INTEGRATED ANNUAL REPORT

for the year ended 30 June 2015

MORE THAN
20
WELL KNOWN AND MUCH LOVED BRANDS

ONE OF THE LARGEST PROCESSORS AND MARKETERS OF CHICKEN IN AFRICA

27 million
CHICKENS ON THE GROUND AT ANY TIME

1,4 million tons
OF ANIMAL FEED PER YEAR

A LEADING SUGAR PRODUCER IN SA, PRODUCING A THIRD OF SA'S SUGAR OUTPUT

702 000 tons
OF SUGAR PER YEAR

550 000 tons
OF FLOUR AND MAIZE MILLED PER YEAR

300 000
PIES PER DAY

500 000
LOAVES OF BREAD PER DAY

80 tons
OF MAYONNAISE PER DAY

MORE THAN
1 500
VEHICLES

20 479
EMPLOYEES

CONTENTS

OUR BUSINESS STRUCTURE

We implemented our new organisation through restructuring of the four subsidiaries into three logical divisions.

RCL FOODS CONSUMER DIVISION

Business units: Chicken; Speciality; Grocery; Pies and Beverages; Foodsolutions

RCL FOODS SUGAR & MILLING DIVISION

Business units: Sugar; Milling and Baking; Animal Feed

VECTOR LOGISTICS

Logistics business responsible for Group-wide route to market

WAREHOUSING
DISTRIBUTION
SUPPLY CHAIN INTELLIGENCE
SALES SOLUTIONS

OUR AFRICAN VENTURES

WHO WE ARE AND WHAT WE DO

RCL FOODS is a leading African food producer with a market capitalisation of R16 billion, employing 20 479 people in operations across South Africa, Swaziland, Namibia, Botswana and Zambia. We manufacture a wide range of branded and private label food products which we distribute through our own route-to-market supply chain specialist, Vector.

In line with our passion to **provide more food to more people, more often**, we have recently acquired a number of businesses with strong brands which have enabled us to diversify our offering and significantly enhance our reach. This has resulted in an expanded product range which extends from basic essentials to top-end added-value products.

Through our newly created divisions – **Consumer, Sugar & Milling** and **Vector** – we manufacture and distribute a wide range of products under household brand names including Selati sugar, Supreme flour, Rainbow and Farmer Brown chicken, Pieman's pies, Mageu Number 1 beverages, Sunbake bread, Nola mayonnaise, Yum Yum peanut butter, Bobtail and Catmor pet food products and the leading animal feed brands Epol and Molatek. We also offer a wide range of dedicated services to foodservice customers across South Africa and beyond our borders.

Our divisional structure allows for an enhanced category focus in our core businesses (chicken, sugar, grains and animal feed), whilst delivering into the rapidly growing area of added-value products (food solutions, speciality, pies, grocery, baking, beverages and added-value chicken). Our integrated outbound supply chain business is a key enabler in this enterprise, providing RCL FOODS, as well as various third party customers, with a fleet of more than 1 500 vehicles that distribute more than 60 million cases across South and Southern Africa each year.

BOWL

FILLED ABUNDANTLY
Representing the rising opportunity in Africa and the desire to sustain its people

RCL FOODS is a food company. It is therefore fitting that our icon is representative of food. It is made up of two parts. The first part, the bottom half, represents a food bowl and that shape symbolises balance, harmony and community. The second part, the top half, represents a serving of food. It is rainbow shaped which symbolises hope, opportunity and prosperity. The two parts together represent a bowl filled with an abundance of food.

RCL FOODS

OUR PASSION

MORE FOOD TO MORE PEOPLE, MORE OFTEN

WE BELIEVE IN DOING MORE...

with a single minded passion to provide more food to more people, more often. We believe that by nourishing people while sustaining our resources, everyone wins. Communities will be enriched, employees inspired and our customers and shareholders will enjoy the benefits.

MORE FOOD

Deliver more nourishing food, better value and greater choice.

Build our portfolio with strong brands. Gain a bigger share of meals by driving added-value products and relentless innovation.

MORE PEOPLE

Make food choices available to all people.

Increase market share in existing categories and find new consumers in new categories and markets.

MORE OFTEN

Provide affordable food to everyone, every day, everywhere.

Reach new consumer occasions through increased distribution and better penetration.

AMBITION

To build a profitable business of scale by creating food brands that matter.

STRATEGIC THRUSTS

- Grow through strong brands
- Extend our leading value chain
- Inspire great people
- Partner with strategic customers
- Expand into Africa
- Drive sustainable business

VALUES

- RESPECT FOR PEOPLE
- SEEING AND DOING THINGS DIFFERENTLY
- UNCOMPROMISING INTEGRITY
- ACT RESPONSIBLY

REPORTING APPROACH

The aim of the integrated annual report is to provide stakeholders with a balanced and holistic view of the financial, social, environmental and economic impacts of RCL FOODS Limited ("RCL FOODS" or "Group") to enable them to obtain a better understanding of the Group's long-term prospects. This report includes all the subsidiaries of RCL FOODS. It covers the performance for the year ended 30 June 2015 and provides a view of operations of the Group with relevant comparisons to the previous period.

There has been no change in the scope and boundary of this report, relative to the previous report, nor have there been significant changes in the size or ownership during the current reporting period, other than through organic growth of operations. There has been no material restatement of information provided in earlier reports. Where historical data has been adjusted in this report, the relevant numbers have been annotated and a brief explanation included at the bottom of the tables. Given the substantial corporate activity in the 2013 and 2014 financial years, RCL FOODS has continued to provide *pro forma* financial results for the previous financial year, to give shareholders a better understanding of the underlying performance of the Group.

The Group changed its operating structure during the 2015 financial year, from four operating subsidiaries, Foodcorp, Rainbow, TSB and Vector, to three business divisions: "Consumer" (which houses Rainbow as well as Foodcorp's Grocery, Beverage, Pie and Speciality divisions), "Sugar & Milling" (which houses TSB, Rainbow's Feed division Epol and Foodcorp's Milling and Baking divisions) and Vector (logistics and sales service for RCL FOODS and third party customers). There is also a Group Shared Services function that oversees issues pertaining to strategy, finance, information technology, human resources, governance and communication and a Group treasury function. Due to the reporting changes required to give effect to the new divisional structures, RCL FOODS will only report its segmental information on this basis in the 2016 financial year.

In compiling this report, RCL FOODS has considered the following requirements:

- International Financial Reporting Standards (IFRS) in respect of the annual financial statements;
- The JSE Listings Requirements;
- King III;
- The Companies Act, 2008, as amended;
- Sustainability Reporting Guidelines developed by the Global Reporting Initiative (GRI); and
- The International Integrated Reporting Framework.

The information in this report has been selected to cater for the interests of stakeholders that require a broad overview of the present and future direction and prospects of the RCL FOODS Group – shareholders, funders, regulators, prospective employees, suppliers and community members, amongst others. Stakeholders with more in-depth needs, such as employees and customers are invited to contact RCL FOODS directly or visit our website, www.rclfoods.com for further information.

Matters that substantially affect the Group's ability to create and sustain value over the short, medium and long-term are considered material and are included in this report. Material issues are identified and selected for inclusion through an evaluation of RCL FOODS' risk register, as well as a process of dialogue amongst senior executives and the board.

The integrated report forms part of, and should be read in conjunction with a suite of reports available online on our website. Other reports available are:

- Corporate governance report
- Risk report
- Remuneration report
- Sustainability report
- Annual financial statements.

ASSURANCE AND APPROVAL

The information in the Group's Integrated Annual Report has been verified by a combination of internal and external assurance providers. Details of the assurance element and providers are set out in the relevant sections of the Annual Financial Statements, page 3 and the Sustainability Report, page 3 both reports being available on our website www.rclfoods.com.

The Board acknowledges its responsibility for the content of RCL FOODS' Integrated Annual Report. The Board has assessed the content of this report and believes that it addresses all material issues and fairly presents the integrated performance of the Group. The Board has authorised the release of this report at the RCL FOODS Board meeting held on 1 September 2015.

RCL FOODS values feedback and therefore welcomes any questions or comments regarding this report. These can be emailed to the Company Secretary, John Maher, at john.maher@rclfoods.com. Stakeholders are also directed to the Group's website for this report and other relevant additional supporting reports and compliance information such as the Group's Sustainability Report for the 2015 financial year, King III application table and committee charters.

USABILITY FEATURES

This icon signifies that related information is available elsewhere in the report.

This icon signifies that related information is available online at www.rclfoods.com.

For ease of use and referencing, all these reports have also been incorporated into an expanded integrated report, available online or in downloadable form. Shareholders are also reminded that they are entitled to a hard copy on demand. Shareholders may request a copy by contacting the Company Secretary.


Supreme
FLOUR
SUPREME
BAKING
ACADEMY

OUR HISTORY

1891

A small family-owned flour mill, Ruto Witz, situated in Pretoria, was established.

ESTABLISHED BY SMALL FAMILY

1916

Our first animal feed mill was built. Today we are recognised as one of the leading manufacturers of animal feeds.

LEADING MANUFACTURERS OF ANIMAL FEEDS

1960

Rainbow Chicken started its operation on a farm in Hammarsdale. Today it has become one of the biggest processors and marketers of chicken in Africa.

1963

Rainbow's first processing plant in Hammarsdale was commissioned.

RAINBOW'S FIRST PROCESSING PLANT

1965

Our sugar mill operation in Malelane began cultivating and processing sugar cane. Today we are one of the biggest sugar producers in South Africa, producing a third of the country's total sugar output.

1989

Rainbow was listed on the JSE.

RAINBOW LISTS ON JSE

2004

Vector Logistics was acquired with the strategic intent of controlling and optimising the outbound supply chain.

2013

A R3,9 billion rights offer

Acquired Foodcorp, South Africa's third largest food producer.

Acquired 49.0% interest in Zam Chick in Zambia.

Company name changed from Rainbow Chicken Limited to RCL FOODS Limited.

ACQUIRED FOODCORP

2014

Acquired TSB Sugar Holdings.

Acquired 49,0% of Botswana-based Senn Foods Logistics.

Implemented a new BEE transaction.

2015

US$4,0 million investment in a greenfileds hatchery operation in Zambia (51,0% in Zamhatch).

Signed a deal to acquire a 33,5% stake in Ugandan poultry producer Hudani Manji Holdings Limited.

UGANDAN POULTRY ACQUISITION

OUR STRATEGY

OUR PASSION IS TO PROVIDE MORE FOOD TO MORE PEOPLE, MORE OFTEN.

We believe in doing more… with a single minded passion to provide more food to more people, more often. We believe that by nourishing people while sustaining our resources, everyone wins. Communities will be enriched, employees inspired and our customers and shareholders will enjoy the benefits.

In our Passion to do "more", we are driven by a desire to improve people's access to nourishing food while achieving sustained business growth. The three "mores" of our Passion are a simple expression of our interlinked social and business agenda.

MORE FOOD

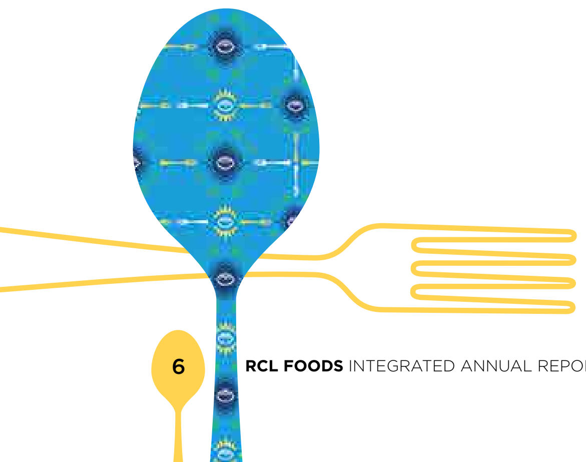
means delivering more nourishing food, better value and greater choice to our consumers. We achieve this as a business by building our portfolio with strong brands and by gaining a bigger share of consumer meals by driving added-value products and relentless innovation.

MORE PEOPLE

means making food choices available to all people, not just some. Doing so requires us to increase our market share in our existing categories and find new consumers in new categories and markets.

MORE OFTEN

means providing affordable food to everyone, every day, everywhere. We will achieve this by reaching new consumer occasions through increased distribution of our products and better market penetration.



OUR VALUES

A strong value system underpins our business model, drives our strategy and informs our behaviours at all levels.

RESPECT FOR PEOPLE

goes hand in hand with seeing and doing things differently. By treating all people with dignity and fairness, we get to create a diverse, inclusive, performance-based culture where people are inspired to be the best they can be.

SEEING AND DOING THINGS DIFFERENTLY

is our key competitive advantage, and the reason why we can keep moving forward and achieving more. We are energetic, passionate and driven by a desire to innovate in every part of our business. Not only do we encourage change to create value, but we embrace it to stay relevant.

UNCOMPROMISING INTEGRITY

ensures that we are consistently ethical in our conduct, and that honesty and transparency govern all our business relationships.

