Audited group results and dividend declaration

for the year ended 30 September 2013

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Key financial indicators

INCLUDING DFM

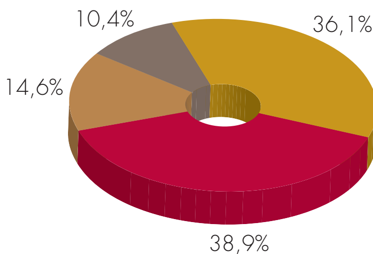
Group turnover	Operating profit#	Headline earnings per share
R27,0 bn	R3,1 bn	1 624 cents
Up 19,1%	Down 11,6%	Down 3,8%

EXCLUDING DFM

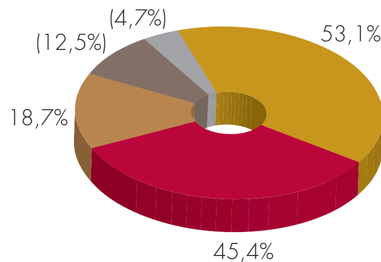
Group turnover	Operating profit#	Headline earnings per share
R24,7 bn	R3,5 bn	1 781 cents
Up 8,8%	Flat on previous year	Up 5,4%

SEGMENTAL CONTRIBUTION

REVENUE



OPERATING PROFIT#



• Grains • Consumer Brands • Exports and International • Nigeria • Other

#Before abnormal items

Commentary

OVERVIEW

Trading conditions for the year were once again difficult. The challenges facing the global economy have undoubtedly affected Tiger Brands' sphere of operations. In South Africa in particular, the difficulties facing the group have been driven largely by the trade-off between the group's ability to recover cost increases through appropriate pricing, and the pressure on consumers to purchase at acceptable price points. The increase in competition through the continued growth in dealer-owned brands and the entry of new competitors, has added to these challenges.

Whilst the group has taken some important steps in its strategic journey towards building a sustainable platform for future growth, the results for the financial year are disappointing and reflect a difficult transitionary phase as the group repositions its domestic business for growth and drives expansion on the balance of the continent.

As reported previously, the group acquired a controlling interest of 63,35% in Dangote Flour Mills of Nigeria (DFM) with effect from 4 October 2012. Whilst this company has good assets and a strong market position, the trading performance has been disappointing and the acquisition has had a dilutive effect on the group's earnings for the year. As with other acquisitions made on the continent, we expect that it will take two to three years to fully align the DFM operations to Tiger Brands' standards and for the business to deliver acceptable returns. However, the group remains optimistic that this investment in one of the fastest growing economies in Sub-Saharan Africa, will meet expectations over the medium term.

FINANCIAL PERFORMANCE

Revenue increased by 19,1% to R27,0 billion, assisted by acquisitions which contributed an amount of R2,3 billion. Excluding acquisitions, revenue grew by 8,4% to R24,6 billion.

Total volumes in the domestic businesses were in line with last year. Notwithstanding volume declines in the Maize, Sorghum Beverages, Groceries and Personal Care businesses, the balance of the businesses reflected solid volume growth, with the Jungle and Rice businesses in particular achieving strong volume growth.

Revenue in the International and Exports businesses (excluding acquisitions) grew by 21,7% to R4,4 billion, boosted by foreign currency translation gains of 12,1% and strong volume growth in the Davita and TBI export businesses.

Total group operating income declined by 11,6% to R3,1 billion. This was mainly caused by a R389,2 million operating loss incurred by DFM, which included once-off retrenchment costs and increased stock and bad debt provisions of R85 million. DFM's performance was also affected by raw material cost push that could not be recovered in the market through price increases. In addition, volume pressures arising from measures taken to recover long-outstanding customer debts in an industry with significant overcapacity, as well as aggressive pricing by competitors in the Nigerian flour market, negatively impacted income.

Dangote Agrosacks, DFM's packaging subsidiary which has been earmarked for sale, has been reflected as a discontinued operation and its profit contribution for the year is reflected as a single line item, outside of operating income.

Excluding DFM, operating income was in line with the prior year and the overall operating margin reduced from 15,3% to 14,0%. The decline in operating margin was largely due to raw material, fuel and labour cost push in the domestic market, which was partially absorbed in order to drive volume recovery.

