



Group Results Presentation

for the year ended 30 September 2016





Index



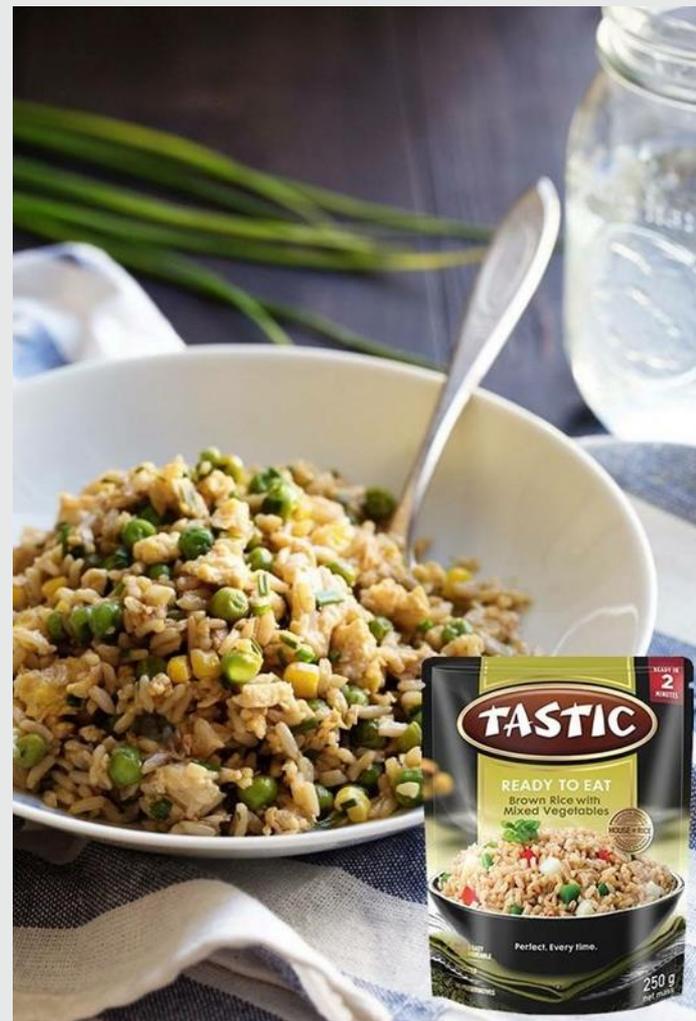
Overview



Financial & operating performance



Strategic review





Disclaimer

Forward-looking statement

This document contains forward looking statements that, unless otherwise indicated, reflect the company's expectations as at 23 November 2016. Actual results may differ materially from the company's expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove to be inaccurate. The company cannot guarantee that any forward looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward looking statements. The company disclaims any intention and assumes no obligation to update or revise any forward looking statement even if new information becomes available as a result of future events or for any other reason, save as required to do so by legislation and/or regulation.



Lawrence Mac Dougall
Chief Executive Officer

TIGER BRANDS

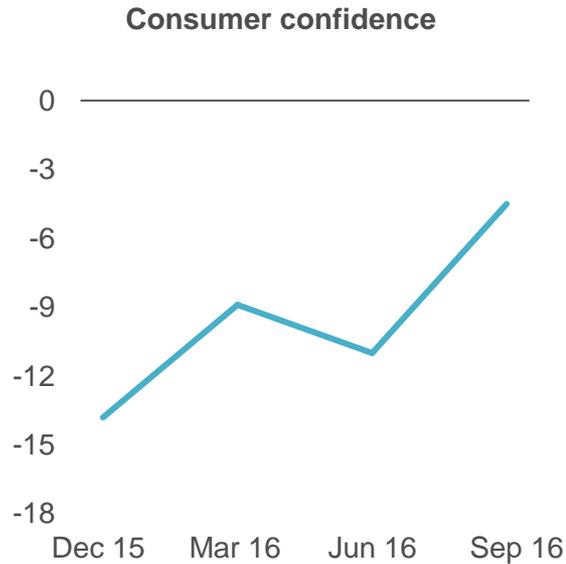




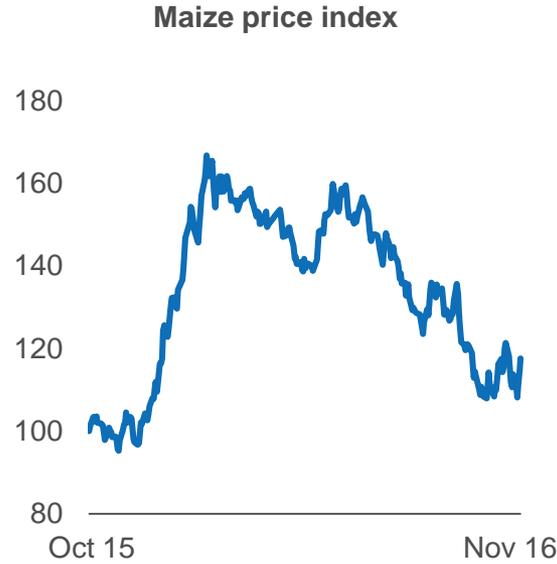
A year characterised by a volatile external environment

