Eth) Plc and its associate companies. Tiger Brands is very pleased to be associated with a highly respected Ethiopian partner.

The second agreement relates to the purchase 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. With its large population and a strong and growing consumer market, Nigeria offers excellent growth opportunities for FMCG companies. The Deli Foods acquisition is therefore seen as a first step in entering this important market.

Both acquisitions are subject to the fulfilment of various conditions precedent, including regulatory approvals where appropriate, and are expected to be completed early in the new calendar year.

These acquisitions are expected to generate a combined annualised turnover of approximately R500 million in the first year. The acquisitions will have no material impact on the Company's headline earnings or net asset value per share in the short term.

In addition, an agreement in principle has been reached between UAC of Nigeria Plc (UAC) and Tiger Brands in terms of which Tiger Brands would acquire a 49% interest in the Nigerian food and beverage interests of UAC. The acquisition specifically excludes the franchised quick service restaurants of UAC. UAC is a well respected company which is listed on the Nigerian Stock Exchange. The company has been a leading private enterprise champion in the economic advancement of Nigeria and holds food interests primarily in the branded savoury, snacks, dairy and beverage categories.

The agreement in principle is subject to approval by UAC shareholders at an Extraordinary General Meeting of the company, scheduled to take place in December 2010. Thereafter, the proposed transaction will be subject to the necessary Nigerian and South African regulatory approvals as well as the conclusion of appropriate agreements relevant to the joint venture arrangement.

Tiger Brands believes that the proposed transaction with UAC will provide the two partners with a sound strategic platform in Nigeria, which will benefit from the respective parties' experience, skill and expertise in the manufacture, marketing and distribution of branded food and beverage products in emerging markets.

The affected UAC businesses reported a total turnover for the financial year ended 31 December 2009 of Naira 9.8 billion which equates to approximately R 477 million, based on the current exchange rate.

In addition to the above transactions, the Company is currently pursuing other opportunities on the continent, which if successful, will further increase its manufacturing and distribution footprint outside of South Africa.

TIGER BRANDS PHASE II BLACK ECONOMIC EMPOWERMENT TRANSACTION

As announced on SENS on 12 October 2009, the Company listed a further 16 322 520 new shares on the JSE Limited on 20 October 2009 in terms of its BEE Phase II transaction. This represented 9,09% of Tiger Brands' enlarged issued share capital at the time and has assisted the Company in achieving a level 3 BEE rating in terms of the BEE codes as at 30 September 2010.

FINAL DISTRIBUTION INCORPORATING A CAPITAL REDUCTION OUT OF SHARE PREMIUM AND AN ORDINARY DIVIDEND OUT OF DISTRIBUTABLE RESERVES

The Board has decided to declare a final distribution of 476 cents per share for the year ended 30 September 2010, which will comprise a capital reduction out of share premium of 235 cents per share and an ordinary dividend of 241 cents per share. The general authority to make payments to shareholders out of the Company's share premium account was granted by shareholders on 21 June 2010. These payments, together with the interim capital reduction of 270 cents per share, will therefore amount, in aggregate, to a total payment to shareholders of 746 cents per share (2009: 704 cents per share). The total payment of 746 cents per share represents an increase of 6% on the total payment of 704 cents per share declared in respect of the previous year.

Shareholders are referred to the more detailed announcement relating to the capital reduction and dividend that has been issued today.

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

OUTLOOK

There has been a steady increase in the Group's branded sales volumes in recent months, however, Tiger Brands remains cautious and expects trading conditions to continue to be challenging, particularly during the first half of the new financial year. This outlook has neither been reviewed nor reported on by the Company's auditors.

ANNUAL REPORT

The annual report will be posted to certificated shareholders and those shareholders with dematerialised shares who have requested a copy of the annual report through their CSDP's, during December 2010.

Salient features of the annual report will be available on the Company's website (www.tigerbrands.com) shortly after the annual report is posted.