Net financing costs increased from R138,2 million to R378,8 million as a result of the group's higher borrowing levels, including underlying debt in DFM

Commentary *(continued)*

of R1,5 billion. During the year, DFM reached an agreement to sell its subsidiary Dangote Agrosacks Limited (DAS), to Dangote Industries Limited for N7,55 billion (R470,1 milliom) resulting in a R25,8 million abnormal loss on the measurement of the carrying value of DAS' net assets at year end, to fair value. The proceeds from this sale will assist in reducing the overall debt in DFM, which currently bears interest at approximately 15% per annum. It is anticipated that the refinancing of a portion of the remaining debt at DFM at more favourable interest rates will be effected by the end of the current calendar year.

Income from associates increased by 23,9% to R515,1 million due to solid growth in earnings from Oceana in particular and a 10,1% foreign currency translation effect in respect of the offshore associates. During the year, the group increased its shareholding in Oceana by 4,5% to 41,9%.

The reduction in the group's effective tax rate from 27,2% to 25,9% is largely due to the replacement of the Secondary Tax on Companies (STC) with the new Dividends Tax introduced with effect from 1 April 2012. The previous year's tax charge included STC of R79,1 million.

The profit from the discontinued operation of R158,0 million is stated after the abnormal loss of R25,8 million noted above.

Net profit for the year attributable to ordinary shareholders decreased by 5,5% to R2,6 billion and earnings per share decreased by 5,8% to 1 608 cents. Headline earnings per share decreased by 3,8% to 1 624 cents.

Excluding the results of DFM and the related acquisition costs, headline earnings per share increased by 5,4% to 1781 cents.

Total equity increased from R11,7 billion as at 30 September 2012 to R13,9 billion as at 30 September 2013. Net profit for the year of R2,5 billion and foreign currency translation gains of R496,8 million were partly offset by net dividend outflows of R1,4 billion. The DFM acquisition also added R541,2 million to non-controlling interests.

Net interest-bearing debt increased from R1,2 billion to R4,5 billion mainly as a result of DFM's underlying debt of R1,5 billion and additional group borrowings raised of R1,5 billion. The group's net debt to EBITDA ratio of 1,2 times is well within its general borrowing covenant of 2,5 times.

FINAL ORDINARY DIVIDEND

The board has decided to declare a final ordinary dividend of 555 cents per share (2012: 555 cents) for the year ended 30 September 2013. This dividend, together with the interim dividend of 310 cents per share (2012: 295 cents), brings the total dividend for the year to 865 cents per share (2012: 850 cents), being an increase of 1,8%.

ACQUISITIONS

The 63,35% shareholding in DFM was acquired for a purchase consideration of R1,5 billion. In light of the proposed sale of DAS by DFM, the net assets of DAS have been reflected in the group's closing statement of financial position at 30 September 2013, as held-for-sale and the profits of DAS have been reflected as arising from a discontinued operation.

The group made three other acquisitions during the year. It acquired the Mars sugar confectionery trademarks in South Africa for R10 million with effect from 1 November 2012 and the Mrs Ball's chutney trademarks for R475 million with effect from 1 April 2013. It also increased its shareholding in Oceana Group Limited by 4,5% to 41,9% with effect from 1 March 2013 for a purchase consideration of R314 million.

With effect from 26 September 2013, the group subscribed for additional share capital of $24,4 million (R242,8 million) in its associate

Commentary *(continued)*

company, Empresas Carozzi. The subscription was in proportion to its 24,4% shareholding in the company. The capital injection was used to strengthen Carozzi's balance sheet following a number of capital projects to upgrade the company's manufacturing facilities and to increase capacity. Since the acquisition of its shareholding in Carozzi in 1999, Carozzi has performed well and the group has received dividends in excess of its original investment in the company.

GRAINS

The most significant contributor to operating income in the Grains segment is the Bakery business which achieved a pleasing volume growth in a contracting market. Despite considerable pressure on raw material input, labour and distribution costs in particular, the Bakeries business produced a strong increase in operating income.

The Flour Milling business was able to grow volumes marginally in a contracting market. However, a combination of aggressive competitor activity and a significant increase in raw material costs resulted in lower margins and profitability.

The Maize business lost market share in a contracting market and margins were squeezed in a highly competitive environment. The impact on profitability was exacerbated by an adverse procurement position at the end of the first quarter.

The Sorghum beverage business was able to sustain satisfactory profitability notwithstanding the increase in raw sorghum costs and a continuation of the long-term declining volume trend in this market. The sorghum porridge offerings (King Korn, Mabela and Morvite), as well as Ace Instant, recorded good profit growth.