ACT RESPONSIBLY

is a collective mandate that drives our actions at all levels. We believe that we have both a responsibility and accountability for the protection of the environment, and the wellbeing of the communities, in which we operate.

OUR AMBITION

Our ambition is to build a profitable business of scale by creating food brands that matter. Having expanded our scale through strategic acquisitions in 2013/14, we are now working towards a goal of doubling our revenue in five years, whilst driving a steady and sustainable improvement in operating margin. To realise our ambition, we are dedicated to creating food brands that people love – brands that make an impact on their lives and cater to their needs.

OUR BUSINESS MODEL

Our journey started over three years ago with the restructuring of the Rainbow business and the acquisition of Foodcorp. With our subsequent acquisition of TSB and the establishment of joint ventures in Zambia (Zam Chick, Zamhatch) and Botswana (Senn Foods), we were transformed into an African food producer of scale. This gave us a solid foundation from which to expand through the execution of our growth-focused business model.

Both in South Africa and the rest of Africa, substantial opportunities exist to expand RCL FOODS' market share across food product categories. Our sizeable portfolio of core categories enables us to reach a wide range of consumers and diverse touch points through depth of distribution and strong market penetration. It also contributes to growing our scale and cash flow as a basis for future strategic growth.

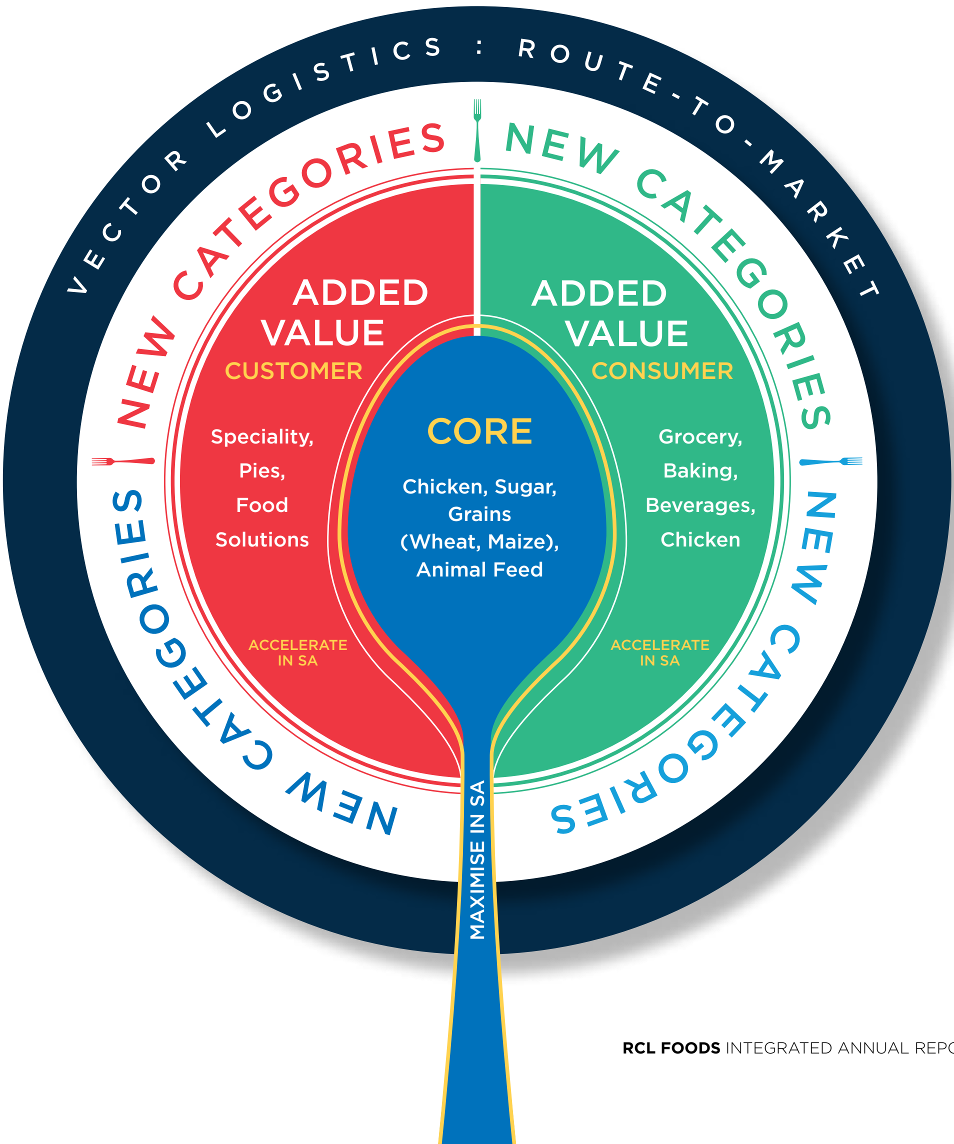
With the above context in mind, our business model focuses on growing our revenue and profit across both our core and added-value categories. In South Africa, where we already have a wide market penetration, we will focus on maximising the potential of our core categories (chicken, sugar, grains and animal feed) while accelerating growth in higher-margin, added-value categories tailored to our customers' requirements (food solutions, speciality products and pies) and our consumers' needs (groceries, baking, beverages and added-value chicken).

In the rest of Africa, we will focus our efforts on first establishing a strong presence in the four core categories, then on introducing added-value offerings as we build scale in these markets. At the same time, we are always looking to expand our markets across South Africa and in the rest of Africa by acquiring new businesses or categories in line with our ambition.

Vector is a key enabler in our business model, providing us with a dedicated and highly efficient route-to-market service. As an integrated outbound supply chain business, Vector's sales, logistics and distribution capabilities will play a crucial role in delivering on our business model while boosting efficiencies in line with our ambition. Going forward, it is our intention that Vector will influence 100% of RCL FOODS' route-to-market.

Our business model will be delivered through six strategic thrusts:

- grow through strong brands
- partner with strategic customers
- extend our leading value chain
- inspire great people
- expand into Africa
- drive sustainable business.



STRATEGIC THRUSTS AND PROGRESS

GROW THROUGH STRONG BRANDS

RCL FOODS owns a large portfolio of leading brands that enjoy wide support from consumers across multiple product categories. We intend to exploit this position of strength by investing consistently behind our brands. We will grow our categories and our market share as we increase the penetration and consumption of these brands and broaden their reach through product extensions and innovation. Our category leadership will also be enhanced as we continue to produce for retailer-owned brands, where relevant.

As part of this process we will strive to understand our consumers better and drive innovation to address their changing needs. In line with market dynamics, we will also acquire new brands and/or businesses to gain access to new strategic growth categories.

In the well-developed South African market, the above strategy will focus on maximising potential of our core categories and accelerating added-value categories tailored for customer and consumer needs, in line with our business model. In this way we aim to grow ahead of the market in key categories and drive a steady and sustainable improvement in operating margin.

R243 million
INVESTMENT INTO NEW UHT BEVERAGE AND PET FOOD PLANTS

** Ultra-high-temperature*

2015 ACHIEVEMENTS

- Rainbow's new business model is delivering more profitable, consistent results. The changed business model has assisted in driving strong operational performance, as well as allowing Rainbow to grow prices ahead of the market in the retail mainstream area. (Rainbow's pre-IAS 39 EBITDA grew 120,7% to R667,6 million, while margin increased to 7,4% against *pro forma* results).
- TSB had a good year, growing production volumes to 702 000 tons and increasing EBITDA from R349,3 million to R505,1 million. Selati sugar also had a strong share performance throughout the year.
- Nola and Yum Yum started to show signs of an encouraging market share turnaround in the last three months. Efficiencies generated by our newly commissioned Polyethylene Terephthalate ("PET") plant also assisted in achieving good margin growth.
- We are investing R243,0 million in new UHT beverages and pet food plants to accelerate innovation and growth in these categories.

2016 KEY DELIVERABLES

- Our chicken business has made substantial improvements in operating margin and we aspire to improve this further. We will continue to drive the new business model in pursuit of our targeted margins.
- Low cost, efficient operations are in the DNA of our sugar business. We will continue to drive synergies from centralised services in line with our "one company" philosophy.
- We have developed a comprehensive set of turnaround strategies for underperforming categories (Milling & Baking, Pies and Speciality), which we expect to bear fruit in 2016.
- Product and packaging innovations are also a significant feature for the next year, with exciting offerings being brought to market.

PARTNER WITH STRATEGIC CUSTOMERS

We have developed mutually beneficial, strategic partnerships with a range of Quick Service Restaurant ("QSR") and retail customers by providing solutions tailored to their needs. One of these is South Africa's premium food retailer, Woolworths, which our Speciality division supplies with superior Ready to Eat and convenience food products. Another is the foodservice industry in South Africa, to which we are a leading supplier of tailored chicken solutions for QSR brands such as KFC, Nando's and Chicken Licken. We also have partnerships with various retailers for whom we produce and package customised, retailer-owned brands in categories such as sugar, mayonnaise, peanut butter and pet food. Finally, we strategically pursue joint business partnerships with retailers in key categories where we have common growth and profitability ambitions.

2015 ACHIEVEMENTS

- Rainbow's strong growth in QSR is evidence of our commitment to building and maintaining lasting relationships with key strategic partners across the fast food industry.
- We have introduced various new categories, such as mayonnaise, desserts and sugar into the QSR network in the 2015 financial year.
- We commissioned a fourth Speciality plant for Woolworths in Worcester (R30,0 million investment) to drive growth and bring the supply of chilled products to the Western Cape region.

2016 KEY DELIVERABLES

- We will continue to strengthen existing relationships and introduce further products for the QSR market.
- We will work to sharpen our strategic focus per category per customer, and to build on joint business partnerships where relevant.
- We will conclude our work on the Manufacturing Blueprint for Speciality, which aims to extract efficiencies through the manufacturing network and processes while creating space for growth.

R30 million
INVESTMENT INTO NEW SPECIALITY PLANT FOR WOOLWORTHS

EXTEND OUR LEADING VALUE CHAIN

We will leverage Vector's route-to-market capabilities (warehousing and distribution, call centres, sales and merchandising and debtors and information management) across the Group with the intention of Vector influencing 100% of our route-to-market.

The Group's enhanced scale provides opportunities to optimise resources and costs in key areas such as Finance, IT Resources and Systems, Strategic Sourcing and People and Organisational Management (with an emphasis on achieving the "Right Organisation").

Value can also be extracted by maximising our growth opportunities through leveraging our foodsolutions, marketing and sales capabilities. Our enhanced scale will also enable us to engage in higher-level relationships with our customers and business partners.

2015 ACHIEVEMENTS

- In the past year we set up a transformation management office (TMO) to drive a single company mindset, which will play a critical role in progressing our transformation agenda, identifying growth opportunities, achieving savings and extracting synergies across the business.
- Centralised sourcing generated savings of R115,3 million in 2015, relative to savings of R103,0 million in 2014. Significant focus has been placed on leveraging Information Technology (IT) to maximise opportunities in this regard.
- We successfully launched a new sales force, Vector Trade Marketing, in July 2014, creating 1 064 additional jobs and increasing revenue by R93,0 million.
- The Pieman's warehousing solution which was implemented in August 2014 generated additional revenue of R12,0 million in the 2015 financial year.

2016 KEY DELIVERABLES

- We anticipate spending R304,0 million of capex on three key supply chain expansion initiatives that are due to be completed during the 2016 financial year. These include the new Vector facility in Port Elizabeth (Coega) as well as the expansion of both the Thekwini and Peninsula depots.
- We will continue to optimise resources and costs and drive synergies through the TMO.
- We will continue to explore opportunities for Vector to leverage its route-to-market capabilities across the Group, as identified in extensive engagements over the last financial year.
- IT is a key driver in unlocking business value through its ability to extract synergies between the divisions, optimise the supply chain and identify opportunities for integrated product offerings across divisions. There will be a strong focus on maximising this competitive advantage within the Group.

R115 million
SAVINGS FROM SOURCING IN 2015

INSPIRE GREAT PEOPLE

Developing our talent, building leaders and creating the "right organisation" are crucial to achieving our growth ambitions and delivering on our Passion. A key thrust in this process is the identification of Standards of Leadership which capture the leadership attributes and behaviours we see as key in developing a performance-driven, accountability-based culture. Leadership at RCL FOODS is defined as an ability to lead in four main areas: Performance, Change, People and Self. These categories address the most salient aspects of who we are: a performance-driven organisation that combines excellence with a passion for innovation and inspires greatness in all its people.

4 NEW
STANDARDS
OF LEADERSHIP

2015 ACHIEVEMENTS

- We implemented our new organisation and restructured the four subsidiaries into three logical divisions. We have already seen benefits from the new structure in terms of cost savings, synergies in the supply chain and new products and services which are being pursued across our three divisions.
- The implementation of the new organisation, in conjunction with a thorough review of our Passion and Ambition, has created a tangible energy and willingness in the business to see and do things differently and to realise new and exciting possibilities for the Group.
- New Standards of Leadership have been defined and rolled out throughout the business to develop a common vision across management of how to, amongst others, create a high performance culture, inspire people to exceed expectations, encourage experimentation and innovation and lead by example.
- We launched three new Leadership Development Programmes across various management levels, along with several training and skills development programmes.
- We implemented performance management programmes that standardise performance evaluations and align targets across the business.