Including socio-political turbulence

Weak consumer confidence



Abnormal raw material inflation



Unpredictable forex markets



Source: Bloomberg, Factset



Solid results from continuing operations

Group performance*

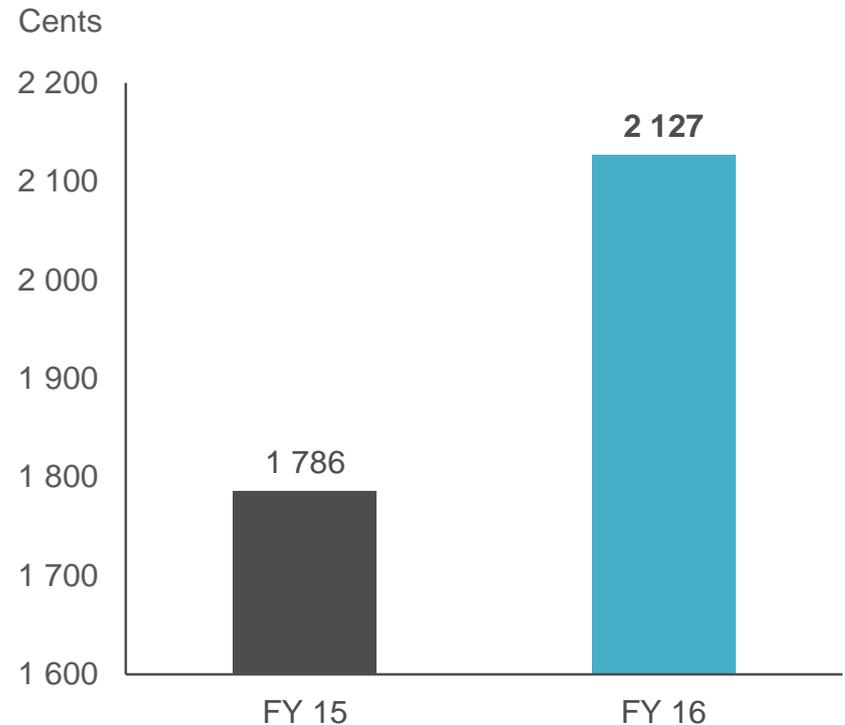
Group volumes up
1%

Group turnover up
11%
to **R31.7 billion**

Group operating income up
5%
to **R4.2 billion**

Total dividends up
12%
to **1 065 cents**

Total HEPS up **19%**



* From continuing operations | Group operating income from continuing operations before abnormal items, impairments & IFRS 2 charges



Strong overall performance in tough environment

Domestic

- Volumes up 2%
- Power brands maintain leading positions
- Continued cost savings & investments
- Disciplined price/volume management

International (including Exports)

- Deciduous Fruit (LAF) delivers exceptional earnings growth
- Seventh consecutive year of growth from Central Africa
- Exports & West Africa impacted by macro-economic challenges



Sustained market leadership in power brands

 <p>#1</p>	 <p>#1</p>	 <p>#1</p>	 <p>#1</p>	 <p>Only the best will do</p> <p>#1</p>
 <p>#1</p>	 <p>#1</p>	 <p>#1</p>	 <p>#1</p>	 <p>#2</p>
 <p>#1</p>	 <p>#1</p>	 <p>#2</p>	 <p>#1</p>	 <p>#1</p>

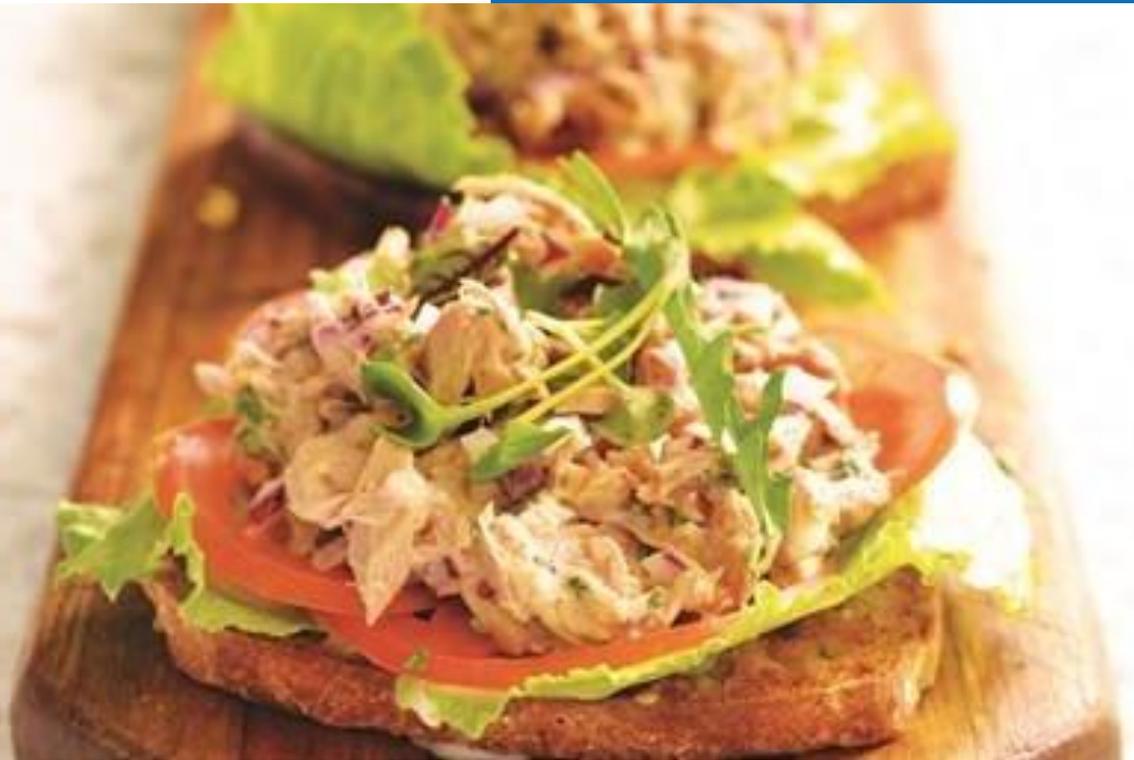
Source: Nielsen package share, 12 month moving average to September 2016



Building on operational excellence

Moving to a high performance culture

Operational excellence	<ul style="list-style-type: none">○ Excellent in-store execution○ On-shelf availability at 96% up from 89%○ Achieved further savings of R380 million, including<ul style="list-style-type: none">○ Procurement savings of R211 million○ Innovation rate improves to 4.5% of turnover from 3.5%
People & culture	<ul style="list-style-type: none">○ Improved engagement○ Achieved Top Employer status
Social responsibility	<ul style="list-style-type: none">○ Food programmes feed 100,000 children daily○ Sustainable socio-economic development gaining momentum