The Rice business achieved strong volume growth with volumes exceeding the levels of 2011 as pricing was adjusted to reflect a more realistic premium to other rice offerings. As a consequence, the business benefited from a much improved second half performance relative to the same period last year. The Thai government has in the last quarter of 2013 lowered its level of support to rice farmers, although much of this pricing benefit has been eroded by the recent depreciation of the rand. The decline in the premium of Thai rice relative to Indian rice should allow for a modest expansion in margins going forward, notwithstanding the increasing levels of competition in the premium rice segment.

Off the back of several successful innovation launches under the Jungle brand, the Oats business recorded good volume growth and a satisfactory increase in operating income.

CONSUMER BRANDS

The Groceries business faced extremely tough trading conditions during the year, with intense pricing competition, higher input costs and volume pressures having a significant impact on profitability. Divisional turnover declined by 1,7% to R3,7 billion, whilst operating income fell by 33,1% to R361 million due to volume pressures that arose from widening price differentials relative to aggressive competitor pricing and due to higher input costs which could not be fully recovered in the market. The financial performance for the year was also negatively impacted by once-off costs relating to certain extraordinary stock write-offs, unfavourable manufacturing variances and the effect of IR issues at the Boksburg site, together totalling R44,7 million.

The business has heightened its focus on the containment of costs and the close management of price points. As part of the strategic cost saving initiatives announced by the group earlier in the year, the business embarked on two key supply chain optimisation projects to consolidate certain of its manufacturing facilities at sites located closer to the raw materials supply sources, thereby resetting the cost base for certain product lines. The full projected cost savings are expected to materialise

Commentary *(continued)*

in the 2015 financial year. These projects should drive improved competitiveness on shelf and generate savings to support further innovation and brand investment.

The Snacks & Treats business achieved a solid performance for the year, driven by pleasing volume growth and a positive sales mix, as well as strong operational leverage resulting from manufacturing cost efficiencies.

The Beverages business achieved satisfactory volume growth for the year, which was primarily driven by the Oros, Rose's and Superjuice brands. However, sales mix and profitability were negatively affected by short-term supply issues relating to Energade, stemming from the changes in the manufacturing architecture implemented during the year.

In order to improve efficiencies and generate cost savings, the Beverages business has consolidated its triple-factory manufacturing configuration into a single site with the closure of its Salt River and Phoenix factories and the upgrade of its manufacturing plant at Roodekop. The new configuration became operational in October 2013.

Despite a slowdown in the overall Value Added Meat Products category, the Enterprise business grew in both volume and value terms within its core segments, benefiting from various strategic initiatives implemented in the prior year.

The Out of Home business produced pleasing results for the year, driven by strong Christmas and Easter festive season buy-ins by distributors, increased food hamper business as well as the take-on of new franchise and contract catering customers.

The HPCB business delivered a modest top-line performance, which translated to a slightly lower operating income for the year. The highly competitive market environment continued into 2013, with increased levels of innovation, brand investment and aggressive pricing by competitors. The Baby care business continues to perform well despite competitive pressures in the jarred baby food category. Innovation in this sector is high and the group continues to successfully introduce new products and category extensions.

EXPORTS AND INTERNATIONAL

Haco Tiger Brands recorded pleasing performances across its key categories despite a subdued trading environment pre and post the Kenyan general elections in March 2013. The company continues to successfully pursue its regional exports growth strategy in East Africa with key markets being Tanzania, Uganda and Ethiopia.

Chococam also delivered excellent growth across all its key categories in both domestic and export markets. The company maintained its leading market share positions in chocolate spreads, chocolates, candies and gums despite heightened competitor activities in these categories.

EATBI delivered strong results for the year, despite ongoing challenges across the supply chain. The strong overall performance was driven mainly by excellent growth achieved in the higher margin Home and Personal Care categories, which is expected to continue into 2014. Its leading positions in laundry soaps and detergents were maintained during the year, despite sustained competitor activity in the form of cheap imports.

Global markets for canned deciduous fruit remained challenging in 2013. Langeberg & Ashton Foods' volumes declined marginally during the period in the face of intensely competitive pricing particularly from European-based producers. Notwithstanding this, operating income grew by 60% partly assisted by the weak rand.

The Export business enjoyed another successful year on the back of several consecutive years of sustained growth. Strong volume growth was

Commentary *(continued)*

achieved although margins were compressed slightly as a result of the need to maintain relative price points in key markets. The Export division continues to play a strong feeder and development role for our chosen categories and brands as it successfully drives market penetration in both existing and new geographies.