For and on behalf of the Board

Lex van Vught
Chairman

Peter Matlare
Chief Executive Officer

23 November 2010

TIGER BRANDS LIMITED

(Registration number 1944/017881/06) (Incorporated in the Republic of South Africa)

Share code: TBS **ISIN:** ZAE000071080

Non-executive: 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: P B Matlare (Chief Executive Officer), N G Brimacombe, M Fleming; B N Njobe, C F H Vaux

Company secretary: I W M Isdale

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Consolidated income statement

Year ended 30 September

	Notes	2010 Reviewed Rm	Change %	2009 Audited Rm
Continuing operations				
Revenue	1	**19 554,7**	(5)	20 642,5
Turnover	1	**19 316,0**	(5)	20 430,4
Operating income before abnormal items	2	**3 015,1**	(4)	3, 133.4
Abnormal items	3	**(187,6)**		343,9
Operating income after abnormal items		**2 827,5**	(19)	3 477,3
Interest paid		**(302,3)**	31	(436,3)
Interest received		**220,1**	21	181,6
Dividend income		**18,6**	(39)	30,5
Income from associates	4	**251,7**	24	203,6
Profit before taxation		**3 015,6**	(13)	3 456,7
Taxation		**(840,1)**	14	(977,7)
Profit for the year from continuing operations		**2 175,5**	(12)	2 479,0
Discontinued operations				
Profit after tax for the year – Sea Harvest	5			55,0
PROFIT FOR THE YEAR		**2 175,5**	(14)	2 534,0
Attributable to:				
Owners of the parent		**2 192,3**	(12)	2 485,5
Non-controlling interests		**(16,8)**		48,5
		2 175,5	(14)	2 534,0
Headline earnings per ordinary share (cents)		**1 393,0**	(1)	1 407,4
Diluted headline earnings per ordinary share (cents)		**1 370,6**	(2)	1 398,4
Basic earnings per ordinary share (cents)		**1 385,9**	(12)	1 583,0
Diluted basic earnings per ordinary share (cents)		**1 363,6**	(13)	1 572,9
Headline earnings per ordinary share (cents) for continuing operations		**1 393,0**	1	1 382,1
Diluted headline earnings per ordinary share (cents) for continuing operations		**1,370,6**	(0)	1 373,3
Basic earnings per ordinary share (cents) for continuing operations		**1 385,9**	(11)	1 556,8
Diluted basic earnings per ordinary share (cents) for continuing operations		**1 363,6**	(12)	1 546,9
Headline earnings per ordinary share (cents) for discontinued operations		**–**	–	25,3
Diluted headline earnings per ordinary share (cents) for discontinued operations		**–**	–	25,1
Basic earnings per ordinary share (cents) for discontinued operations		**–**	–	26,2
Diluted basic earnings per ordinary share (cents) for discontinued operations		**–**	–	26,0

Consolidated statement of financial position

As at 30 September

	2010 Reviewed Rm	2009 Audited Rm
ASSETS		
Non-current assets	**6 288,6**	5 381,6
Property, plant and equipment	**2 585,6**	2 202,7
Goodwill and other intangibles	**1 985,8**	1 669,1
Investments	**1 717,2**	1 509,8
Current assets	**6 695,3**	6 237,3
Inventories	**2 898,7**	3 059,9
Trade and other receivables	**2 875,3**	2 671,2
Cash and cash equivalents	**921,3**	506,2
TOTAL ASSETS	**12 983,9**	11 618,9
EQUITY AND LIABILITIES		
Capital and reserves	**8 315,9**	6 983,7
Ordinary share capital and share premium	**481,4**	70,8
Non-distributable reserves	**957,3**	788,7
Accumulated profits	**9 366,5**	7 309,8
Tiger Brands Limited shares held by subsidiary	**(742,4)**	(817,7)
Tiger Brands Limited shares held by empowerment entities	**(1 998,5)**	(502,2)
Share-based payment reserve	**251,6**	134,3
Non-controlling interests	**285,5**	301,0
TOTAL EQUITY	**8 601,4**	7 284,7
Non-current liabilities	**878,0**	907,1
Deferred taxation liability	**123,5**	97,9
Provision for post-retirement medical aid	**350,7**	326,4
Long-term borrowings	**403,8**	482,8
Current liabilities	**3 504,5**	3 427,1
Trade and other payables*	**2 578,9**	2 643,3
Provisions*	**387,3**	330,7
Taxation	**62,3**	52,3
Short-term borrowings	**476,0**	400,8
TOTAL EQUITY AND LIABILITIES	**12 983,9**	11 618,9

*Certain reclassifications were made during 2010.