Financial & operating performance

Noel Doyle

Chief Financial Officer

TIGER BRANDS





Credible operating performance*

Boosted by forex gains & associate growth but offset by higher tax rate

Rm	2016	2015	% change
Turnover	31 698	28 660	11%
Cost of sales	(21 499)	(18 981)	13%
Operating income before IFRS 2 charges	4 243	4 055	5%
IFRS 2 charges	(89)	(29)	207%
Operating income before impairments & abnormal items	4 154	4 026	3%
Impairments & abnormal items	(324)	(339)	4%
Net finance costs	(297)	(224)	(33%)
Foreign exchange gains	121	21	476%
Income from associated companies	861	603	43%
Profit before taxation	4 515	4 087	10%
Taxation	(1 221)	(977)	(25%)
Profit for the year	3 294	3 110	6%
Operating margin before IFRS 2 charges	13.4%	14.1%	(0.7%)
Effective tax rate	30.9%	25.6%	
EPS (cents per share)	2 007	1 930	4%
HEPS (cents per share)	2 130	2 091	2%

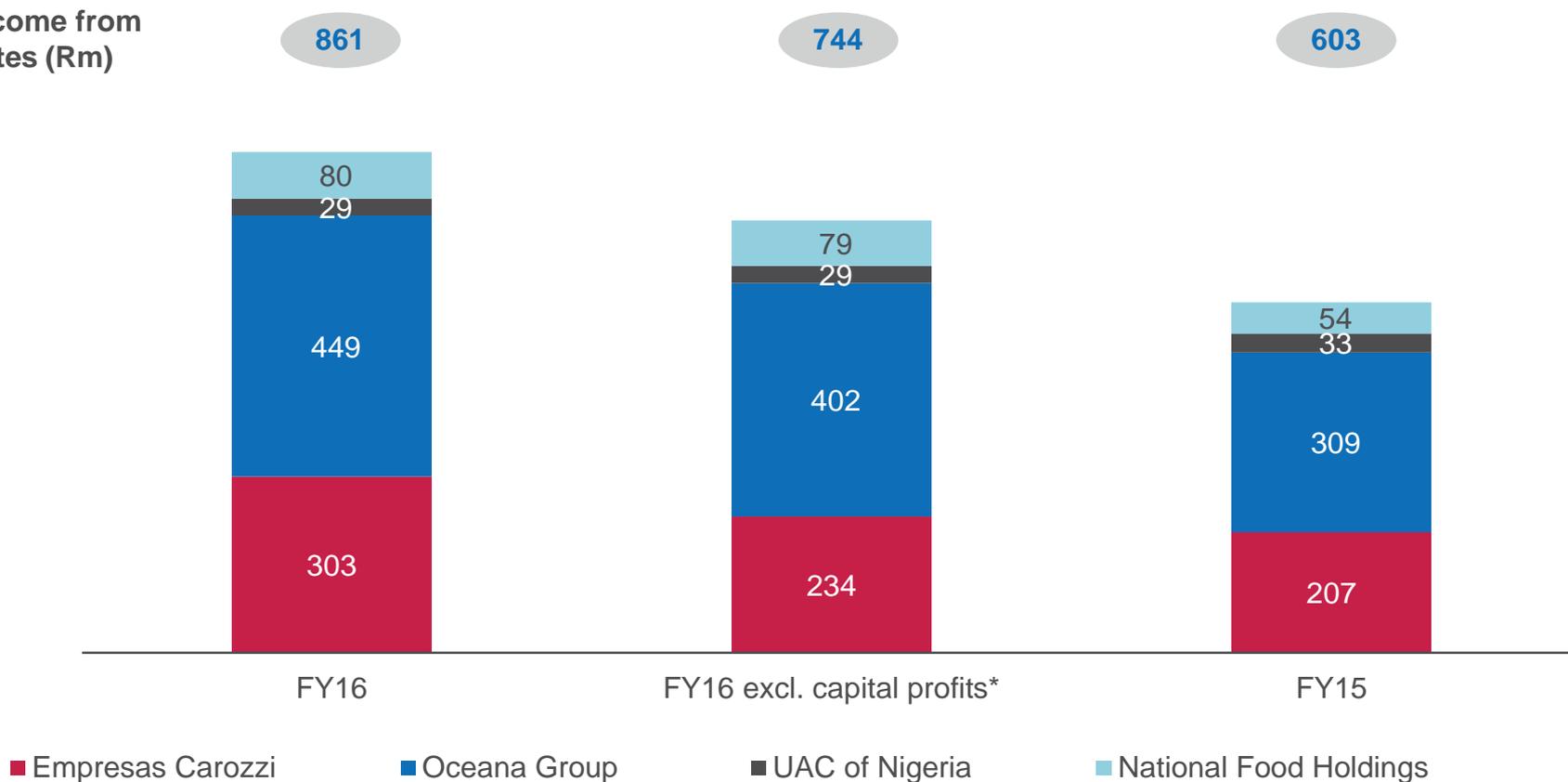
* From continuing operations | Effective tax rate before abnormal items, impairments & associate income



Income from associates up 43%

Associates contribution driven by once-off items

Total income from associates (Rm)