Davita has enjoyed a successful year and continues to deliver noteworthy volume performances in Southern and West Africa in particular. The business has been successfully integrated into the Tiger Brands stable, with the associated throughput and manufacturing efficiency programmes enabling the business to compete effectively in key markets.

NIGERIA

With regard to DFM, the focus for the year has been on the integration and consolidation of the business. This involved fixing a number of key elements of the business' delivery platform to eliminate the duplication of resources and to position the business for improved efficiencies into the future. Significant investment was also made in the up-skilling of staff and the enhancement of the workplace environment. Revenue growth and a meaningful improvement in the performance of the business, remain the foremost deliverables for the year ahead. Broadening the market universe and further improvements in the outbound logistics infrastructure are key thrusts towards achieving these objectives.

Following a disappointing performance during the previous year, Deli Foods' operating platform has remained stable during the year under review. The prospects for the business remain exciting given the size of the biscuit category as well as the opportunities for growth through product differentiation.

UAC Foods introduced additional capacity and implemented capabilities to improve manufacturing efficiencies. Capital expenditure was invested towards doubling the capacity for snacks manufacturing, increasing the end-of-line packing efficiencies and installing new capacity for spring water production. The additional capacity further enables the drive for new innovative products that will be a key vector for stimulating both volume and value growth.

OUTLOOK

Trading conditions are expected to remain challenging for the foreseeable future, with the ongoing weakness in the domestic economy continuing to affect consumers' spending ability. In this environment, competition is expected to further intensify. Margin pressures are likely to persist due to volatile commodity prices, fluctuating exchange rates and rising energy costs. The continued growth of the value sector in the domestic market is likely to exert further pressure on premium brands.

Notwithstanding these challenges, the group is well positioned to compete more effectively as a result of the various strategic initiatives currently being implemented. The brand preference for Tiger Brands' products remains high and will be strengthened through increased brand investment and innovation.

The performance of DFM is expected to improve over the next year. We are satisfied that DFM is positioned appropriately in the right categories and that solid progress is being made in all key elements of the business.

The remaining international and export businesses are expected to continue to deliver good growth.

For and on behalf of the Board

André Parker
Chairman

Peter Matlare
Chief Executive Officer

19 November 2013

DECLARATION OF FINAL DIVIDEND NO 138

The Board has approved and declared a final dividend of 555 cents per ordinary share (gross) in respect of the year ended 30 September 2013.

The dividend will be subject to the Dividends Tax that was introduced with effect from 1 April 2012. In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17 (c) of the JSE Listings Requirements the following additional information is disclosed:

- The dividend has been declared out of income reserves;
- The local Dividends Tax rate is 15% (fifteen per centum);
- There are no Secondary Tax on Companies (STC) credits utilised;
- The gross local dividend amount is 555 cents per ordinary share for shareholders exempt from the Dividends Tax;
- The net local dividend amount is 471,75 cents per ordinary share for shareholders liable to pay the Dividends Tax;
- Tiger Brands has 191 550 468 ordinary shares in issue (which includes 10 326 758 treasury shares); and
- Tiger Brands Limited's income tax reference number is 9325/110/71/7.

Shareholders are advised of the following dates in respect of the final dividend:

Last day to trade cum the final dividend	Friday, 3 January 2014
Shares commence trading ex the final dividend	Monday, 6 January 2014
Record date to determine those shareholders entitled to the final dividend	Friday, 10 January 2014
Payment in respect of the final dividend	Monday, 13 January 2014

Share certificates may not be dematerialised or re-materialised between Monday, 6 January 2014 and Friday, 10 January 2014, both days inclusive.

By order of the Board

IWM Isdale

Secretary

Sandton

19 November 2013

Condensed income statement

Rm	Notes	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
Turnover		27 003,5	22 677,0
Cost of sales		(18 565,7)	(14 465,9)
Gross profit		8 437,8	8 211,1
Sales and distribution expenses		(3 143,4)	(2 863,1)
Marketing expenses		(649,9)	(592,9)
Other operating expenses		(1 572,1)	(1 280,8)
Operating income before abnormal items	1	3 072,4	3 474,3
Abnormal items	2	(2,4)	4,8
Operating income after abnormal items		3 070,0	3 479,1
Finance costs		(399,4)	(191,0)
Interest received		20,6	52,8
Investment income		17,0	19,9
Income from associated companies		515,1	415,7
Profit before taxation		3 223,3	3 776,5
Taxation		(833,7)	(1 028,7)
Profit for the year from continuing operations		2 389,6	2 747,8
Profit for the year from discontinued operation	6	158,0	–
Profit for the year		2 547,6	2 747,8
Attributable to:			
Owners of the parent		2 569,2	2 718,2
– Continuing operations		2 508,5	2 718,2
– Discontinued operation		60,7	–
Non-controlling interest		(21,6)	29,6
– Continuing operations		(118,9)	29,6
– Discontinued operation		97,3	–
		2 547,6	2 747,8