Statement of other comprehensive income

Year ended 30 September

	Note	2010 Rm Reviewed	2009 Rm Audited
Profit for the year		**2 175,5**	2 534,0
Net gain on hedge of net investment		**29,8**	16,1
Foreign currency translation adjustments		**(37,4)**	(34,6)
Net loss on cash flow hedges		**(19,9)**	(22,6)
Net gain/(loss) on available for sale financial assets		**91,3**	(24,9)
Tax effect	6	**(17,6)**	1,0
Other comprehensive income, net of tax		**46,2**	(65,0)
Other comprehensive income, net of tax for associates		**–**	(14,5)
Total comprehensive income for the year, net of tax		**2 221,7**	2 454,5
Attributable to:			
Owners of the parent		**2 238,5**	2 406,0
Non-controlling interests		**(16,8)**	48,5
		2 221,7	2 454,5

Abridged cash flow statement

Year ended 30 September

	2010 Reviewed Rm	2009 Audited Rm
Cash operating profit	**3 492,6**	3 566,1
Working capital changes	**(112,6)**	(424,7)
Cash generated from operations	**3 380,0**	3 141,4
Net financing costs	**(82,2)**	(247,0)
Dividends received	**149,2**	86,7
Taxation paid	**(821,5)**	(1 033,2)
Cash available from operations	**2 625,5**	1 947,9
Capital distributions and dividends paid	**(1 179,5)**	(1 267,8)
Net cash inflow from operating activities	**1 446,0**	680,1
Net cash (outflow)/inflow from investing activities	**(1 100,4)**	132,4
Net cash inflow from financing activities	**1,2**	100,1
Net increase in cash and cash equivalents	**346,8**	912,6
Effects of exchange rate changes	**(10,7)**	(15,1)
Cash and cash equivalents at the beginning of the year	**172,1**	(725,4)
Cash and cash equivalents at the end of the year	**508,2**	172,1
Cash resources	**921,3**	506,2
Short-term borrowings regarded as cash and cash equivalents	**(413,1)**	(334,1)
	508,2	172,1

Other Group salient features

Year ended 30 September

	2010 Reviewed Rm	2009 Audited Rm
Net worth per ordinary share (cents)	**5 247**	4,439
Net debt to equity (%)	**n/a**	5,2
Interest cover – net (times)	**36,9**	12,4
Current ratio (:1)	**1,9**	1,8
Capital expenditure (R million)	**634,2**	561,1
– replacement	**363,1**	320,7
– expansion	**271,1**	240,4
Capital commitments (R million)	**817,0**	1 006,1
– contracted	**546,7**	336,8
– approved	**270,3**	669,3
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	**318,4**	308,8
Inventories carried at net realisable value	**134,1**	89,6
Write-down of inventories recognised as an expense	**21,0**	34,1
Carrying and fair value of investments (R million)	**1 717,2**	1 509,8
Listed	**388,6**	303,2
Unlisted	**161,1**	160,3
Associates (carrying value)	**1 167,5**	1 046,3

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 2008	41,8	473,8	82,3	17,4
Net profit for the year	—	—	—	—
Other comprehensive income for the year	—	—	—	(30,8)
	41,8	473,8	82,3	(13,4)
Issue of share capital and premium	29,0	—	—	—
Adjustment due to finalisation of African acquisitions	—	—	—	—
Transfers between reserves	—	154,9	2,5	—
Other reserve movements	—	—	—	—
Re-classification from joint venture to associate	—	—	—	—
Dividends on ordinary shares	—	—	—	—
Total dividends	—	—	—	—
Less: Dividends on treasury and empowerment shares	—	—	—	—
Adjustment due to sale of Sea Harvest	—	—	—	—
Balance at 30 September 2009	70,8	628,7	84,8	(13,4)
Net profit for the year	—	—	—	—
Other comprehensive income for the year	—	—	—	(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 reserve	—	—	—	—
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)**