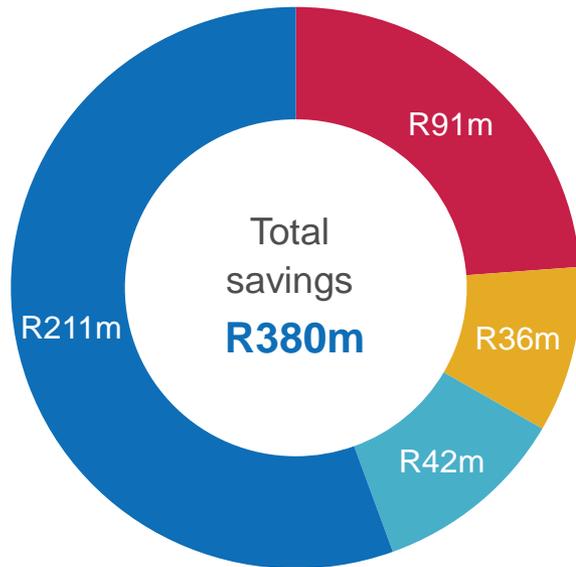


* Excludes capital profits of R69m in Carozzi, R47m in Oceana & R1m in National Foods Holdings



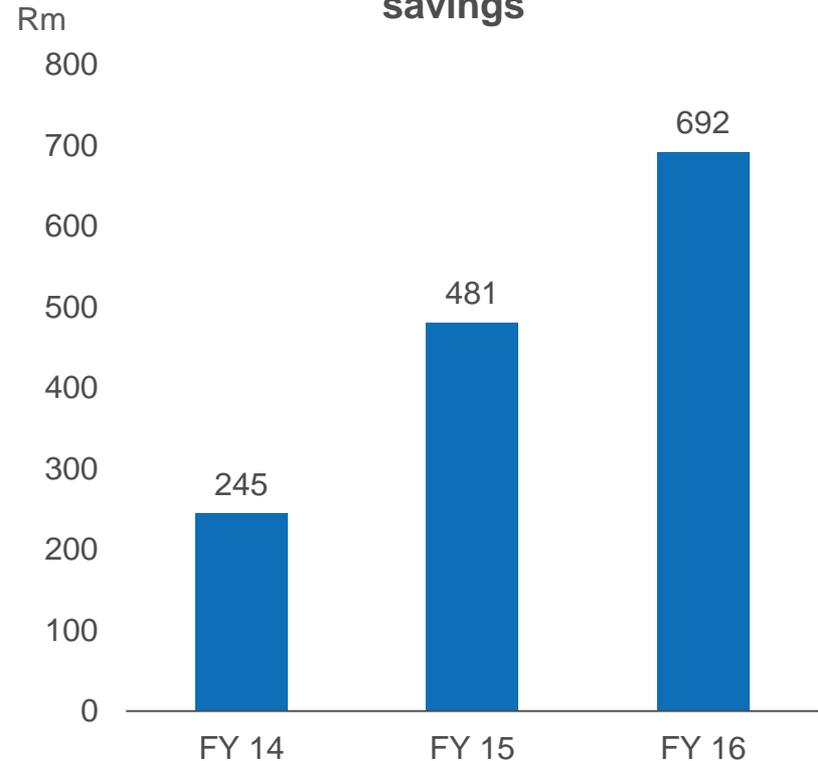
Cost awareness – a key contributor to performance

Achieved continuous improvement savings of R380 million



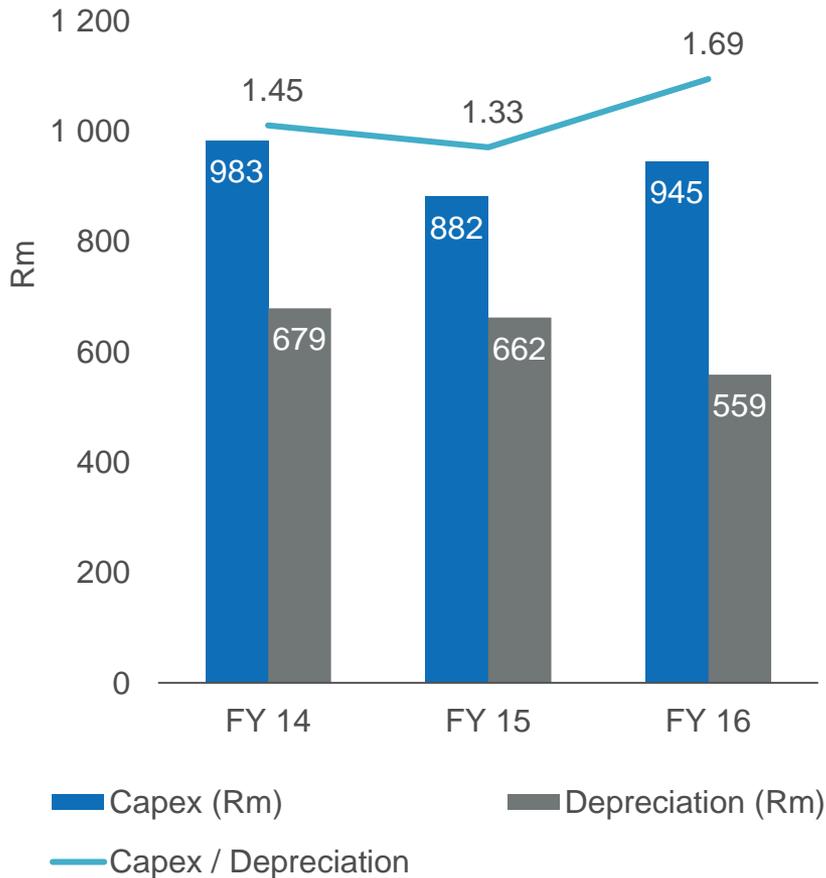
- Manufacturing efficiencies
- IT platform
- Financial shared service centre
- Procurement savings