2016 KEY DELIVERABLES

- We will continue to implement the new organisation through inspired leadership and people.
- Our high performance culture requires high performance people. Continuously upskilling and developing our people is an important driver of performance and job satisfaction. Functional capability and skills development is a key focus area for 2016.
- We will continue to build a business culture based on performance and accountability, through aligned targets and incentive schemes.

EXPAND INTO AFRICA

Growth in the African population and increasing global food demand in decades to come make expansion into the rest of Africa a moral and economic necessity. Our goal is for our Rest of Africa operations to contribute approximately 10,0% of our revenue by 2020.

We will follow a low-risk expansion strategy by following our established customers, entering into joint ventures with other established players in food and route-to-market, and acquiring or establishing new businesses to broaden ownership of our value chain.

2015 ACHIEVEMENTS

- Post year-end, we acquired 33,5% of Hudani Manji Holdings Limited, a poultry producer in Uganda. This is an exciting opportunity to enter the East African region with an established, reputable partner. The company operates a feed mill, broiler farms and processing plant in the country and the new venture will create one of the largest processors and marketers of chicken in both Uganda and East and Central Africa, as well as being the regional leader in the supply of fresh and frozen chicken, offering a broad portfolio of chicken products in this market.
- Senn Foods Logistics, a joint venture in Botswana which was entered into during the 2014 financial year, has delivered solid results with an after tax profit contribution of R7,6 million and is a good example of our approach to a sound strategic partnership in Africa. Senn Foods has a capable management team and has recently invested in an infrastructure expansion to prepare for the planned growth over the coming years.
- Zam Chick exceeded expectations with strong volume growth driven by consumer demand. We are striving to make chicken more affordable to people in Zambia and to this end we were able to keep price increases below inflation. Equity accounted earnings increased a pleasing 41,1% versus the prior year despite the rand strengthening against the Zambian Kwacha during the year by 6,0%. Volume growth is expected to remain strong in 2016.
- Investment in our new breeding operation in Zambia, Zamhatch, is well advanced. This investment comprises a breeding farm, a hatchery operation and a feed mill.
- Royal Swaziland Sugar Corporation ("RSSC") sugar production has been positive, but profitability was constrained by downward pressure on sugar prices in the European Union. RSSC (in which TSB holds a 27,4% shareholding) contributed an after tax profit of R84,2 million to our earnings, a decrease of 11,9% against the 2014 *pro forma* R95,6 million profit after tax.

SIGNED A DEAL FOR A **R50 million** INVESTMENT IN UGANDAN POULTRY PRODUCTION

2016 KEY DELIVERABLES

- An amount of R84,0 million (no taxation impact) relating to work-in-progress spend for Massingir, the proposed greenfields sugar project in Mozambique, has been impaired in the current year as a suitable funding structure that reduces the risk to the Group within the mandate set by the board of directors, had not been obtained.
- We will continue to explore further low-risk entry points into Africa in line with our African expansion strategy.

DRIVE SUSTAINABLE BUSINESS

We believe that by nourishing people while sustaining our resources, everyone wins. Communities are enriched, employees are inspired and our customers and shareholders enjoy the benefits.

RCL FOODS is working towards setting ambitious goals which align with the Sustainable Development Goals (SDGs), namely:

- **Nourishing people**
  Providing economic and physical access to food for all, providing more food choices to improve nutrition, defining the social purpose of our brands and promoting food security through sustainable agriculture.
- **Enriching communities**
  Promoting sustained, inclusive and sustainable economic growth, productive employment and decent work for all.
- **Sustaining resources**
  Ensuring sustainable consumption and production patterns, driving efficiencies, reducing waste and promoting beneficiation.

We are working towards demonstrating our commitment to these goals through real examples and achievements.

37,7 GWh OF CO-GENERATED ELECTRICITY SUPPLIED TO GRID

2015 ACHIEVEMENTS

- We are actively looking for ways to convert the waste generated throughout our supply chain, into value. In the current year, TSB generated 223,8 GWh electricity from bagasse – a 10,0% increase over last year and exported 37,7 GWh electricity into the national grid.
- We started investigating the viability of turning post-processing poultry oil into bio-diesel in partnership with a young and upcoming technology provider, DNA Biofuels. After converting 400 litres of poultry oil into diesel, and doing the necessary quality testing, the plant was upgraded from a batch system to a continuous process. The upgraded process is undergoing further tests for different feed stocks in order to increase production volumes. To date about 10 000 litres of bio-diesel was used to replace liquid furnace oil at RCL FOODS' operations.
- We have installed a real time water monitoring system in our Worcester processing facilities resulting in a 15,0% reduction of potable water use. Worcester water use reduced from 12 litres per bird to consistently below 10 litres per bird after the installation. The system was designed in-house and will be rolled out to Hammarsdale and Rustenburg poultry processing facilities in the 2016 financial year.
- We source our sugar cane from over 1 600 individual farmers who support communities of more than 12 800 people. Some 15,0% of these are small-scale growers. With the support of the Department of Rural Development and Land Reform, TSB partnered with farmers in KwaZulu-Natal and Mpumalanga to produce 988 516 tons of cane during the 2014/15 season.

2016 KEY DELIVERABLES

- Following the conclusion of a pilot study at one of our plants, we will implement a poultry waste-to-energy project and continue to investigate, innovate and trial options of converting waste into value.
- We will continue to develop our sustainable sourcing policy (which provides guidelines for specific procurement category strategies) and initiate its roll-out to suppliers.
- In line with our corporate social investment strategy, we will launch a flagship initiative that will have a focused impact on the communities in which we operate.
- We will review and align our sustainability goals across the Group and finalise our sustainability roadmap to 2020.

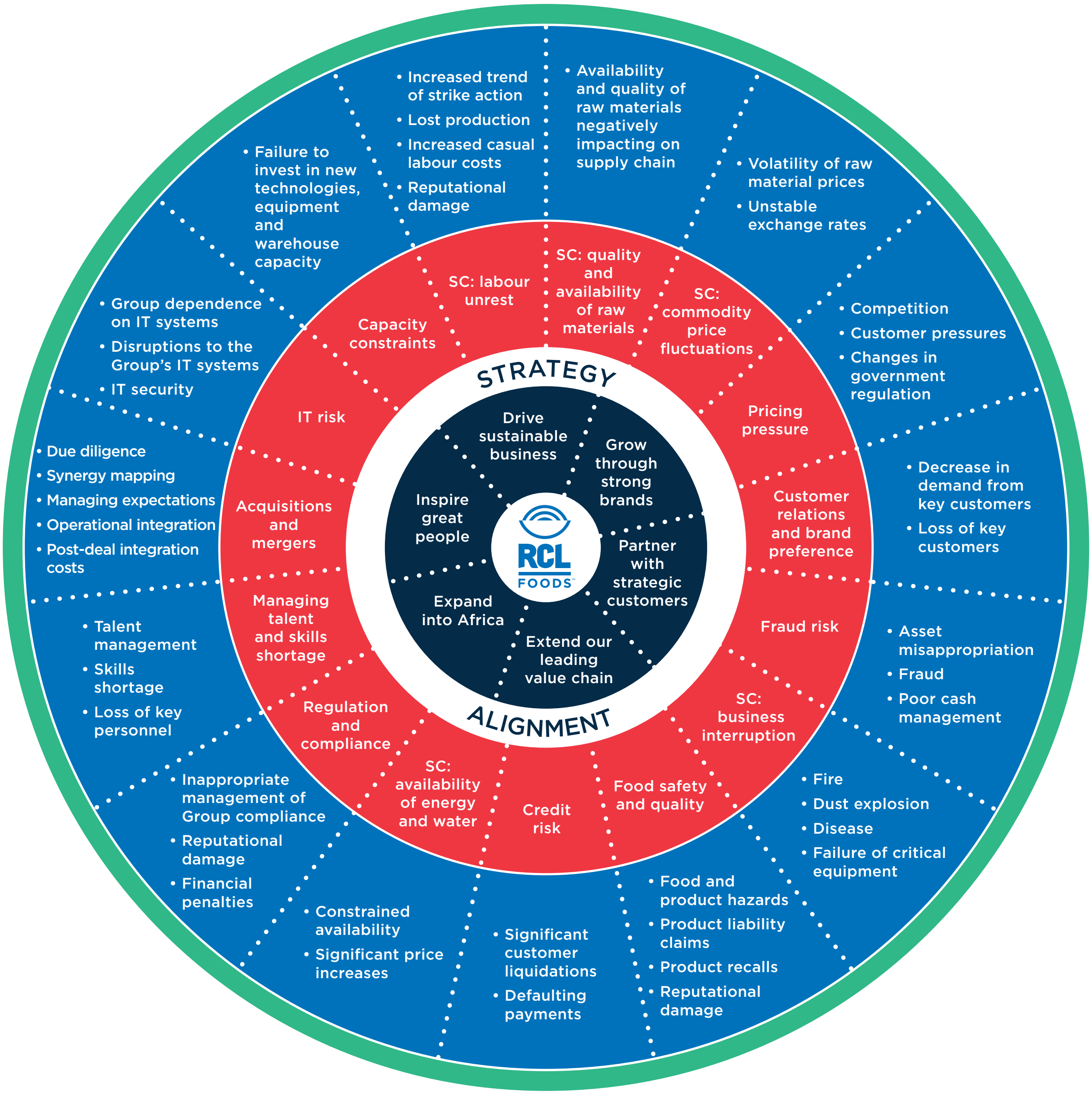
OPERATING CONTEXT

RCL FOODS operates in a complex environment where macro-economic, social, regulatory, natural and technological factors can impact the Group's strategy. These factors form the foundation for defining RCL FOODS' risk universe, as represented below.

The risk universe considers risks that affect the long-term performance and positioning of the Group, and includes 15 risk portfolios that RCL FOODS and its divisions are committed to managing.

Detail of the risk assessment process, risk portfolio context and RCL FOODS' response to these risks is included on page 2 of the risk management report available on our website at www.rclfoods.com.

RCL FOODS RISK UNIVERSE



Note: SC = supply chain.

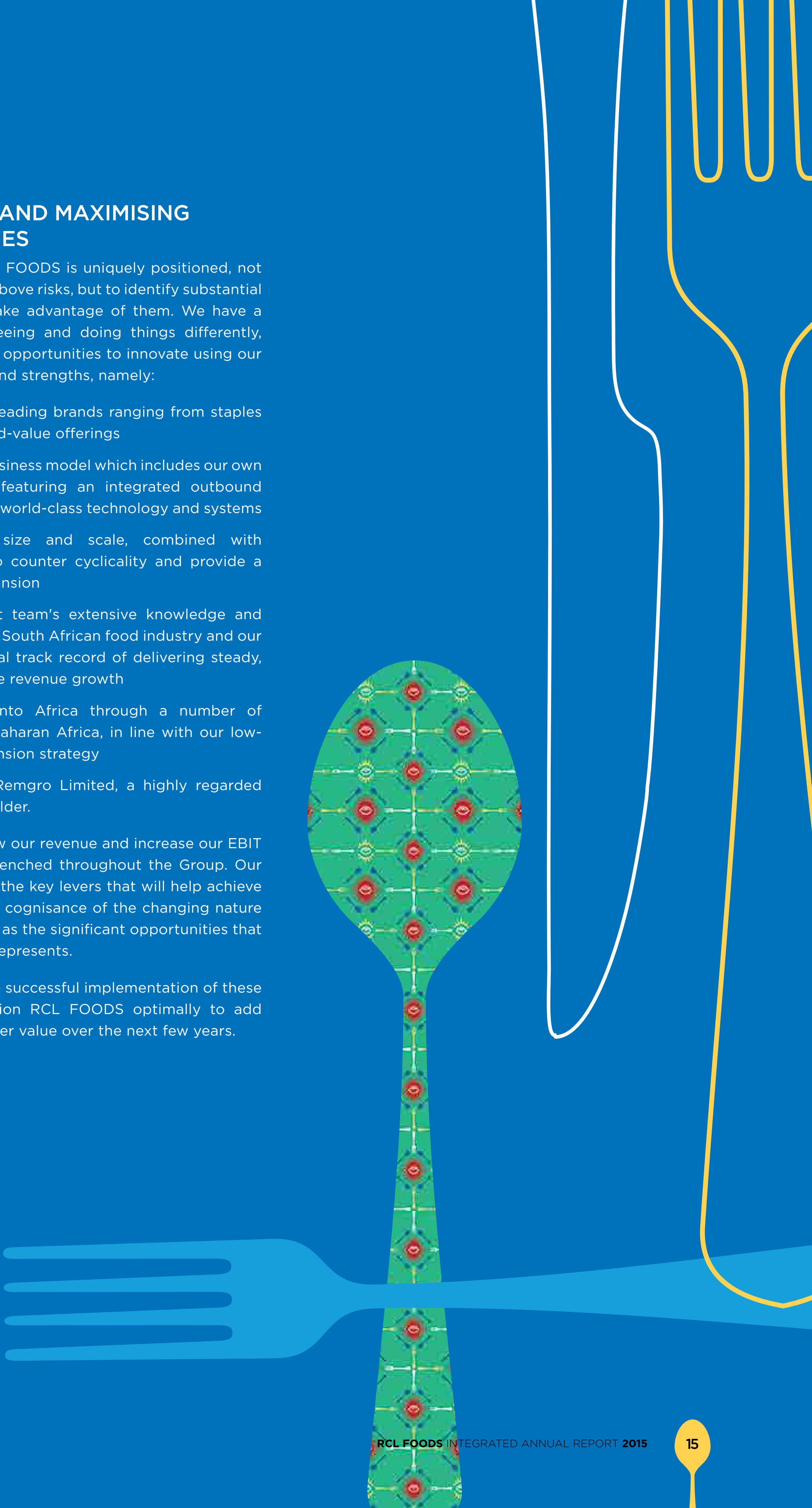
IDENTIFYING AND MAXIMISING OPPORTUNITIES