Available for sale reserve Rm	Foreign currency translation reserve Rm	Accumulated profits Rm	Shares held by subsidiaries and em-powerment trusts Rm	Share-based payment reserve Rm	Total attributable to owners of the parent Rm	Non-controlling interests Rm	Total equity Rm
163,2	(23,1)	6 203,5	(1 319,9)	121,7	5 760,7	458,3	6 219,0
—	—	2 485,5	—	—	2 485,5	48,5	2 534,0
(12,3)	(36,4)	—	—	—	(79,5)	—	(79,5)
150,9	(59,5)	8 689,0	(1 319,9)	121,7	8 166,7	506,8	8 673,5
—	—	—	—	—	29,0	—	29,0
—	—	—	—	—	—	(2,5)	(2,5)
—	—	(157,4)	—	—	—	—	—
—	—	14,8	—	28,2	43,0	—	43,0
—	—	2,3	—	(12,8)	(10,5)	(13,7)	(24,2)
—	—	(1 244,8)	—	—	(1 244,8)	(14,1)	(1 258,9)
—	—	(1 362,7)	—	—	(1 362,7)	(23,7)	(1 386,4)
—	—	117,9	—	—	117,9	9,6	127,5
(2,8)	—	5,9	—	(2,8)	0,3	(175,5)	(175,2)
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**

Segmental analysis

Year ended 30 September

	2010 Reviewed Rm	%	2009 Audited Rm	%	Change %
Turnover					
FMCG – CONTINUING OPERATIONS	**19 316,0**	**100**	19 699,8	94	(2)
Domestic Food	**15 715,0**	**82**	15 922,3	76	(1)
Grains	**8 085,5**	**42**	8 793,4	42	(8)
Milling and Baking	**5 849,1**	**30**	6 266,8	30	(7)
Other Grains	**2 236,4**	**12**	2 526,6	12	(11)
Groceries	**3 166,5**	**17**	2 651,6	13	19
Snacks and Treats	**1 726,0**	**9**	1 746,9	8	(1)
Beverages	**1 083,5**	**6**	1 056,3	5	3
Value Added Meat Products	**1 384,8**	**7**	1 413,2	7	(2)
Out of Home	**268,7**	**1**	260,9	1	3
HPC	**1 786,7**	**9**	1 883,7	9	(5)
Personal care	**596,7**	**3**	681,2	3	(12)
Babycare	**591,3**	**3**	560,8	3	5
Homecare	**598,7**	**3**	641,7	3	(7)
Exports and International	**1 960,5**	**10**	2 030,6	10	(3)
Other intergroup sales – FMCG	**(146,2)**	**(1)**	(136,8)	(1)	(7)
Fishing – Oceana**	**–**	**–**	730,6	3	(100)
TOTAL CONTINUING OPERATIONS	**19 316,0**	**100**	20 430,4	97	(5)
DISCONTINUED OPERATIONS – Sea Harvest	**–**	**–**	605,5	3	(100)
TOTAL TURNOVER	**19 316,0**	**100**	21 035,9	100	(8)

	2010 Reviewed Rm	%	2009 Audited Rm	%	Change %
Operating income before abnormal items					
FMCG – CONTINUING OPERATIONS	**3 015,1**	**100**	3 054,9	96	(1)
Domestic Food	**2 681,1**	**89**	2 408,3	76	11
Grains	**1 677,4**	**55**	1 414,1	44	19
Milling and Baking	**1 363,7**	**45**	1 157,7	36	18
Other Grains	**313,7**	**10**	256,4	8	22
Groceries	**445,9**	**15**	471,7	15	(5)
Snacks and Treats	**235,1**	**8**	282,4	9	(17)
Beverages	**112,3**	**4**	89,5	3	25
Value Added Meat Products	**147,0**	**5**	113,1	4	30
Out of Home	**63,4**	**2**	37,5	1	69
HPC	**459,3**	**15**	485,0	15	(5)
Personal care	**169,9**	**6**	197,9	6	(14)
Babycare	**167,9**	**5**	166,0	5	1
Homecare	**121,5**	**4**	121,1	4	—
Exports and International	**25,7**	**1**	214,0	7	(88)
Other*	**(151,0)**	**(5)**	(52,4)	(2)	(188)
Fishing – Oceana**	**—**	**—**	78,5	2	(100)
TOTAL CONTINUING OPERATIONS	**3 015,1**	**100**	3 133,4	98	(4)
DISCONTINUED OPERATIONS – Sea Harvest	**—**	**—**	56,8	2	(100)
TOTAL OPERATING INCOME BEFORE ABNORMAL ITEMS	**3 015,1**	**100**	3 190,2	100	(5)

**includes IFRS 2 charges relating to the Phase I and II Black Economic Empowerment transactions of R56,1 million (2009: R30,4 milion) and the cash settled options of R61,1 million (2009: R18,0 million).*