3 year cumulative procurement savings

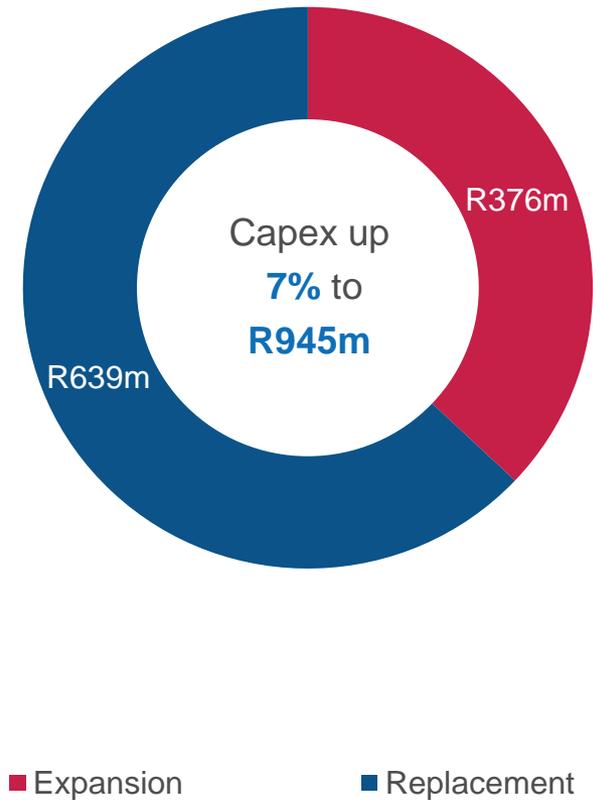




Continue to invest in growth, efficiency & flexibility



Capex & acquisition spend for FY16 (Rm)





Cash flow improves

Debt reduction impacted by TBCG disposal

Rm	2016	2015
Cash operating profit	4 837	4 396
Working capital changes	(604)	(812)
Cash generated from operations	4 233	3 584
Finance costs net of dividends received	109	(71)
Taxation paid	(1 107)	(1 159)
Dividends paid	(1 661)	(1 643)
Capex & acquisition	(1 015)	(882)
Exercise of share options held in BMT & other	59	397
Disposal of TBCG debt	1 142	-
Investments	-	(525)
Opening Balance – Net cash/(debt)	(3 788)	(3 489)
Closing Balance – Net cash/(debt)	(2 028)	(3 788)



Balance sheet strength provides capacity for investment in future growth

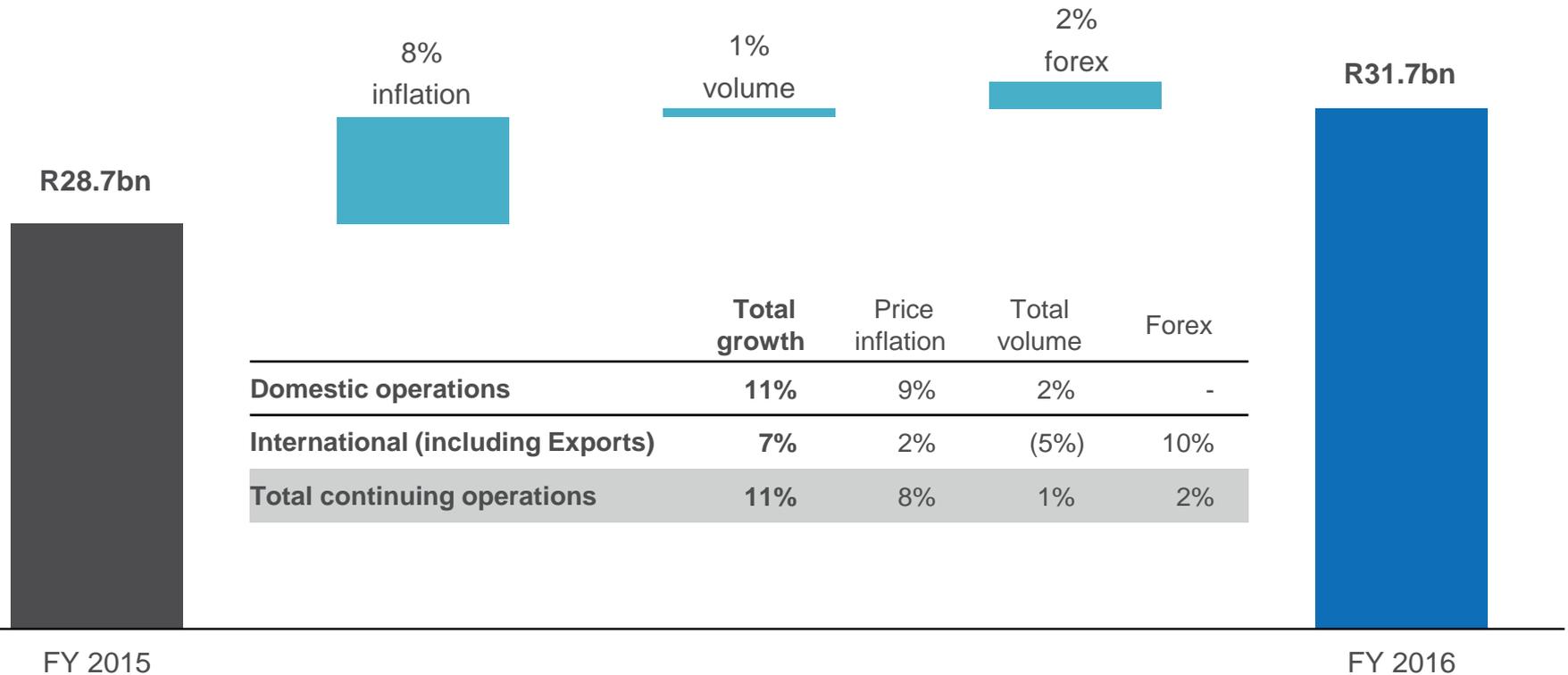
	2016*	2015
Cash generated from operations (Rm)	4 233	3 584
Net (debt) / cash (Rm)	(2 028)	(3 788)
Net debt / equity (%)	13	28
Net debt / EBITDA	0.4x	0.8x
RONA (%)	31	26
Net interest cover (times)	14	18*