We believe that RCL FOODS is uniquely positioned, not only to manage the above risks, but to identify substantial opportunities and take advantage of them. We have a culture based on seeing and doing things differently, and we view risks as opportunities to innovate using our unique capabilities and strengths, namely:

- our portfolio of leading brands ranging from staples to top-end, added-value offerings
- our integrated business model which includes our own route-to-market featuring an integrated outbound supply chain and world-class technology and systems
- our significant size and scale, combined with diversification, to counter cyclicality and provide a platform for expansion
- our management team's extensive knowledge and experience in the South African food industry and our strong operational track record of delivering steady, through-the-cycle revenue growth
- our expansion into Africa through a number of projects in sub-Saharan Africa, in line with our low-risk African expansion strategy
- the support of Remgro Limited, a highly regarded strategic shareholder.

Our ambition to grow our revenue and increase our EBIT margin remains entrenched throughout the Group. Our strategic thrusts are the key levers that will help achieve this ambition, taking cognisance of the changing nature of the Group, as well as the significant opportunities that the enlarged entity represents.

Strong focus and the successful implementation of these strategies will position RCL FOODS optimally to add significant shareholder value over the next few years.



RESULTS AT A GLANCE

FINANCIAL HIGHLIGHTS

REVENUE

R23,4 billion ↑ **20,1%**

EBITDA

R2,2 billion ↑ **98,2%**

HEADLINE EARNINGS FROM CONTINUING OPERATIONS

R964,5 million ↑ **390,0%**

HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS

112,2 cents ↑ **335,2%**

ANNUAL DIVIDENDS PER SHARE

37,0 cents ↑ **85,0%**

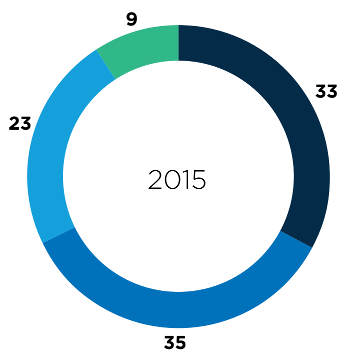
CASH GENERATED BY OPERATIONS

R2,1 billion ↑ **76,0%**

KEY FEATURES

- RESULTS INCLUDE 12 MONTHS OF TSB (ONLY 6 MONTHS IN THE COMPARATIVE PERIOD)
- RAINBOW AND TSB'S RESULTS SIGNIFICANTLY IMPROVED
- LONG-TERM DEBT PACKAGE FINALISED
- BUSINESS RESTRUCTURED INTO NEW OPERATING DIVISIONS

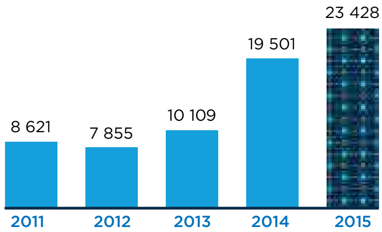
SEGMENTAL CONTRIBUTION EBITDA



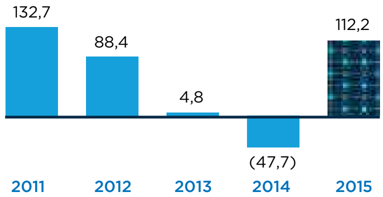
Foodcorp	R743,3 million
Rainbow	R773,9 million
TSB	R505,1 million
Vector	R206,2 million

KEY PERFORMANCE INDICATORS – FINANCIAL

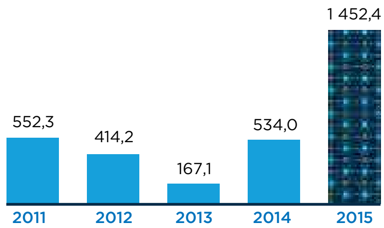
REVENUE (R million)



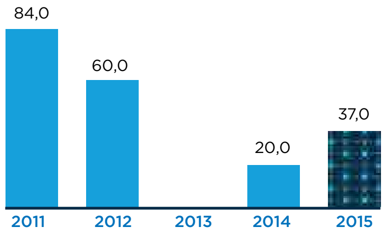
HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (cents)



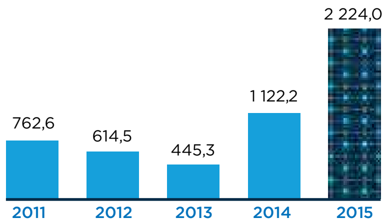
EBIT (R million)



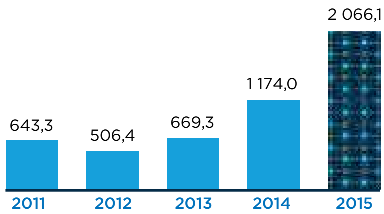
DIVIDENDS PER SHARE (cents)



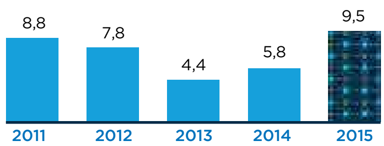
EBITDA (R million)



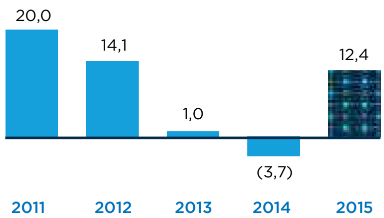
CASH GENERATED BY OPERATIONS (R million)



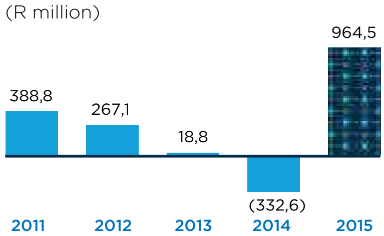
EBITDA MARGIN (%)



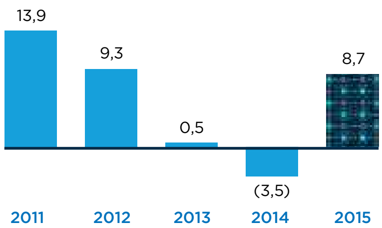
RETURN ON NET ASSETS (%)



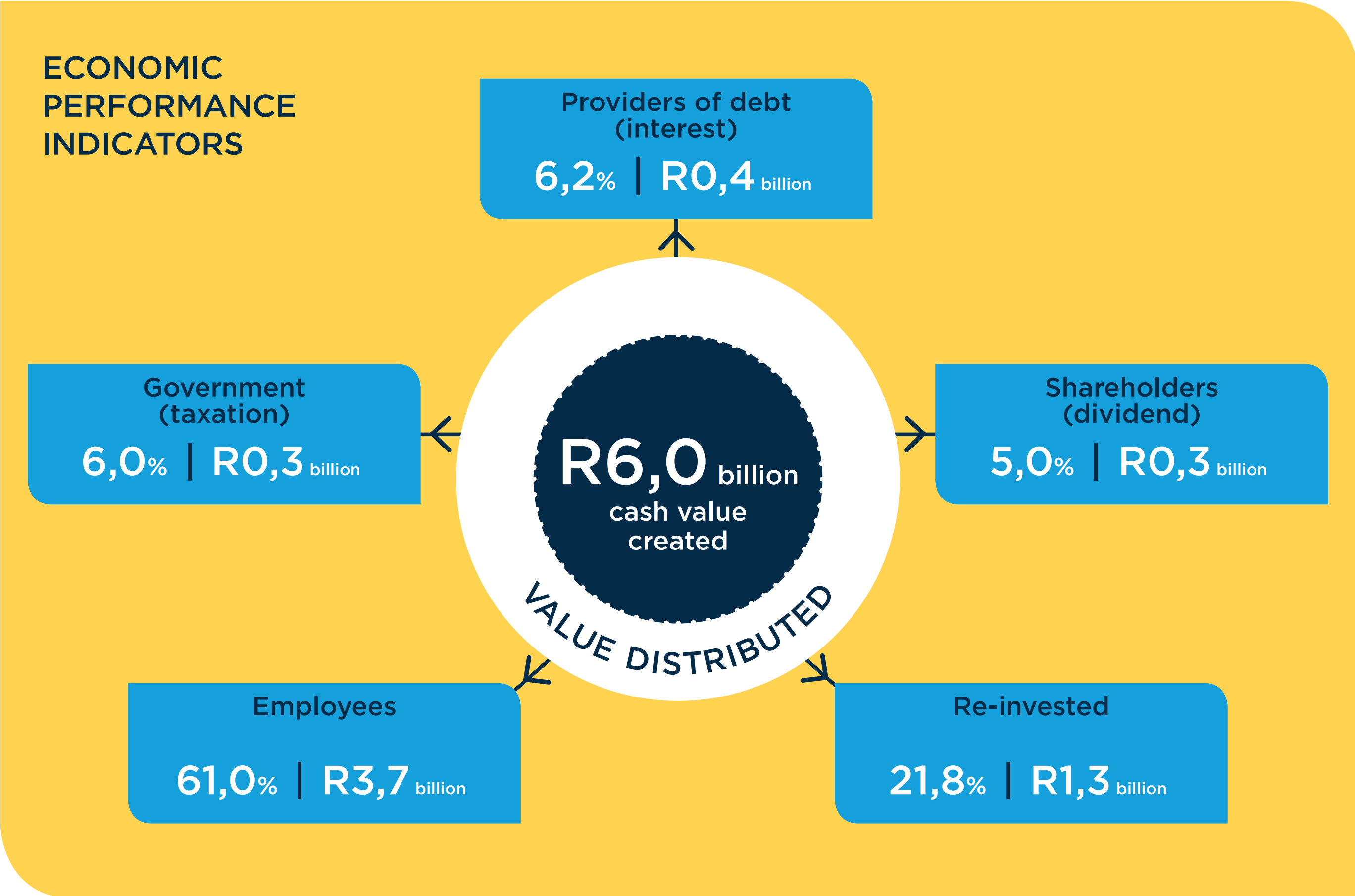
HEADLINE EARNINGS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY (R million)



RETURN ON EQUITY (%)



KEY PERFORMANCE INDICATORS – SOCIAL



		2015	2014#
ENVIRONMENTAL PERFORMANCE INDICATORS			
Water consumption	Mℓ	**8 576**	8 560
Energy consumption			
– electricity (Eskom)	GWh	**538,6**	571,5
– electricity (own generation)	GWh	**223,8**	203,9
– coal	tons	**183 444**	124 078
– gas	kℓ	**3 072**	4 767
– diesel	kℓ	**19 401**	15 193
Recycled waste products			
– cardboard waste	tons	**768**	435
– plastic waste	tons	**486**	476
– scrap metal and timber	tons	**425**	690
– treated water for recycling	kℓ	**2 850 955**	2 465 135
– treated water as a percentage of total water consumption	%	**37**	29
Non-compliance, prosecution and fines		**nil**	nil
SOCIAL PERFORMANCE INDICATORS			
Full-time employees		**20 479**	17 958
Net full-time employment increase		**2 521**	4 650
Bargaining unit employees	%	**75**	78
Training expenditure	Rm	**33**	32
Disabling incident frequency rate			
– Foodcorp		**1,6**	2,1
– Rainbow/Vector		**2,0**	1,8
– TSB		**1,3**	1,2
Number of working days lost through strike action		**79**	54

 # 2014 statistics include 6 months for TSB and 12 months for all other Group companies.

OUR STAKEHOLDERS

Consumers

- Positive brand experience
- Ethical and non-collusive business practices

Employees

- Continuous learning
- Accessibility of key information across the entire business
- Ensuring that skills and competency profiles are in line with requirements, incorporating recruitment, assessment and selection, employment equity and BEE considerations, career pathing, succession planning, leadership development, staff development/training, employee retension, performance management and leadership development
- Promote workplace safety.