Condensed income statement *(continued)*

Rm		Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
Basic earnings per share (cents)		1 608	1 707
– Continuing operations		1 570	1 707
– Discontinued operation		38	–
Diluted earnings per share (cents)		1 568	1 672
– Continuing operations		1 531	1 672
– Discontinued operation		37	–
Headline earnings per share (cents)	3	1 624	1 689
– Continuing operations		1 570	1 689
– Discontinued operation		54	–
Diluted headline earnings per share (cents)		1 584	1 654
– Continuing operations		1 531	1 654
– Discontinued operation		53	–
Headline earnings per share excluding DFM			
Headline earnings per share (cents)		1 781	1 689
Diluted headline earnings per share (cents)		1 737	1 654

Statement of comprehensive income

Rm	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
Profit for the year	2 547,6	2 747,8
Other comprehensive income, net of tax*	492,6	51,1
Net loss on hedge of net investment in foreign operation	(40,1)	(5,0)
Foreign currency translation adjustments	512,5	(2,3)
Net (loss)/gain on cash flow hedges	(57,3)	59,0
Net gain/(loss) on available for sale financial assets	53,0	(1,2)
Tax effect	24,5	0,6
Total comprehensive income for the year, net of tax	3 040,2	2 798,9
Attributable to:		
Owners of the parent	2 935,8	2 769,3
Non-controlling interests	104,4	29,6
	3 040,2	2 798,9

**Items that may subsequently be reclassified to profit or loss.*

Condensed statement of financial position

as at 30 September 2013

Rm	Notes	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
ASSETS			
Non-current assets		14 474,8	10 069,9
Property, plant and equipment		5 498,7	3 359,2
Goodwill		3 173,2	2 361,1
Intangible assets		2 251,4	1 651,0
Investments		3 413,3	2 654,7
Deferred taxation asset		138,2	43,9
Current assets		9 464,0	7 783,5
Inventories		4 652,7	3 657,3
Trade and other receivables		4 178,4	3 755,1
Cash and cash equivalents		632,9	371,1
Assets classified as held-for-sale	5	1 280,7	–
TOTAL ASSETS		25 219,5	17 853,4
EQUITY AND LIABILITIES			
Issued capital and reserves		12 878,1	11 302,8
Non-controlling interests		1 028,4	392,7
TOTAL EQUITY		13 906,5	11 695,5
Non-current liabilities		2 284,1	935,8
Deferred taxation liability		398,8	294,0
Provision for post-retirement medical aid		432,6	406,8
Long-term borrowings		1 452,7	235,0
Current liabilities		8 330,3	5 222,1
Trade and other payables		3 987,6	3 256,6
Provisions		561,0	515,4
Taxation		131,5	132,3
Short-term borrowings		3 650,2	1 317,8
Liabilities directly associated with assets classified as held-for-sale	5	698,6	–
TOTAL EQUITY AND LIABILITIES		25 219,5	17 853,4
Net debt		4 470,0	1 181,7

Condensed statement of cash flows

Rm		Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
Cash operating profit		4 311,3	4 224,5
Working capital changes		(337,2)	(592,3)
Cash generated from operations		3 974,1	3 632,2
Finance cost net of dividends received		(108,6)	57,6
Taxation paid		(986,2)	(1 057,6)
Cash available from operations		2 879,3	2 632,2
Dividends paid		(1 426,1)	(1 318,2)
Net cash inflow from operating activities		1 453,2	1 314,0
Purchase of property, plant and equipment		(727,6)	(480,3)
Proceeds from disposal of property, plant, equipment and intangible assets		31,1	60,8
Acquisitions	4	(2 586,4)	(316,4)
Other		1,1	3,5
Net cash outflow from investing activities		(3 281,8)	(732,4)
Proceeds from issue of share capital		17,8	24,0
Acquisition of minority shareholding in Langeberg and Ashton Foods		—	(90,1)
Long and short-term borrowings raised/(repaid)		407,7	(230,8)
Other		—	0,1
Net cash inflow/(outflow) from financing activities		425,5	(296,8)
Net (decrease)/increase in cash and cash equivalents		(1 403,1)	284,8
Cash and cash equivalents transferred to assets held-for-sale		(20,4)	—
Effect of exchange rate changes		64,6	(8,0)
Cash and cash equivalents at the beginning of the period		(735,0)	(1 011,8)
Cash and cash equivalents at the end of the period		(2 093,9)	(735,0)
Cash resources		632,9	371,1
Short-term borrowings regarded as cash and cash equivalents		(2 726,8)	(1 106,1)
		(2 093,9)	(735,0)