* From continuing operations



Group turnover up 11% to R32 billion

Group volumes up 1%, domestic volumes up 2%





Group achieves double-digit turnover growth

Strong performances from Groceries, Beverages & Home Care

	Grains	Consumer Brands Food	HPCB	International (incl. Exports)	Group*
Volume	-	▲ 3%	▲ 6%	▼ 5%	▲ 1%
Turnover	R12.8bn ▲ 13%	R11.0bn ▲ 9%	R2.4bn ▲ 13%	R5.4bn ▲ 7%	R31.7bn ▲ 11%
Operating income**	R2.0bn ▼ 3%	R1.2bn ▲ 9%	R0.5bn ▲ 20%	R0.5bn ▲ 19%	R4.2bn ▲ 5%
Operating margin**	▼ 15.6%	10.8%	▲ 21.9%	▲ 10.2%	▼ 13.4%

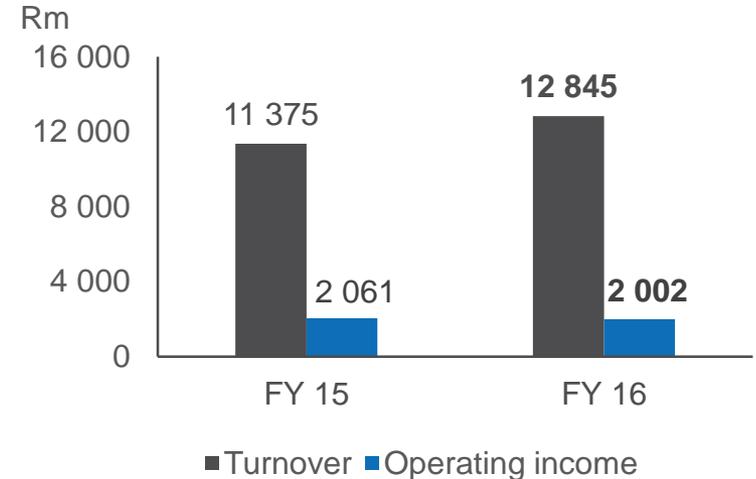
* From continuing operations ** Before abnormal items, impairments & IFRS 2 charges



Grains

Resilient in tough environment – margin distorted by abnormal inflation

- Solid performance from core business (Millbake)
 - Offset by Maize & Sorghum
- Albany volumes grow despite challenges in Western Cape
 - Leading position in bread maintained
 - Western Cape bakery online end FY17
- Other Grains driven by Jungle & Fatti's & Moni's
 - Strong volume growth in Fatti's & Moni's
 - Launch of instant noodles
 - Single-serving Jungle cups



Raw material costs

▲ 22%

Marketing investment

▲ 13%

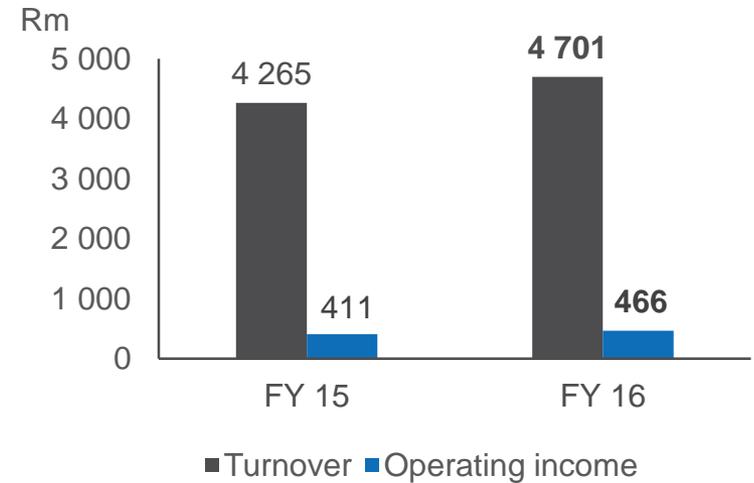




Groceries

Benefits from successful price/volume management in H2

- Strong growth in volumes
- Revenue up 10%
- Operating income up 13%
- Input costs impacted by drought and currency volatility
 - Appropriate pricing strategy implemented
- Improved manufacturing performance
- KOO retains South Africa's favourite brand status
 - Ahead of leading international brands





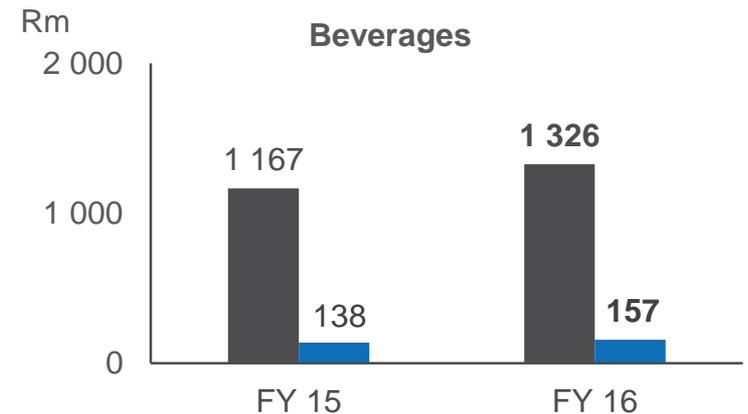
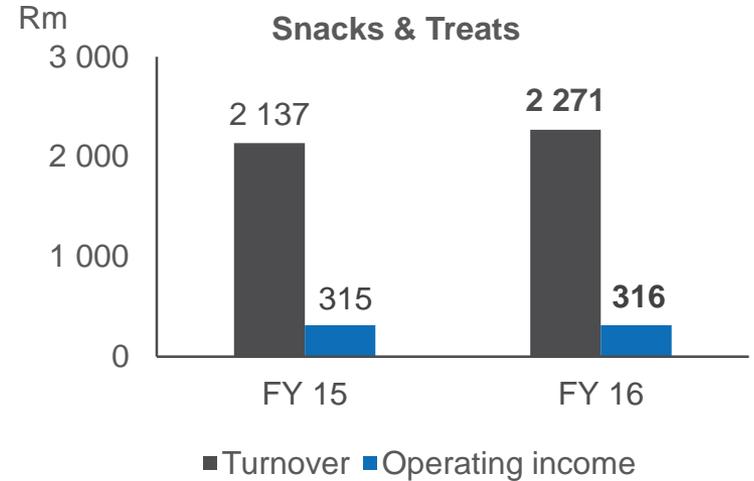
Snacks, Treats & Beverages