Local communities/civil society

- Community upliftment
- Partnership opportunities
- Local business investments
- Employment opportunities
- Sustainability impact
- Training opportunities
- Participation in the carbon disclosure project

Media

- Brand communication
- Promotions
- Community updates
- Financial results

Investors

- Relevant and timely reporting
- Sustainability of the business
- Strategic priorities, growth markets and plans
- BEE
- Key market conditions and forecasts
- Key growth areas
- Business risk management
- Operational performances and opportunities
- Trading outlook

Business partners/customers

- Price
- Service
- Customer solutions/requirements
- New product/service development
- Organisational improvements

Trade unions

- Wage reviews
- Working conditions
- Employee benefits

Government

- Environmental issues
- Use of scarce resources
- Creation of employment
- Compliance to relevant standards and legislation
- Transparent disclosure of levels of compliance
- Tackling industry issues
- Interactions and support of key industry bodies
- Commenting on policy proposals
- Forming partnerships to grow the economy and for better futures for society
- BEE
- Reduction in value chain cost engineering
- Service

Suppliers

- Collaboration on synergistic Group procurement policies
- Joint customer and supplier meetings and workshops
- Fair procurement principles
- Sustainability impact
- Reduction in value chain cost engineering
- Price
- Service
- B-BBEE Status
- Product supply innovation

DEFINITIONS AND RATIOS

SHAREHOLDER RATIOS

EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Profit for the year from continuing operations attributable to equity holders of the company divided by weighted average ordinary shares in issue.

DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Profit for the year from continuing operations attributable to equity holders of the company divided by diluted weighted average ordinary shares in issue.

HEADLINE EARNINGS PER SHARE FROM CONTINUING OPERATIONS

Headline earnings from continuing operations divided by weighted average ordinary shares in issue.

DIVIDEND COVER

Headline earnings per share divided by dividends per share.

NET ASSET VALUE PER SHARE

Ordinary shareholders' equity divided by ordinary shares in issue at year-end.

STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS

Non-current and current assets.

TOTAL LIABILITIES

Non-current and current liabilities.

NET ASSETS

Total assets less total liabilities.

INCOME STATEMENT

OPERATING PROFIT (EBIT)

Earnings before interest and tax.

RESULTS RATIOS

HEADLINE EBITDA MARGIN

Earnings before interest, tax, depreciation, amortisation, impairments and headline adjustments (before tax) expressed as a percentage of revenue.

OPERATING PROFIT MARGIN

Operating profit expressed as a percentage of revenue.

RETURN ON NET ASSETS

Profit before tax, expressed as a percentage of net assets.

NET ASSET TURN

Revenue divided by net assets.

RETURN ON EQUITY

Profit attributable to equity holders of the company expressed as a percentage of average total equity.

SHARE INFORMATION

PE RATIO

Market share price at year-end divided by headline earnings per share from continuing operations.

FIVE-YEAR REVIEW

		2015	***2014	2013	**2012	*2011
KEY STATISTICS						
Earnings per share from continuing operations****	cents	**102,4**	(45,7)	4,5	88,3	131,0
Diluted earnings per share from continuing operations****	cents	**101,7**	(45,7)	4,4	88,1	130,1
Headline earnings per share from continuing operations****	cents	**112,2**	(47,7)	4,8	88,4	132,7
Dividends per share	cents	**37,0**	20,0		60,0	84,0
Dividend cover	times	**3,0**	(2,4)		1,5	1,6
Cash generated by operations	R million	**2 066**	1 174	669	506	643
Capital expenditure (excluding intangibles)	R million	**757**	654	486	481	360
Net assets	R million	**10 113**	9 436	7 045	2 896	2 856
Net asset value per share	cents	**1 173,9**	1 098,8	1 226,9	985,2	971,8
RESULTS RATIOS						
EBITDA margin	%	**9,5**	5,8	4,4	7,8	8,8
Operating profit margin	%	**6,2**	2,7	1,7	5,3	6,4
Return on net assets	%	**12,4**	(3,7)	1,0	14,1	20,0
Net asset turn	times	**2,3**	2,1	1,4	2,7	3,0
Return on equity	%	**8,7**	(3,5)	0,5	9,3	13,9
SHARE INFORMATION						
Number of ordinary shares						
– weighted average in issue*****	'000	**859 611**	697 988	391 076	302 193	293 075
– diluted weighted average in issue*****	'000	**865 355**	697 988	392 189	302 876	295 018
– at year-end (statutory, includes BEE shares)	'000	**932 325**	929 569	625 434	346 170	345 104
– at year-end (for accounting purposes)*****	'000	**861 566**	858 810	574 256	294 992	293 926

* *15 months to 30 June.*

** *From 2012, periods are 12 months to 30 June.*

*** *Restated, refer to note 38 of the consolidated financial statements.*

**** *Year 2012 figures adjusted for impact of the rights issue.*

***** *Excludes shares issued in terms of the BEE schemes, refer to note 33 of the consolidated financial statements.*

For further details pertaining to shareholder information, refer to note 35 of the consolidated financial statements.

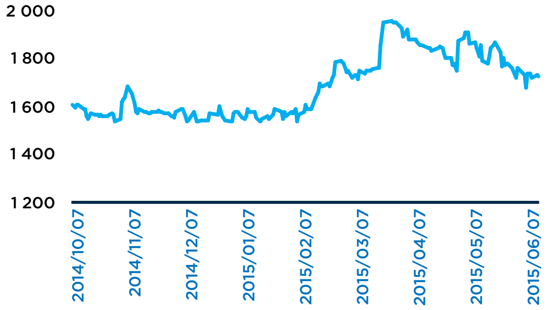
FIVE-YEAR REVIEW CONTINUED

	2015 R'000	***2014 R'000	2013 R'000	**2012 R'000	*2011 R'000
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION					
ASSETS					
Property, plant and equipment	**5 193 089**	5 132 889	3 647 206	1 824 072	1 600 008
Intangible assets	**5 675 862**	5 776 041	5 816 643	317 318	287 444
Biological assets	**549 608**	498 803			
Investment in joint ventures	**416 626**	347 819	128 955		
Investment in associate	**406 250**	356 013			
Deferred income tax asset	**8 320**	8 678	4 327		
Loans receivable	**1 555**	1 555			
Current assets	**7 441 885**	7 788 962	7 794 864	3 054 901	2 880 851
Total assets	**19 693 195**	19 910 760	17 391 995	5 196 291	4 768 303
EQUITY AND LIABILITIES					
Equity	**10 113 499**	9 436 286	7 045 420	2 896 117	2 856 333
Deferred income	**1 849**	5 153			
Interest-bearing liabilities	**3 511 271**	367 556	5 588 248	65 642	
Deferred income tax liabilities	**1 458 933**	1 362 670	1 281 318	428 673	372 198
Retirement benefit obligations	**187 656**	225 776	170 335	122 811	102 162
Trade and other payables	**8 567**	35 260	24 398		
Current liabilities	**4 411 420**	8 478 059	3 282 276	1 683 048	1 437 610
Total equity and liabilities	**19 693 195**	19 910 760	17 391 995	5 196 291	4 768 303
CONSOLIDATED INCOME STATEMENTS					
Continuing operations					
Revenue	**23 428 206**	19 500 842	10 108 812	7 855 142	8 621 389
Operating profit before depreciation, amortisation and impairment (EBITDA)	**2 224 045**	1 122 220	445 347	614 510	762 617
Depreciation, amortisation and impairment	**(771 654)**	(588 177)	(278 294)	(200 286)	(210 340)
Operating profit	**1 452 391**	534 043	167 053	414 224	552 277
Finance costs	**(373 607)**	(1 043 458)	(153 675)	(11 358)	(1 808)
Finance income	**52 056**	148 283	53 874	7 370	21 520
Share of profits of joint ventures	**38 004**	16 854			
Share of profit/(loss) of associate	**84 178**	(6 520)			
Profit/(loss) before tax	**1 253 022**	(350 798)	67 252	410 236	571 989
Income tax expense	**(359 160)**	44 061	(75 435)	(143 469)	(188 139)
Profit/(loss) for the year from continuing operations	**893 862**	(306 737)	(8 183)	266 767	383 850
(Loss)/profit for the year from discontinued operation	**(31 905)**	29 755	15 311		
Profit/(loss) for the year	**861 957**	(276 982)	7 128	266 767	383 850
Profit/(loss) for the year attributable to:					
Equity holders of the company	**848 121**	(289 039)	27 246	266 767	383 850
Non-controlling interests	**13 836**	12 057	(20 118)		

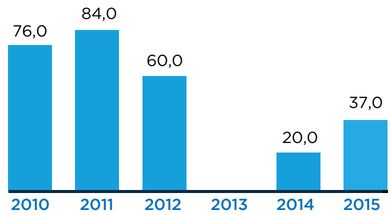
* *15 months to 30 June.*
** *From 2012, periods are 12 months to 30 June.*
*** *Restated, refer to note 38 of the consolidated financial statements.*

SHAREHOLDER INFORMATION

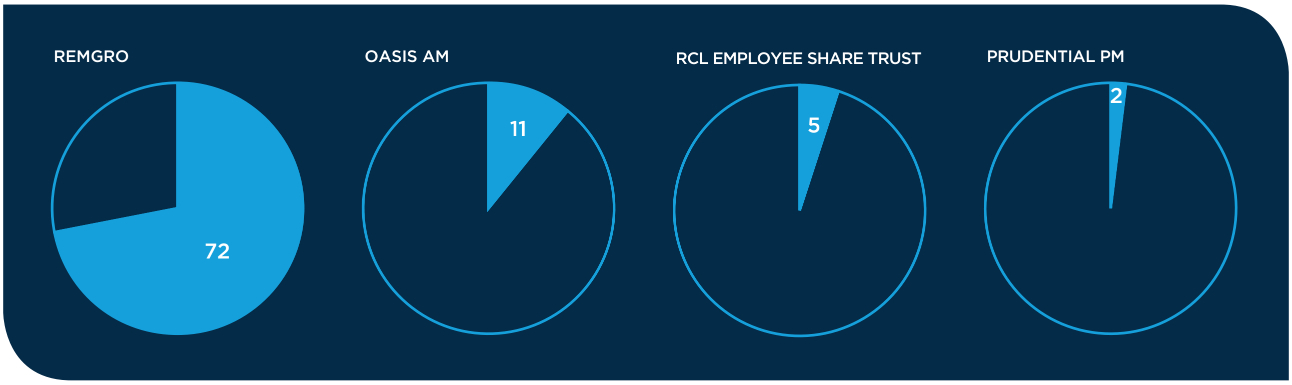
RCL FOODS SHARE PRICE



DIVIDENDS PER SHARE



SHAREHOLDER STRUCTURE



STOCK EXCHANGE PERFORMANCE

12 months		**2015**	2014
Share price			
– lowest	cents	**1 526**	1 302
– highest	cents	**1 950**	1 900
– at year-end	cents	**1 725**	1 580
Number of shares traded	million	**52,6**	48,4
Value traded	R million	**893,5**	798,0
Number of shares in issue at year-end	'000	**932 325**	929 569
Number of shares traded as a percentage of issued shares	%	**5,6**	5,2
PE ratio at year-end	ratio	**15,3**	(33,1)
Market capitalisation	R billion	**16,1**	13,6

LISTING INFORMATION

JSE share code	RCL
Sector	Consumer Goods – Food & beverages
Subsector	Food Producers

REPORTING DATES

Interim results	February 2016
Year-end results	September 2016
Annual report published	September 2016
Annual general meeting	26 November 2016

DIRECTORATE

JJ (JANNIE) DURAND (48)

Non-executive Chairman
BAcc (Hons), MPhil (Oxon), CA(SA)
Appointed: June 2012
Directorships: Chief Executive Officer of Remgro Limited and currently a director of a number of companies including Discovery Holdings Limited, Distell Group Limited, Grindrod Limited, Mediclinic International Limited, RMI Holdings Limited and Unilever SA Holdings Proprietary Limited.

Jannie is a Chartered Accountant and was previously the Chief Investment Officer of Remgro Limited. He was also previously the Financial Director and Chief Executive Officer of VenFin Limited. Prior to his appointment as Chairman, Jannie had served as a non-executive director of RCL FOODS since March 2010.

RV (ROY) SMITHER (70) *^#

Lead independent non-executive director
CA(SA)
Appointed: December 2008

Roy has a wealth of corporate experience, having served as a director and CEO of the ICS Group from 1987 to 1998 and as an executive director of Tiger Brands from 1998 to 2006.

NP (PETER) MAGEZA (60) *#

Independent non-executive director
ACCA (UK)
Appointed: September 2009
Directorships: Anglo American Platinum Limited, Eqstra Holdings Limited, MTN Group Limited, Remgro Limited and SAPPI Limited.

Peter was formerly the Chief Operations Officer of the ABSA Group. He is a Chartered Certified Accountant and a Fellow of The Association of Chartered Certified Accountants (ACCA) UK. He has gained extensive experience through holding various executive positions in the audit, financial services and the transport and logistics sectors.