Other salient features

Rm	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
Capital commitments (R million)*	780,3	420,8
– contracted	372,2	104,5
– approved	408,1	316,3
Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities.		
Capital expenditure (R million)	727,6	480,3
– replacement	540,3	303,0
– expansion	187,3	177,3
Contingent liabilities (R million)		
– guarantees and contingent liabilities	78,8	18,7
Inventories carried at net realisable value	73,3	78,0
Write-down of inventories recognised as an expense	125,3	43,5

**Excluding R922 million of capital expenditure proposed but not yet approved.*

Condensed segmental information

Rm	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
Turnover		
Domestic Operations	20 250,7	19 043,0
Grains	9 736,6	8 854,0
Milling and Baking	7 243,3	6 681,9
Other Grains	2 493,3	2 172,1
Consumer Brands	10 515,0	10 190,1
Groceries	3 706,6	3 771,7
Snacks & Treats	1 924,0	1 762,2
Beverages	1 020,3	990,3
Value Added Meat Products	1 584,4	1 450,2
Out of Home	402,7	350,6
Home, Personal care and Baby (HPCB)	1 877,0	1 865,1
Domestic intergroup sales	(0,9)	(1,1)
International & Exports	6 752,8	3 634,0
Exports and international*	3 944,0	3 244,0
Nigeria	2 808,8	390,0
Discontinued operation – Agrosacks	1 087,8	–
TOTAL TURNOVER	28 091,3	22 677,0
Operating income before abnormal items		
Domestic Operations	2 881,6	3 023,3
Grains	1 632,7	1 731,7
Milling and Baking	1 396,2	1 472,9
Other Grains	236,5	258,8
Consumer Brands	1 395,2	1 522,2
Groceries	360,9	539,1
Snacks & Treats	304,1	266,9
Beverages	107,4	101,4
Value Added Meat Products	103,0	92,6
Out of Home	80,4	68,2
Home, Personal care and Baby (HPCB)	439,4	454,0
Other	(146,3)	(230,6)
International & Exports	190,8	451,0
Exports and international*	574,8	459,0
Nigeria	(384,0)	(8,0)
Discontinued operation – Agrosacks	196,9	–
TOTAL	3 269,3	3 474,3

** Excludes Nigerian businesses, comparatives restated accordingly.*

Condensed statement of changes in equity

for the year ended 30 September 2013

(Rands in millions)	Share capital and premium	Non-distributable reserves	Accumulated profits
Balance at 30 September 2011	69,7	1 189,2	10 978,6
Net profit	—	—	2 718,2
Other comprehensive income	—	51,1	—
	69,7	1 240,3	13 696,8
Issue of shares	24,8	—	—
Acquisition of minority interest	—	(71,6)	—
Transfers between reserves	—	240,2	(240,2)
Share-based payment	—	—	—
Dividends on ordinary shares	—	—	(1 314,1)
Total dividends	—	—	(1 483,9)
Less: Dividends on empowerment shares	—	—	169,8
Sale of shares by empowerment entity	—	—	—
Balance at 30 September 2012	94,5	1 408,9	12 142,5
Net profit	—	—	2 569,2
Other comprehensive income	—	366,6	—
	94,5	1 775,5	14 711,7
Issue of shares	22,8	—	—
Acquisition of business	—	—	—
Transfers between reserves	—	214,3	(214,3)
Share-based payment	—	—	—
Dividends on ordinary shares	—	—	(1 416,2)
Total dividends	—	—	(1 597,5)
Less: Dividends on empowerment shares	—	—	181,3
Sale of shares by empowerment entity	—	—	—
Balance at 30 September 2013	117,3	1 989,8	13 081,2