***With effect from 1 April 2009 Oceana was reclassified from a joint venture to an associate.*

Notes

		2010 Reviewed Rm	2009 Audited Rm
1.	**Revenue – continuing operations**		
	Turnover	**19 316,0**	20 430,4
	Interest received	**220,1**	181,6
	Dividend income	**18,6**	30,5
		19 554,7	20 642,5
2.	**Operating income – continuing operations**		
	Operating income before abnormal items is reflected after charging:		
	Cost of sales	**12 037,0**	13 282,5
	Sales and distribution expenses	**2 606,6**	2 506,0
	Marketing expenses	**576,8**	529,8
	Other operating expenses	**1 080,5**	978,7
	Depreciation (included in cost of sales and other operating expenses)	**309,9**	261,9
3.	**Abnormal items – continuing operations**		
	Net profit/(loss) on sale of property, plant and equipment, including impairment charges on intangibles	**0,4**	(11,7)
	Net profit on sale of interest in subsidiaries and joint ventures	**—**	62,7
	Loss on sale of investments	**—**	(4,3)
	Profit on sale of investments	**1,0**	234,3
	Costs relating to the unsuccessful attempt to acquire AVI Limited	**—**	(29,8)
	Empowerment transaction costs – BEE Phase II	**(188,4)**	(12,0)
	Release of provision for Healthcare unbundling costs	**—**	1,1
	Release of provision for Sea Harvest put option	**—**	81,4
	Recognition of pension fund surpluses	**1,2**	27,5
	Other	**(1,8)**	(5,3)
	Abnormal (loss)/profit before taxation	**(187,6)**	343,9
	Taxation	**35,7**	(36,7)
		(151,9)	307,2
	Non-controlling interests	**—**	—
	Abnormal (loss)/profit attributable to shareholders in Tiger Brands Limited	**(151,9)**	307,2
4.	**Income from associates – continuing operations**		
	Normal trading	**260,4**	187,0
	Goodwill impairment – Oceana	**(8,7)**	—
	Abnormal item – profit on partial sale of interest in subsidiary	**—**	16,6
		251,7	203,6

	2010 Reviewed Rm	2009 Audited Rm
5. Discontinued operations – Sea Harvest		
On 28 May 2009 the Group disposed of its interest in Sea Harvest. The results of Sea Harvest for the eight months to 28 May 2009, which were included in the 2009 Group results, are presented below:		
Turnover	–	605,5
Operating income before abnormal items	–	56,8
Abnormal items	–	2,1
Interest paid	–	(0,5)
Interest received	–	8,2
Dividends received	–	7,5
Profit before tax from a discontinued operation	–	74,1
Taxation	–	(19,1)
Profit for the year from a discontinued operation	–	55,0
Attributable to non-controlling interests	–	13,9
The net cash flows generated/(incurred) by the Sea Harvest business were as follows:		
Operating activities	–	98,3
Investing activities	–	(39,6)
Financing activities	–	(0,2)
Net cash inflow	–	58,5
6. Tax effect of other comrehensive income		
The tax effect of the items reflected in the statement of other comprehensive income is as follows:		
Net gain on hedge of net investment	**(8,4)**	(4,5)
Foreign currency translation adjustments	**(5,5)**	(7,1)
Net gain/(loss) on available for sale financial assets	**(3,7)**	12,6
	(17,6)	1,0

7. Business combinations

Crosse & Blackwell

On 1 October 2009 Tiger Brands acquired the Crosse & Blackwell mayonnaise business from Nestlé. The acquisition is 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, comprises the following:

	Rm	Rm
Trademarks	**250,0**	–
Land and buildings	**50,0**	–
Plant and equipment	**27,7**	–
Inventories	**74,5**	–
Fair value of assets acquired	**402,2**	–
Goodwill	**72,3**	–
Purchase consideration	**474,5**	–

From date of acquisition to 30 September 2010, the Crosse & Blackwell business has contributed R618,8 million to Group revenue and R56,3 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.

The purchase consideration was financed out of operating cash flows

8. Property, plant and equipment

The additions for the year amounted to R634,2 million (2009: R561,1 million) and the net book value of disposals totalled R8,6 million (2009: R4,0 million).