DTV (DERRICK) MSIBI (46) *

Independent non-executive director
BBusSc, BCom (Hons), MCom, CA(SA)
Appointed: August 2013
Directorships: Investment Solutions Holdings and Subsidiaries, Bakwena Platinum Concessionaire Company Proprietary Limited and Real People Holdings Proprietary Limited.

Derrick is currently Managing Director of Investment Solutions, South Africa's largest multi-management investment firm. He has extensive business experience gained in the financial services industry over the last 18 years where he worked as an analyst, portfolio manager and director of Old Mutual Investment Group. His board experience covers industrial, infrastructure and private companies where he served as a non-executive director. He also represents Investment Solutions on key industry bodies.

MM (MANANA) NHLANHLA (63) •

Independent non-executive director
BSc, MA (Information Science)
Appointed: May 2005
Directorships: Mion Investments, Batho Bonke Limited, Smit Amandla Marine, Manyoro Limited and Prospect Resources Proprietary Limited.

Manana is a former university lecturer in Information Science. Over the past 10 years Manana has been involved in building Mion Holdings, an investment company based in KwaZulu-Natal, with investments mainly in maritime, gaming and property

GM (GEORGE) STEYN (56) ^#

Independent non-executive director
BA (Law), LLB
Appointed: August 2013
Directorships: Du Toit Group Proprietary Limited (Chairman) and Kaap Agri Limited (Chairman).

George has extensive experience in the retail sector, having joined the Pepkor Group in 1986 and has served as an Executive Director of Pep Retail Limited and Pepkor Retail Limited from 1991 to 2005 and as Managing Director from 2005 to 2011. He served as a non-executive director of Pepkor Retail Limited until 2015. George also farms in the Karoo and is actively involved in the broader community, and serves as Chairman of Stellenbosch University Council.

HJ (HEIN) CARSE (54)

Non-executive director
M Ing (US), MBA (UP)
Appointed: February 2013
Directorships: Sabido Investments Proprietary Limited and Seacom Limited.

Hein joined Rupert International in 1996 and continued to serve the Remgro Group in the capacity of Investment Executive of VenFin Limited until November 2009,

when he assumed his current position as an Investment Executive of Remgro Limited. He has gained extensive knowledge through holding positions on various boards and committees during his career.

PR (PIETER) LOUW (46)

Non-executive director
CA(SA)
Appointed: December 2008
Directorships: Various wholly owned subsidiaries within the Remgro Group.

Pieter is a Chartered Accountant who qualified with PricewaterhouseCoopers Inc. in Stellenbosch before joining the Remgro Group in 2001. He is currently the Group Financial Manager.

GC (GCINA) ZONDI (42) ^•

Non-executive director
BCompt (Hons), AGA (SA)
Appointed: July 2008
Directorships: Imbewu Capital Partners, Isegen South Africa, Container Conversions, Icon Construction and International Facilities Services (SA).

Gcina is the founding Chief Executive and shareholder of Imbewu Capital Partners. He is a qualified General Accountant and is an associate of the South African Institute of Chartered Accountants. He has more than 16 years experience in the private equity industry of which 6 years were spent with Nedbank Capital Private Equity as a Private Equity Manager. Prior to joining Nedbank, Gcina completed his articles of clerkship at KPMG Durban and has also worked for Hulamin Limited in the finance division for two and a half years prior to joining KPMG.

M (MILES) DALLY (58) ^•

Executive director,
Chief Executive Officer
BCom
Appointed: February 2003
Directorships: RCL FOODS Limited and its subsidiary companies.

Miles has over 30 years' experience in the consumer goods industry and served as Group Managing Director of Robertsons Holdings Proprietary Limited from 1995 to 2002. After the unbundling of Robertsons Holdings he accepted the position of Chief Executive Officer at RCL FOODS Limited. Miles has served on the board and as Chairman of SC Johnson and Son South Africa Proprietary Limited. He has also previously served as Co-Chairman of the Consumer Goods Council of South Africa (CGCSA) and currently serves on the board of Umhlanga College.

RH (ROB) FIELD (44) ^•

Executive director,
Chief Financial Officer
CA(SA)
Appointed: July 2004
Directorships: RCL FOODS Limited and its subsidiary companies.

Rob is a Chartered Accountant who qualified with Deloitte & Touche in Durban. Prior to joining Rainbow in May 2003 he spent four years as Commercial Director of Robertsons Homecare Proprietary Limited.

- ● *Non-executive director*
- ● *Independent non-executive director*
- ● *Executive director*
- * *Audit Committee (RV Smither – Chairman)*
- \# *Remuneration and Nominations Committee (NP Mageza – Chairman)*
- ^ *Risk Committee (GC Zondi – Chairman)*
- • *Social and Ethics Committee (GC Zondi – Chairman)*

CHAIRMAN'S STATEMENT

"OUR AMBITION IS TO **BUILD A PROFITABLE BUSINESS** OF SCALE BY CREATING FOOD **BRANDS THAT MATTER.**"

Although challenging economic conditions have remained a feature throughout the year, RCL FOODS has delivered a pleasing operating and financial performance for the 2015 financial year. Beyond delivering solid results, the company's recent acquisitions and strategic restructuring initiatives have led to a stronger and more diversified business that is geared for growth. This is complemented by a culture of high performance that is steadily being entrenched.

A defining change has been the strategy of conducting business with a "one company" approach. The Group previously operated its subsidiary entities as Foodcorp Proprietary Limited ("Foodcorp"), Rainbow Farms Proprietary Limited ("Rainbow"), TSB Sugar RSA Proprietary Limited ("TSB") and Vector Logistics Proprietary Limited ("Vector"). These have now been structured into the logical business divisions of "Consumer" (which includes Rainbow and Foodcorp's Grocery, Beverage, Pie and Speciality divisions) and "Sugar & Milling" (which includes TSB, Rainbow's Feed division Epol, and Foodcorp's Milling and Baking divisions). Vector continues to operate as a stand-alone business, ultimately responsible for all of the Group's route-to-market activities.

FINANCIAL PERFORMANCE

RCL FOODS' revenue for the 12 months to June 2015 increased by 20,1% to R23,4 billion, largely due to the inclusion of a full 12 months of TSB. RCL FOODS' EBITDA increased by 98,2% from R1 122,2 million to R2 224,0 million, with the associated margin increasing from 5,8% to 9,5%.

It is pleasing that, despite the challenges in many of the markets in which we are active, operating costs have been well maintained. This is highly commendable considering the strategic realignment and investment that has been a feature of the year, as well as a higher marketing spend in some areas to either retain, or improve, the strong market positions.

RCL FOODS achieved headline earnings of R964,5 million and headline earnings per share of 112,2 cents. This is an increase of 150,5% and 148,8% respectively compared to the 2014 *pro forma* results.

RCL FOODS successfully concluded various corporate transactions during the 2014 financial year and, due to the material impact of these activities, the Group has again published *pro forma* results as an additional comparative for the previous financial year. This, we believe, will provide shareholders with a better understanding of the underlying operational performance of the Group.

In November 2014, we started a process of replacing a bridging loan facility with a more appropriate debt structure. The R4,5 billion short-term loan facility was replaced by a R3,35 billion longer term debt package in February 2015. The pay down of R1,15 billion was funded by the proceeds from the Fishing division sale and cash from the rights issue in 2013. This initiative creates an even stronger foundation for growth as it provides more certainty for the Group's future capital structure.

For more details regarding our financial performance, please refer to the CFO report on page 36.

MARKETS

We remain cognisant of the fact that the South African economy's underperformance is expected to continue in the foreseeable future, with anticipated labour, power and other disruptions supporting the possibility of slower economic growth in local markets.

South Africa's weak economic outlook and softer currency, as well as a consumer inflation forecast above the government's publicly-stated targets, will in all probability hamper the Group's ability to achieve its near-term growth trajectory. As a Board we are, however, comfortable that the operational improvements implemented across the different businesses will contribute positively and that the strategic changes which have been introduced are now firmly entrenched. As a result we will start seeing additional short-, medium- and long-term benefits for all stakeholders.

Over the last year, there has been some improvement in the markets served by the Group's chicken and sugar businesses, and the reductions in the fuel price have brought welcome relief to consumers in the short term.

The South African government recently reached an agreement with the authorities in the United States to renew the African Growth Opportunity Act (AGOA), which means that the motor and other industries (but not the poultry industry) will continue to benefit from duty-free access when selling products into the United States. Unfortunately, this renewal and the benefit to these industries comes at the expense of the South African poultry industry. The new agreement allows for 65 000 tons per year of leg quarters to be imported into South Africa, largely duty free. These products will still be subjected to the normal tariff implemented by ITAC last year. The South African poultry industry has an agreement from the Department of Trade and Industry and the Department of Agriculture, Forestry and Fisheries, to consider initiatives to offset the negative impact of these additional imports, but these remain under discussion and will not be resolved in the short term.

While the industry does not oppose imports into South Africa, we are certainly against the practice of "dumping" poultry products. It has always been our view that a quota is very necessary to ensure a viable industry, the protection of jobs and the creation of additional smaller suppliers throughout the value chain.

GOVERNANCE

The Board of Directors remains firm in its belief that sound governance practices are an essential foundation for the long-term success of the Group. It is only by ensuring integrity across the entire Group and upholding the highest standards of corporate governance that we will ensure successful delivery of the Group's strategy. As a Board, we ultimately accept responsibility for the Group's performance, appreciating that strategy, risk, performance and sustainability are inseparable.

The Group accepts and adheres to the King III governance requirements and have ensured that these are comprehensively implemented as a fundamental part of each of the strategic change initiatives over the past year.

The Board and individual directors of RCL FOODS, who collectively possess the required skills, experience and diversity to carry out Group responsibilities, strive to ensure that all Group businesses are managed in an efficient, accountable, responsible and ethical manner.

For more details regarding our governance processes, please refer to the Governance report on our website www.rclfoods.com.

CHAIRMAN'S STATEMENT CONTINUED

SUSTAINABILITY

RCL FOODS consistently aims to operate in a manner that represents a platform for responsible investment. This is achieved by integrating sustainable development considerations into the decision-making process. The result creates an appropriate balance between the Group's requirements to perform financially, to strive towards world-class standards in environmental management, and to ensure a broader social benefit.

External threats continue to affect the Group's businesses – climate change imperatives have moved to the forefront of the decision-making processes, whilst energy and water usage has been at a premium during recent times. Throughout the Group, we aim to adopt strong and sustainable business practices whilst seeking competitive advantage and improved cost efficiency. We are in continual discussion with the relevant authorities to find equitable ways to work together, such as agreeing to power usage schedules, in order to ensure solutions for the country and our businesses.

For more details regarding our sustainability initiatives, please refer to the sustainability report on our website www.rclfoods.com.

TALENT DEVELOPMENT

The focus on the development of talent over the last year is starting to produce gratifying results. Various initiatives are under way to ensure that RCL FOODS' people are equipped with the relevant skills as we continue advancing our growth strategy and strategic realignment. The Group reorganisation has necessitated various senior appointments which have pleasingly been met from within the Group over recent times, serving as a sure indication that RCL FOODS has a deep talent pool to draw from. The focus now is to ensure that workable succession plans are firmly in place and that management's remuneration continues to be based on performance against targets (both financial and operational) and linked to longer-term strategic objectives.

DIVIDEND DECLARATION

The directors have resolved to declare a final gross cash dividend of 22,0 cents per share for the period ended 30 June 2015 (2014: 20,0 cents). An interim dividend of 15,0 cents was declared and paid during the financial year. It is the Board's intention to continue paying dividends, subject to the Group's underlying profit delivery.

PROSPECTS

The burden of a constrained market, together with the expectation of rising interest rates, labour demands and continuing high unemployment, is expected to hamper any sustainable improvement in consumer spending. These issues will have an impact across the segments in which the Group operates.

The Consumer division's new management structure and focused investment behind its brands is expected to yield positive financial results in 2016. The poultry industry is still facing uncertainty following the recent decision with respect to duty-free USA imports, while the injection cap issue remains unresolved. Improvements from the new chicken business model are expected to moderate in the new financial year off a substantially higher base.

The Sugar & Milling division's use of irrigation will largely shield it from the current drought conditions experienced by the KwaZulu-Natal sugar producers, however, the short-term outlook for global sugar pricing is negative.

Vector expects to commission new capacity in the latter half of the year, allowing the take-on of potential new customers. The continuing good performance of foodservice customers is expected to help offset negative economic factors.

RCL FOODS expects that cash flows in the business will remain robust against the backdrop of a significant capital expenditure investment programme. It will allow RCL FOODS to continue plans to explore opportunities in strategic growth markets in the food sector in South Africa and sub-Saharan Africa in line with its long-term aspirations.