Snacks & Treats returned to growth in H2

- Revenue up 13%
- Operating income up 14%
- Boosted by performance of countlines & hard candies
- Improved service levels

Beverages – H2 delivers enhanced performance

- Improved margins with cost recovery
- Focus on mix management
- Investment enhances productivity





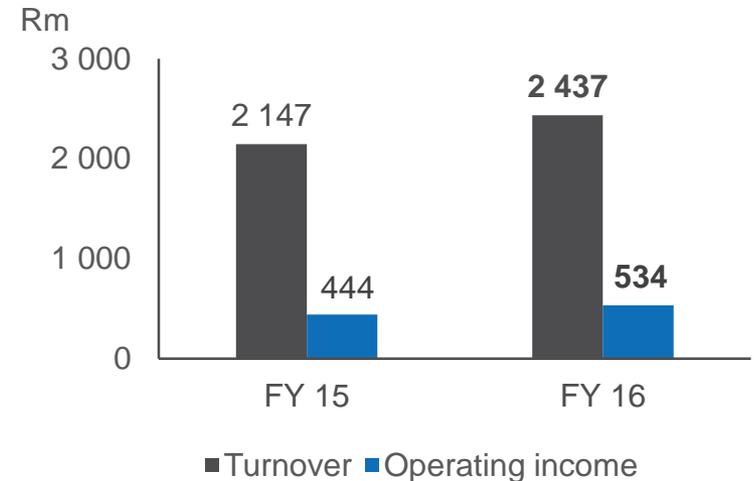
Home, Personal & Baby Care (HPCB)

Exceptional performance repeated

- Outstanding performance from Home Care
- Personal Care delivers growth in competitive environment
- Baby Care impacted by consumer down-trading

- Turnover up 13%
- Operating income up 20%
- Margins improve to 21.9%

- Performance underpinned by
 - Innovation
 - Operational efficiencies
 - In-store execution

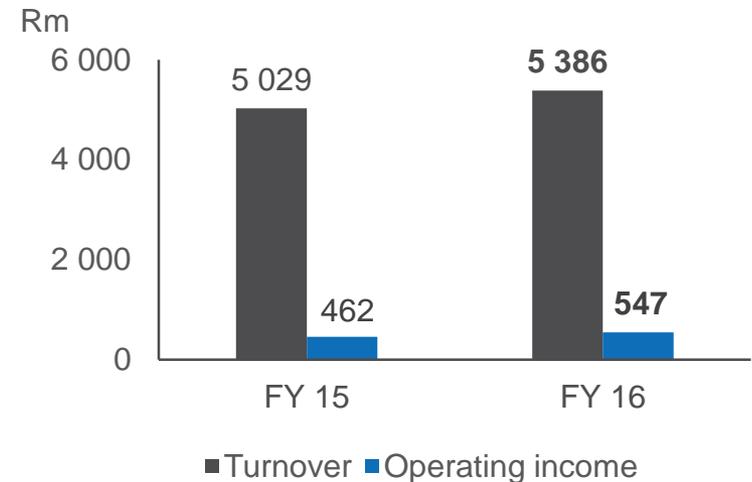




International (including Exports)

Strong growth with mixed performances

- **Deciduous Fruit (LAF)** benefits from favourable exchange rates, improved yields & cost containment
- **Central Africa** delivers 7th year of consecutive growth
 - Volumes driven by chocolate bars & spreads
 - Innovation up to 7.2% of turnover
- **East Africa** driven by recovery at Haco
 - Announced disposal of EATBI
- **Exports** impacted by macro-economic challenges
 - Demand for brands remains robust
- **West Africa** impacted by delayed recovery in cost push driven by currency devaluation
 - Power shortages
 - Value Added Tax





Outlook

- Difficult trading environment to persist
- Inflation to remain high
- Forex & commodity prices remain volatile

Focus areas

- Leverage power brands to grow market share
- Optimise margin
- Accretive innovation & targeted investment
- Aggressive focus on cost savings
- Drive high performance culture



**LOVE AT
FIRST BITE**

Strategic review

Lawrence Mac Dougall

Chief Executive Officer

TIGER BRANDS



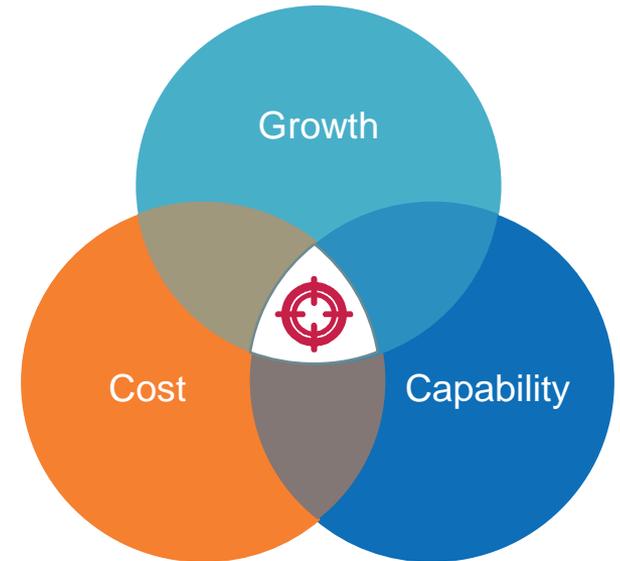


Strategic review in progress

Developing a strategy for sustainable profitable growth



- Rejuvenate domestic operations to profitable growth
- International strategy accretive to domestic performance
- Build a capable & cost conscious culture with the capacity to grow
- Winning through a high performance culture