9. Impairment of intangibles

Included in abnormal items from continuing operations in respect of the year ended 30 September 2009 is an amount of R4,0 million relating to the impairment of goodwill and trademarks in respect of the pre-prepared meals division of the Out Of Home business. The impairment was attributable to the expected reduction in the future profit stream of the business.

	2010 Reviewed	2009 Audited
10. Shares		
Number of ordinary shares in issue (000's)	**190 200**	173 560
Includes 10 326 758 (2009: 10 326 758) shares held as treasury stock and 21 375 586 (2009: 5 896 140) shares owned by empowerment entities		
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)	**158 193**	157 012
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)	**160 780**	158 022
11. Reconciliation between profit for the year and headline earnings	**Rm**	Rm
Profit attributable to owners of the parent	**2 192,3**	2 485,5
Adjusted for:		
Net profit on sale of interest in subsidiaries and joint ventures	**–**	(62,7)
Loss on sale of property, plant and equipment, including impairment charges on intangibles	**3,5**	3,5
Profit on sale of investments	**(1,0)**	(201,1)
Loss on sale of investments	**–**	4,3
Associates	**8,7**	(16,6)
Profit on partial sale of interest in subsidiary	**–**	(16,6)
Goodwill impairment	**8,7**	–
Other	**–**	(3,1)
Headline earnings for the year	**2 203,5**	2 209,8
Reconciliation between profit for the year and headline earnings – discontinued operations		
Profit attributable to owners of the parent	**–**	41,1
Adjusted for:		
Profit on sale of property, plant and equipment, including impairment charges on intangibles	**–**	(1,4)
Headline earnings for the year	**–**	39,7
12. Capital distributions and dividends per share		
Capital distributions and dividends per share (cents)	**746,0**	704,0
Interim dividend declared	**–**	245,0
Capital distribution declared 23 November 2009	**–**	459,0
Capital distribution declared 17 May 2010	**270,0**	–
Capital distribution declared 23 November 2010	**235,0**	–
Dividend declared 23 November 2010	**241,0**	–

	2010 Reviewed Rm	2009 Audited Rm
13. Impact of BEE Phase II transaction		
The impact of the implementation of the BEE Phase II transaction as at 30 September is as follows:		
Operating loss before abnormal items – IFRS 2 charge	**(21,0)**	–
Abnormal items	**(188,4)**	(12,0)
Taxation	**35,7**	–
Dividends paid	**(11,9)**	–
Cash and cash equivalents	**1,1**	–
Taxation receivable	**22,5**	–
Deferred taxation asset	**12,9**	–
Ordinary share capital and share premium	**(1 659,2)**	–
Tiger Brands Limited shares held by empowerment entities	**1 543,6**	–
Share-based payment reserve	**(82,9)**	–
Non-controlling interests	**(12,4)**	–
Trade and other payables	**–**	(12,0)
14. Oceana		
On 1 April 2009 the Group ceased proportional consolidation of Oceana and commenced equity accounting. The results of Oceana for the six months to 31 March 2009, which were proportionately consolidated in the Group results, are presented below:		
Turnover	**–**	730,6
Operating income before abnormal items	**–**	78,5
Abnormal items	**–**	1,5
Interest paid	**–**	(3,7)
Interest received	**–**	5,5
Dividends received	**–**	5,2
Profit before tax	**–**	87,0
Taxation	**–**	(28,4)
Profit for the year	**–**	58,6

15. 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 and IFRIC interpretations during the year:

Amendment to IFRS 2 Share-based payment – Vesting Conditions and Cancellations
IFRS 3 Business Combinations
Amendment to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
IFRS 8 Operating Segments
IAS1 Presentation of Financial Statements
IAS 23 Borrowing Costs
IAS 27 Consolidated and Separate Financial Statements
Amendment to IAS 32 Financial Instruments: Presentation and IAS1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
Amendment to IAS 39 – Financial Instruments: Recognition and Measurement – Eligible hedged items
May 2008 Improvements to IFRS (improvements effective for the current financial year)
April 2009 Improvements to IFRS (improvements effective for the current financial year)
AC 504 and IAS 19 – The limit on a defined benefit, minimum funding requirements and their interaction in a South African pension fund environment

Disclosures have been updated in accordance with these standards and interpretations, and adoption thereof has not had a material financial impact on the results of the Group in the current year. The comparative figures have not been restated due to the adoption of the new and amended IFRS and IFRIC interpretations.

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