Shares held by subsidiary and empowerment entities	Share-based payment reserve	Total attributable to owners of the parent	Non-controlling interests	Total equity
(2 675,7)	298,0	9 859,8	385,7	10 245,5
—	—	2 718,2	29,6	2 747,8
—	—	51,1	—	51,1
(2 675,7)	298,0	12 629,1	415,3	13 044,4
—	—	24,8	—	24,8
—	—	(71,6)	(18,5)	(90,1)
—	—	—	—	—
—	34,5	34,5	—	34,5
—	—	(1 314,1)	(4,1)	(1 318,2)
—	—	(1 483,9)	(4,1)	(1 488,0)
—	—	169,8	—	169,8
0,1	—	0,1	—	0,1
(2 675,6)	332,5	11 302,8	392,7	11 695,5
—	—	2 569,2	(21,6)	2 547,6
—	—	366,6	126,0	492,6
(2 675,6)	332,5	14 238,6	497,1	14 735,7
—	—	22,8	—	22,8
—	—	—	541,2	541,2
—	—	—	—	—
—	31,3	31,3	—	31,3
—	—	(1 416,2)	(9,9)	(1 426,1)
—	—	(1 597,5)	(9,9)	(1 607,4)
—	—	181,3	—	181,3
1,6	—	1,6	—	1,6
(2 674,0)	363,8	12 878,1	1 028,4	13 906,5

Notes

Rm	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
1. Operating income before abnormal items		
Depreciation (included in cost of sales and other operating expenses)	640,1	425,6
Amortisation	47,4	19,5
IFRS 2 (included in other operating expenses)		
– Equity settled	36,2	35,6
– Cash settled	98,0	142,1
2. Abnormal items		
Acquisition cost	(15,0)	(25,3)
Profit on disposal of property, plant and equipment and intangibles	11,1	36,2
Impairment of property, plant and equipment	—	(0,9)
Write-off of intangible assets	(2,9)	—
Other	4,4	(5,2)
	(2,4)	4,8
3. Reconciliation between profit for the year and headline earnings		
Continuing operations		
Profit for the year attributable to owners of the parent	2 508,5	2 718,2
Profit on disposal of property, plant and equipment and intangibles	(3,0)	(34,3)
Impairment of property, plant and equipment	—	0,6
Write-off of intangible assets	2,9	—
Headline earnings adjustment – Associates		
– Impairment of intangible assets	—	5,9
– Profit on disposal of property, plant and equipment and intangible assets	(0,9)	(0,4)
Headline earnings for the year	2 507,5	2 690,0
Tax effect of headline earnings adjustments	2,3	5,3
Attributable to non-controlling interest	(2,9)	—
Discontinued operation		
Profit for the year attributable to owners of the parent	60,7	—
Loss on disposal of property, plant and equipment	9,7	—
Loss on remeasurement to fair value of transfer of net asset to held-for-sale	16,3	—
	86,7	—
Tax effect of headline earnings adjustments	—	—
Attributable to non-controlling interest	(15,3)	—

Notes *(continued)*

Rm	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
3. Reconciliation between profit for the year and headline earnings *(continued)*		
Headline earnings excluding DFM		
Profit attributable to owners of the parent	2 508,5	2 718,2
Negative contribution from DFM	342,7	—
	2 851,2	2 718,2
Profit on disposal of property, plant and equipment and intangible assets	(7,9)	(34,3)
Impairment of property, plant and equipment	—	0,6
Write-off of intangible assets	2,9	—
Headline earnings adjustment – associates	(0,9)	—
	2 845,3	2 684,5
Tax effect	2,4	5,3
Attributable to non-controlling interest	—	—
4. Business combinations and other acquisitions		
The purchase consideration of acquisitons accounted for in terms of IFRS 3 – Business combinations comprised the following:		
Property, plant and equipment	2 370,8	2,5
Goodwill	646,3	—
Intangible assets	134,1	—
Inventories	868,0	5,7
Trade and other receivables	728,9	12,6
Cash and cash equivalents	(32,4)	—
Non-controlling interest	(529,6)	—
Borrowings	(1 465,4)	—
Deferred taxation	(140,1)	—
Trade and other payables	(1 064,5)	(10,3)
Taxation	(31,1)	—
Fair value of assets acquired	1 485,0	10,5
Amount owing from vendors	27,6	—
Cash and cash equivalents	32,4	—
Purchase consideration of business combinations	1 545,0	10,5
Other acquistions:		
Acquisition of intangible assets	485,0	207,0
Increased investment in associate companies	556,4	97,1
Other acquistions and repayment of loans	—	1,8
Total purchase consideration	2 586,4	316,4

On 4 October 2012, Tiger Brands acquired 63,35% of the issued share capital of Dangote Flour Mills Plc, a company based in Nigeria and engaged mainly in the manufacturing of flour, pasta and noodles, for a purchase consideration of R1,5 billion. Details of other acquisitions are discussed in the commentary.