ACKNOWLEDGEMENTS

On behalf of the Board, I express my deep gratitude to the management team, as well as all employees for the tremendous commitment displayed over the year. We are very well positioned to continue progressing our main priorities and targets, and in so doing successfully delivering the Group's overall strategic ambition, whilst being ever mindful of our responsibility to all stakeholders. RCL FOODS, and its people, remain committed to ensuring a strong and sustainable future, for today and tomorrow. Thank you for your ongoing support.

JJ Durand
Non-executive Chairman

REPORT FROM THE CHIEF EXECUTIVE OFFICER

"RCL FOODS' PASSION IS TO PROVIDE **MORE FOOD TO MORE PEOPLE, MORE OFTEN**"

The 2015 financial year has been a momentous one for RCL FOODS, with much energy, creativity and passion going into restructuring the business and the creation of a compelling model for future growth. In all of this, the underlying theme is "more". We want to do more with what we have in order to achieve more as a Group in the dynamic social and business environment in which we operate. We have captured this impulse in a Passion statement which we believe describes our core purpose, namely "to provide more food to more people, more often". We believe that by nourishing people while sustaining our resources, everyone wins. Communities will be enriched, employees inspired and our customers and shareholders will enjoy the benefits.

Understanding who we are and why we exist is key to identifying the "what" and the "how" of our business, and I am pleased to see how far we have come on all fronts in the past year. Driven by our ambition to build a profitable business of scale by creating food brands that matter, we have increased our scale through strategic acquisitions and restructured our business units into a single company supported by a portfolio of compelling brands.

Our "One Company" project began with the strategic realignment of our different subsidiaries into three divisions and is currently focused on building a business based on a "one company" philosophy. The fact that we've seen a significant improvement in our financial performance following the restructuring is an early indicator of the achievability of our bold but realistic objective of doubling our revenue in five years, while maintaining a steady improvement in operating margin. The cost efficiencies and operational benefits that are already materialising from the new structure are further signs that we are heading in the right direction.

For more details regarding our strategic progress for 2015 and our objectives for 2016, please refer to the strategic review on page 8.

From our current position we can now focus on leveraging our scale, strategic partnerships and strong brands to grow our business in line with our ambition. In doing so we will pursue a strategy of maximising our core categories and accelerating growth in added-value offerings in South Africa, while building our core categories in the rest of Africa in anticipation of a gradual movement to higher-margin added-value offerings. Major strategic thrusts in realising our ambition will be growing and investing behind strong brands, partnering with key strategic customers, extending our leading value chain, inspiring great people, expanding into African markets and driving sustainable business.

Our growth agenda can only be delivered by investing into our future. Capital projects that position us for future growth are equally important in the delivery of our ambition. Our capital expenditure requirements increased to R756,6 million in 2015 (2014: R654,0 million), with major capital expenditure items related to projects in the Consumer division's Grocery and Speciality business units, as well as the Molatek expansion and other growth projects in the Sugar & Milling division. We are mindful of ensuring portfolio enhancement and growth through the cycle and we will therefore maintain a regular and active investment programme.

Although South Africa and other African markets face continued challenges, we believe that the economy will recuperate over time, creating bigger and better opportunities for RCL FOODS. As an innovative and growth-minded business with a solid operational structure, we are well positioned to extract maximum opportunity from future market dynamics.

GROUP RESULTS OVERVIEW

RCL FOODS reported headline earnings from continuing operations of R964,5 million (2014: loss of R332,6 million) for the financial year ended 30 June 2015, which translated into headline earnings per share of 112,2 cents (2014: loss of 47,7 cents). The comparative period results were materially compromised by exchange losses incurred on Foodcorp Proprietary Limited's ("Foodcorp") historic Euro denominated debt. The Board has declared a final dividend of 22,0 cents per share.

For more details regarding our financial performance, please refer to the CFO report on page 36.

Foodcorp experienced difficult trading conditions across all of its divisions as well as an extended period of industrial action in its Speciality division, resulting in EBITDA for the period growing at a subdued 3,1% to R743,3 million (a margin of 9,9%).

Rainbow Property Limited's ("Rainbow") statutory EBITDA increased by 280,0% to R773,9 million (a margin of 8,5%). The pre-IAS 39 EBITDA increased by 120,7% to R667,6 million (a significantly improved margin of 7,4% from 3,4% in the prior year), largely attributable to the implementation of the new business model. This is premised on the creation of a "smaller, more profitable" entity, which has the flexibility to increase volumes at times of improved market demand, and which delivers a range of higher-margin speciality products to key customers in the Quick Service Restaurant ("QSR") and retail sectors. This model is transforming Rainbow from a high-volume supplier of a product along commodity lines, into a provider of niche products based on consumer demands for carefully selected customers while working as a partner on the innovation and growth of these categories.

TSB Sugar RSA Proprietary Limited's ("TSB") EBITDA for the year increased by 44,6% to R505,1 million, from R349,3 million on a *pro forma* basis (an improved margin of 8,2%), which was largely as a result of lower imports into South Africa. Global sugar prices have remained depressed, but in South Africa TSB's use of irrigation meant that its production was largely unaffected by the drought conditions. TSB's operating profit was impacted by an impairment of R84,0 million relating to the greenfields Massingir project in Mozambique.

Vector Logistics Proprietary LImited's ("Vector") results for the period were negatively impacted by industrial action costs, resulting in EBITDA increasing by only 3,5% to R206,2 million (a margin of 10,9%).

REPORT FROM THE CHIEF EXECUTIVE OFFICER CONTINUED

SEGMENT REVIEWS

FOODCORP

Foodcorp's EBITDA grew at a subdued 3,1% to R743,3 million from R721,0 million driven by weak demand, aggressive competitor activity and a seven-week strike at the Speciality division which alone had a negative profit impact of R23,0 million.

Despite a very competitive environment the Grocery division performed well, particularly in the fourth quarter, with Nola and Yum Yum achieving pleasing margins and strong market share growth to regain market share lost during the year. Efficiencies arising from the newly-commissioned Polyethylene Terephthalate ("PET") plant which manufactures packaging in-house for both Nola and Yum Yum assisted with significant cost base reductions.

There is expected to be further growth from a range of innovative product and packaging changes that we are introducing, working closely with key partners such as Woolworths and others to ensure that we are meeting consumer demands. We have allocated additional resources to enhancing our existing product offerings, while we remain focused on various new propositions within existing brands that we are preparing to roll out to market over the coming months. These have been considered carefully following close consultation with our key strategic customers, and our marketing initiatives to bring these to market will be launched soon. The essence of this new approach has been to listen carefully to the consumers of our products, and to provide these in a better and more efficient manner. Much of this strategy is working synergistically with our chicken business where we are also focused on consumer demands and how and where these consumers want our products to be provided and distributed.

The Beverage division performed strongly with a pleasing mix enhancement from new innovation.

The Milling and Baking divisions were combined during the year in recognition of their highly integrated nature. In addition, the Pretoria and Benoni bakeries were consolidated onto the Benoni site, which translated into a decline in overall volumes but is expected to deliver operational efficiencies, lower cost and an improved product mix. Trading within these markets remains very competitive.

The Pie division experienced a difficult year having lost a key customer. A thorough review of this business has been completed by the new Consumer division management leading to a change in the leadership team. Key areas of product quality, customer intimacy and innovation are being substantially step-changed to set the Pieman's brand on a new course for the 2016 financial year.

A fourth speciality plant was commissioned in Worcester in April 2015, which enables the supply of chilled products previously only available in other regions and will enable substantial growth in the Western Cape. This business unit relies on the growth of its key customer base, which has increased sales exponentially in recent years and is expected to continue this trend into the future.

Following lengthy deliberations at the Competition Commission and the Competition Appeal Court, the sale of the Fishing division was approved, subject to a condition that the Glenryck trademark be excluded from the transaction. The last conditions precedent were finalised on 2 February 2015. The revised purchase price for the Fishing division was R395,0 million (previously R445,0 million including the trademark). The Glenryck brand was sold to a third party post-year end.

RAINBOW

Rainbow delivered a much-improved performance for the year and posted a pre-IAS 39 EBITDA of R667,6 million (2014: R302,5 million) and a R773,9 million statutory EBITDA (2014: R203,7 million). Rainbow's pre-IAS 39 EBITDA of 7,4%, however, remains below targeted levels.

Rainbow's new business model of reduced exposure to commodity lines has provided the stability needed for operational efficiency and reduced cost. Despite the import tariff protection being increased, import volumes remain significant and were largely unchanged over the prior year. The combination of a better balanced market and the new business model has enabled the substantial improvement in profitability and stability.

QSR performance for the year improved, with good volume growth returning to this key area of the business. QSR is a relationship-driven business, and Rainbow was able to leverage off these strong relationships to increase its share of supply to the QSR industry.

Rainbow delivered improvements in its production mix and substantially reduced reliance on pure, high-volume low-cost "commodity" lines such as Individually Quick Frozen ("IQF"). Added-value Simply Chicken products contributed better margins due to cost efficiencies and better price management. Enhancing the retail added-value and QSR offering is an important focus for the business, and critical to delivering the ultimate success of the new business model. Further innovation, strategic partnering and an increased investment in marketing spend will provide the impetus for further improved margin and profitability.

Overall operating costs were well contained, with exceptional key performance indicator (KPI) results throughout the financial year. Feed prices remained volatile and fairly high relative to long-term historic levels. Total feed costs (R/ton) increased by 2,5% year-on-year, and were mostly impacted by the rand that weakened by 14,1% over the corresponding period as well as a decision to invest in the feed ration to drive performance.

The recent decision by government to allow the import of 65 000 tons of bone-in chicken portions from the United States, free of anti-dumping duty, is a serious threat to the stability of the poultry industry and the retention of jobs. Whilst the industry concedes that this decision was based on a broader imperative for the nation – and national interest is paramount – the industry threat is considerable and discussions are underway on how best to mitigate these risks.

Rainbow supports the concept of a brining injection cap as well as the introduction of new legislation to ensure a level playing field that will ultimately protect consumers. The Department of Agriculture, Forestry and Fisheries, continues to investigate the appropriate injection level of, and monitoring process for the cap. Rainbow looks forward to a speedy resolution, as both the industry and the consumer requires urgent clarification on this important issue.

Rainbow experienced intermittent work stoppages during the year as a result of labour disruptions, which impacted efficiencies, but successfully concluded a one-year wage settlement.

Power interruptions were problematic and added to the cost base, as additional shifts were required to meet production targets. There is, however, a close working relationship with Eskom to ensure plant reliability and acceptable operating schedules. Cost increases have also come about due to enlarged maintenance teams to address the serious need to maintain deteriorating infrastructure in the areas in which we operate.

Rainbow's business model of reducing bird volumes to match profitable demand freed up feed milling capacity. A renewed focus on external feed sales by the Animal Feed team was able to take advantage of this opportunity, with external feed sales growing significantly over the prior year.

TSB

TSB's results have been included for a full year for the first time following its acquisition on 1 January 2014. TSB delivered a pleasing performance following better local prices and increased volumes after the reversal of last year's high level of sugar imports – the result of the sugar tariff introduced during the year under review. TSB's EBITDA for the year was R505,1 million, with a margin of 8,2%.

Globally, sugar prices are severely depressed, which impacted the local industry's exports to some degree. In South Africa, drought conditions have resulted in lower sugar production. TSB's use of irrigation largely protects it from drought conditions during the first year of a drought.

Better milling conditions and improved cane supply led to an increase in TSB's volumes to a record 702 000 tons of raw sugar produced compared to 598 382 tons in the comparative year. New areas were harvested, which contributed to the increased production volumes, albeit at slightly lower yields. Molatek sales (TSB's animal feed operation) increased due to the commissioning of the expansion project during the 2014 financial year.

Synergies were realised in TSB from focused Group-led sourcing initiatives, as well as route-to-market benefits following the decision for Vector to start merchandising TSB products nationally. This is a management focus area for the year ahead, and additional synergies and benefits are expected. Product and packaging innovations are also a significant feature for the coming year with sweeteners, new confectionary and speciality sugar products (specifically icing and castor sugars) being brought to market.

An amount of R84,0 million (no taxation impact) relating to work-in-progress spend for Massingir, the proposed greenfields sugar project in Mozambique, has been impaired in the current year, as a suitable funding structure, that reduces the risk to the Group within the mandate set by the board of directors, had not been obtained.

In a unique transaction last year, TSB sold approximately 12 000 hectares of productive agricultural land to communities to settle the Tenbosch and Matsamo land claims, which were lodged by local communities through government's land restitution programme. TSB also formed Akwandze Agricultural Finance, in partnership with its cane growers and the Land Bank, to finance emerging sugar cane farmers. The success of this financing model has led to it now being considered for the Rainbow business.

REPORT FROM THE CHIEF EXECUTIVE OFFICER CONTINUED

TSB is constantly investigating ways to improve the way energy is delivered. Over the last two years, through co-generation at sugar mills, electricity has been successfully exported to the Eskom grid. Power disruptions had more of an adverse effect on the milling and baking divisions due to operational downtime. This is being mitigated to some degree by scheduling maintenance programmes during times of power disruptions.