Leadership

Board and Executive Committee appointments

- Khotso Mokhele to be appointed chairman at upcoming AGM

- Kevin Hedderwick & Emma Mashilwane join the board as non-executive directors

- Mary-Jane Morifi joins as Corporate Affairs Executive in December

- Neil Brimacombe resigned as Business Executive effective 31 January 2017



Investor Relations

Nikki Catrakilis-Wagner
Group Investor Relations Executive

investorrelations@tigerbrands.com

T: +27 11 840 4841

TIGER BRANDS





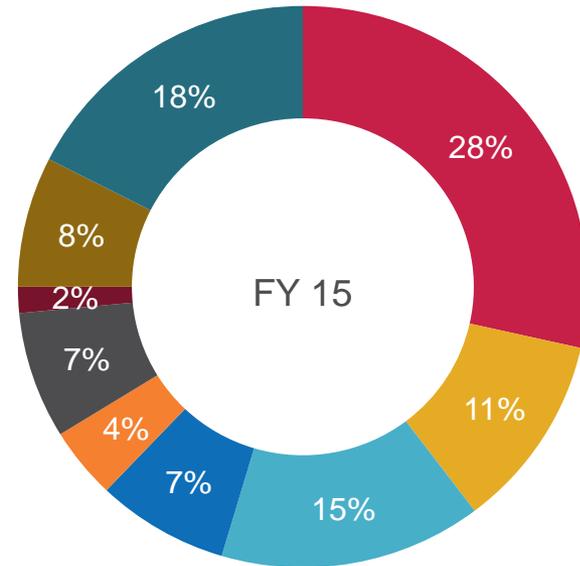
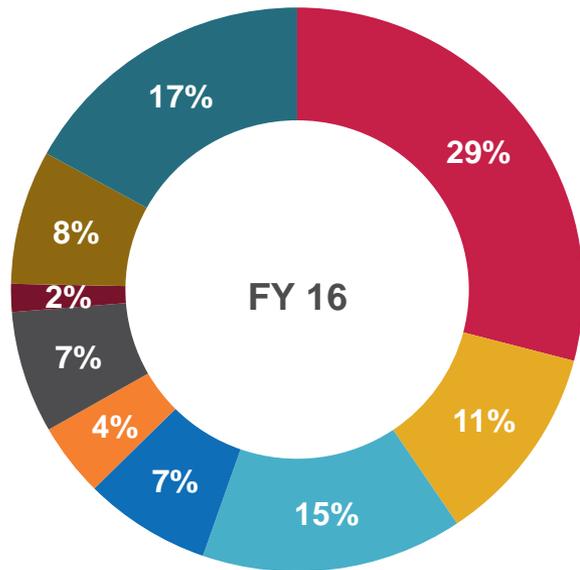
Appendices

TIGER BRANDS





Contribution to turnover*



- Milling and baking
- Snacks and treats
- Out of home

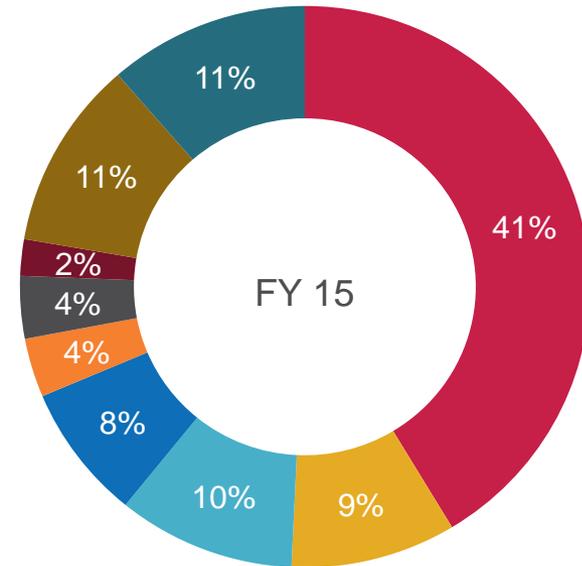
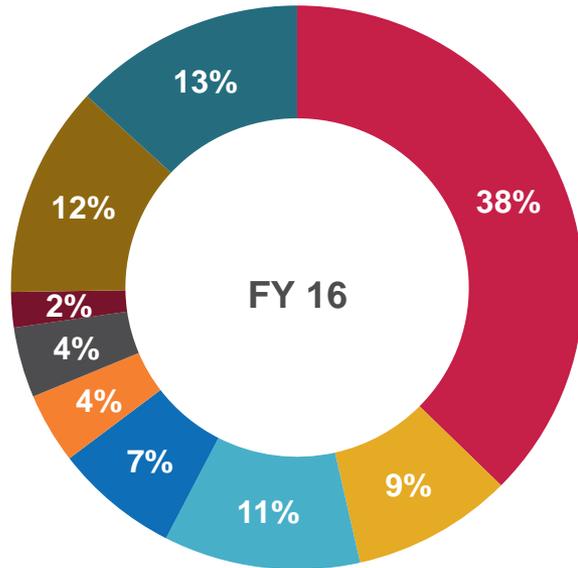
- Other grains
- Beverages
- HPCB

- Groceries
- Value added meat products
- International (including Exports)

* From continuing operations



Contribution to operating income*



- Milling and baking
- Snacks and treats
- Out of home

- Other grains
- Beverages
- HPCB

- Groceries
- Value added meat products
- International (including Exports)

* From continuing operations, before abnormal items, impairments and IFRS 2 charges



Net working capital days

	2016*	2015*
Working capital per R1 of turnover	23.3	23.7
Net working capital days	100	102
Stock days	86	90
Debtor days	40	39
Creditor days	26	27

* From continuing operations



Investor Relations

Nikki Catrakilis-Wagner
Group Investor Relations Executive

investorrelations@tigerbrands.com

T: +27 11 840 4841

TIGER BRANDS