Notes

Rm	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
5. Assets transferred to held-for-sale		
Salt River factory held-for-sale	6,5	–
Assets related to Dangote Agrosacks Limited, held-for-sale	1 274,2	–
Assets classified as held-for-sale	1 280,7	–
The major classes of assets and liabilities of the Agrosacks business at the end of the reporting period are as follows:		
Property, plant and equipment	561,1	–
Deferred asset	36,7	–
Inventories	243,6	–
Trade and other receivables	412,4	–
Cash and cash equivalents	20,4	–
	1 274,2	–
Liabilities directly associated with assets classified as held-for-sale		
Borrowings	(199,0)	–
Trade and other payables	(491,3)	–
Deferred liability	(8,3)	–
	(698,6)	–
Foreign currency translation reserve related to assets classified as held-for-sale	(73,1)	–
Non-controlling interest related to assets classified as held-for-sale	(129,4)	–
Net assets of Dangote Agrosacks, classified as held-for-sale	373,1	–

The group intends to dispose of its Salt River factory, out of the Beverages operating segment, within the next 12 months. No impairment loss was recognised on the reclassification of the factory as held-for-sale as the expected fair value less cost to sell is higher than the carrying value.

The group plans to dispose of its subsidiary, Dangote Agrosacks Limited, out of the Nigerian operating segment, due to the non-strategic fit within the Tiger Brands group, and anticipates that the disposal will be completed by December 2013. As the expected fair value less cost to sell is lower than the carrying value, an impairment loss of R25,8 million has been recognised on reclassification of the business as held-for-sale.

Notes

Rm	Audited Year ended 30 September 2013	Audited Year ended 30 September 2012
6. Analysis of profit from discontinued operation		
The results of the discontinued operation included in the profit for the year are set out below:		
Turnover	1 087,8	–
Expenses	(890,9)	–
Operating income before abnormal items	196,9	–
Loss on remeasurement to fair value on transfer of net assets to held-for-sale	(25,8)	–
Operating income after abnormal items	171,1	–
Finance costs	(47,6)	–
Profit before taxation	123,5	–
Taxation	34,5	–
Profit for the year from discontinued operation	158,0	–
Attributable to non-controlling interests	(97,3)	–
Attributable to owners of parent	60,7	–
Cash flows from discontinued operation		
Net cash inflows from operating activities	266,1	–
Net cash outflows from investing activities	(178,6)	–
Net cash outflows from financing activites	(227,8)	–
Net cash outflows	(140,3)	–

The Dangote Agrosacks Limited business was acquired effective 4 October 2012 as part of the Dangote Flour Mills Plc acquisition per note 4 and as a result there are no comparatives which require restatement. A decision was made to dispose of the business during the year, resulting in Dangote Agrosacks Limited being classified and accounted for at 30 September 2013 as a disposal group held-for-sale – refer note 5.

7. Preparation of results

The condensed results for the year ended 30 September 2013 have been prepared in accordance with IAS 34 – Interim Financial Reporting – and the Listings Requirements of the JSE Limited. The principal accounting policies and methods of computation are consistent with those used in the audited Annual Financial Statements for the year ended 30 September 2012.The preparation of these results has been supervised by O Ighodaro, Chief Financial Officer of Tiger Brands Limited.

Ernst & Young Inc., Tiger Brands Limited's independent auditors, have audited the consolidated annual financial statements of Tiger Brands Limited from which the condensed consolidated financial results have been derived. The auditors have expressed an unmodified audit opinion on the consolidated annual financial statements. The condensed consolidated financial results comprise the condensed consolidated statement of financial position at 30 September 2013, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the year then ended, and selected explanatory notes. Although derived from consolidated annual financial statements, the condensed annual financial statements themselves have not been audited. The preparation of the condensed financial statements are the responsibility of the directors and have been correctly extracted from the underlying audited numbers.

The audit report of the consolidated annual financial statements is available for inspection at Tiger Brands Limited's registered office.

Independent non-executive directors

A C Parker (Chairman), B L Sibiya (Deputy Chairman), S L Botha, R M W Dunne (British),
K D K Mokhele, M P Nyama, R D Nisbet, M Makanjee, M J Bowman

Executive directors

P B Matlare (Chief Executive Officer), C F H Vaux,
O Ighodaro (Chief Financial Officer) (Nigerian)

Company Secretary

I W M Isdale

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