VECTOR

Vector has faced a challenging year, with its customers operating in a constrained retail environment. Overall volumes were relatively flat, although there was some respite as a result of growth in the foodservice industry, which was aided by international QSR brands increasing their respective store footprints. Whilst this contributed to Vector's revenue increase, it was tempered by a six-week period of industrial action at the beginning of the year, which cost R20,2 million and resulted in a muted 3,5% EBITDA growth to R206,2 million.

Regrettably, one of Vector's larger customers exited in the second half of the year, which removed volume from the distribution network. Whilst new business will effectively replace much of the lost revenue on an annualised basis, there was a current year impact due to added complexity with more products being managed and worked through the system.

Electricity supply constraints are a cause for concern. Whilst Vector is generally able to operate using backup power, the costs of doing so are significant. Certain of Vector's customers are not equipped with generators and consequently cannot trade during power outages, which impacts Vector's volumes. Fuel pricing remains uncertain as a result of both the exchange rate levels and the underlying oil commodity pricing. Vector has some ability to pass on fuel pricing fluctuations although it is, in many instances, affected in arrears.

Three key capital expansion initiatives are currently underway and are expected to be completed during the 2016 financial year. These include the new leased facility in Port Elizabeth (Coega) and the expansion of the Thekwini and Peninsula depots.

JOINT VENTURES

ZAM CHICK ("ZAM CHICK")

RCL FOODS holds a 49,0% shareholding in Zam Chick in Zambia under joint management control with Zambeef Products PLC. Zam Chick exceeded expectations, with strong volume growth driven by consumer demand. We are striving to make chicken more affordable to people in Zambia, and to this end we were able to keep price increases below inflation. Equity accounted earnings increased a pleasing 41,1% versus the prior year despite the rand strengthening against the Zambian Kwacha by 6,0% during the year. Volume growth is expected to remain strong in 2016.

SENN FOODS LOGISTICS ("SENN FOODS")

Senn Foods, a joint venture in Botswana which was entered into during the 2014 financial year, has delivered solid results with an after tax profit contribution of R7,6 million and is a good example of RCL FOODS' approach to sound strategic partnerships in Africa. Senn Foods has a capable management team and has recently invested in a world-class infrastructure expansion to prepare for the planned growth over the coming years.

RCL FOODS also continues to forge strong portfolio relationships with its current customers to provide supply and logistics solutions in Africa. One of these is the strategic advantage that Vector brings in terms of the considerable synergies and benefits derived from an effective route-to-market.

ROYAL SWAZILAND SUGAR CORPORATION ("RSSC")

TSB holds a 27,4% shareholding in RSSC which achieved an after tax profit of R84,2 million for the year, a decrease of 11,9% against the 2014 *pro forma* R95,6 million. Their results were negatively affected by the downward pressure on sugar prices in the EU.

HUDANI MANJI HOLDINGS LIMITED ("HMH")

RCL FOODS signed an agreement to acquire 33,5% of HMH post the financial year-end. HMH is a poultry producer operating a feed mill, broiler farms and processing plant in Uganda. This is an exciting opportunity to enter the East African region with an established reputable partner, and the new venture will create one of the largest processors and marketers of chicken in both Uganda and East Africa.

TRANSFORMATION

RCL FOODS continues to make strides with the transformation process. Corporate social investment spend across the Group amounted to R18,0 million, up from R11,0 million last year. Our broad-based empowerment status remains a key strategic objective across all of our businesses. The Group attained Level 4 B-BBEE status, laying the foundation for further transformation gains.

INFORMATION TECHNOLOGY (IT)

During this reporting period, RCL FOODS has continued to optimise the Enterprise Resource Planning ("ERP") systems within the Foodcorp, Rainbow, TSB and Vector businesses. Significant focus has been placed on leveraging the SAP system to successfully drive sourcing benefits. This initiative has now been extended to include Foodcorp and TSB information. Data analytics is a key enabler to unlock business value and insights which can differentiate the Group from its competitors. Added focus has also been placed on the optimisation of the outbound supply chain through the Vector SAP system solutions. A key project was the successful implementation of an integrated customer contact centre which has step-changed the customer and sales teams' service delivery.

An analysis of both the Foodcorp and TSB system landscapes has been conducted to leverage opportunities and synergies across the Group. We are confident that the IT strategy will unlock significant business benefits through a fully integrated ERP landscape built on the existing solid IT and business process foundations. The implementation of global best practice processes and shared services remains an important pillar of the strategy.

SUSTAINABILITY

The Group's sustainable development framework is inextricably linked to the overall strategy of pursuing operational excellence and ensuring that our growth is undertaken with due regard to the sound principles of sustainable development. Whilst we are keenly focused on achieving our objective of securing the future, we simultaneously embrace the holistic concept of sustainable development within all activities.

In terms of embedding the culture of sustainable development throughout the Group, we are integrating our entire sustainable development framework into scenario planning, which will highlight any changes that may be needed to position the company appropriately. The merging of various businesses over recent years has triggered a requirement to refine the culture within the organisation, and provide us with the opportunity to embed sustainable development as a critical part of this culture shaping process, which is in an evolutionary phase within the Group.

The Risk Committee's oversight of our sustainability initiatives provides the business with the ideal platform to identify both risks and opportunities on a continual basis. A copy of the sustainability report is available on the Group's website www.rclfoods.com.

CONCLUSION

BUILDING FOR THE FUTURE

We are putting building blocks in place to support our ambition of doubling our business by 2020 whilst driving steady and sustainable improvement in operating margin. The primary drivers of this growth will be our energised leadership team, our clear strategy and a business culture that sees and does things differently. The fact that we are at a difficult stage of the economic cycle makes these aspects all the more essential to achieving our future aspirations.

In this context, it is pleasing to see that operational improvements and exciting growth possibilities have already become a norm within our business. For this I am grateful, and I express my appreciation to each and every person within the Group for their respective contributions.

M Dally
Chief Executive Officer

REPORT FROM THE CHIEF FINANCIAL OFFICER

"RCL FOODS HAS **DELIVERED** A PLEASING **OPERATING** AND **FINANCIAL PERFORMANCE** FOR THE 2015 FINANCIAL YEAR"

OVERVIEW AND MARKET CONDITIONS

The year in review has seen the global economy experience acute uncertainty around growth, resulting in a sustained high degree of volatility in global markets. Several central banks, including the Bank of Japan and the European Central Bank, were forced to implement or upscale their own versions of quantitative easing ("QE") in response to weakness in their respective economies. Interest rates remained at or near historic lows, providing ongoing stimulus and support to the global economy.

Concerns around the timing of the US Federal Reserve's commencement of a much anticipated rate hiking cycle, together with the possible exit of Greece from the Eurozone, were two primary drivers of the volatility seen in both foreign exchange and commodity markets over the period. Indications of a US economic recovery against real concerns around China's growth percolated through to emerging markets – the South African economy enjoyed little amnesty with Rand and GDP projections coming under severe pressure through 2014 and into 2015. In comparison to other major and emerging market currencies, the rand has experienced one of the highest levels of volatility relative to the US dollar.

FINANCIAL HIGHLIGHTS

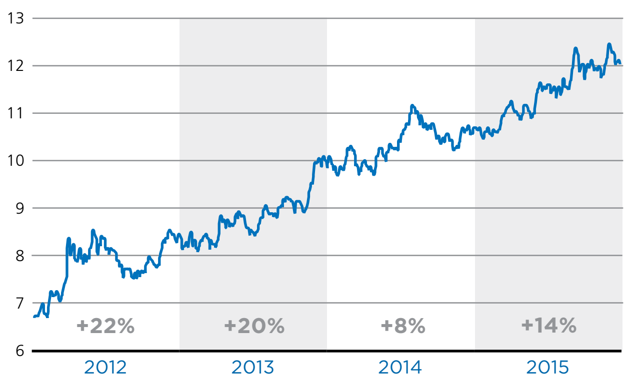
		2015	2014	%
Revenue*	Rm	**23 428,2**	19 500,8	20,1
EBITDA	Rm	**2 224,0**	1 122,2	98,2
EBITDA margin	%	**9,5**	5,8	3,7
Operating profit	Rm	**1 452,4**	534,0	172,0
Operating profit margin	%	**6,2**	2,7	3,5
Net finance cost	Rm	**321,6**	895,2	(64,1)
Headline earnings – continuing operations	Rm	**964,5**	(332,6)	NM
Headline earnings per share – continuing operations	cents	**112,2**	(47,7)	NM
Capital expenditure (excluding intangible assets)	Rm	**756,6**	654,0	15,7
Return on equity	%	**8,7**	(3,5)	12,2
Cash generated by operations	Rm	**2 066,1**	1 174,0	76,0

** Restated.* *NM = not material.*

South Africa posted a 2014 GDP growth of 1,5% (2013: 2,2%) – widespread labour unrest in the first half of 2014, electricity supply constraints and a slowing Chinese economy (which translates to reduced demand for commodities) have hampered and continue to hamper economic activity. Economic growth for 2015 is forecast at 2,0%, having been revised lower from earlier forecasts. Though unemployment decreased from 25,4% to 24,3% in the last quarter of 2014, these high levels are a risk to growth objectives and economic stability.

The Rand has come under severe strain over the last year. The R/US$ exchange rate depreciated 14,1% from R10,66 at the beginning of the current financial year to R12,16 at the end of June 2015. The impact on our procurement expense is significant as local commodities are mostly priced relative to either import or export parity. The Consumer Price Index ("CPI") number posted at 6,35% at the beginning of the current financial year, above the upper limit of the Reserve Bank's target band of 3,0% to 6,0%, and touched a low of 3,9% in February 2015. The CPI number at the end of June 2015 came in at 4,7%. Whilst inflation appears to now be on an upward trajectory, the South African Reserve Bank's Monetary Policy Committee's July 2015 initiation of a hiking cycle, together with softer energy prices, should contain the rise.

EXCHANGE RATE (R/US$)



Source: Reuters Info: Daily close of business prices and the relative move in prices between the start and end of each financial year.

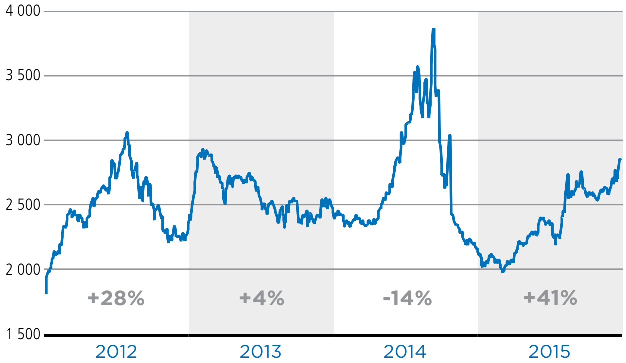
The Euro-denominated debt inherited as part of the Foodcorp acquisition was replaced with a term funded debt package that is rand denominated and funded through a syndicate of local and international banks. This has reduced our exposure to Rand/Euro volatility, however, it has significantly increased our exposure to local interest rate movements. In anticipation of this, RCL FOODS has fixed the interest rate at an average rate of 8,63% for R2,2 billion on the Senior A and Senior B facilities of R2,85 billion. These rates have been fixed for a two-year period. RCL FOODS has further entered into forward starting interest rate hedges that will provide protection for an additional two-year period after the termination of the fixed rate period. A total of R1,0 billion forward starting notional protection was secured in the year under review, and a further R500,0 million notional protection was secured in July 2015 (subsequent to year-end), effective the same period as the initial hedges.

SOFT COMMODITY PROCUREMENT

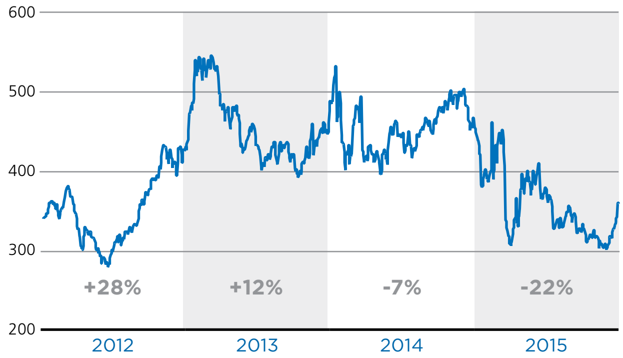
Price volatility in the local and international raw material markets was significant over the reporting period. Swings in currency exchange rates, and speculation around crop damage both locally and internationally, were primary drivers. Our diverse product offering requires procurement of a number of agricultural raw materials. The majority of the procurement cost relates to maize (R1,6 billion), wheat (R1,5 billion) and soybean meal (R1,4 billion), however, RCL FOODS has additional cost exposure to sunflower seeds, soya oil, sorghum and ground nuts.

REPORT FROM THE CHIEF FINANCIAL OFFICER CONTINUED

SAFEX YELLOW MAIZE PRICE (R/ton)



CME SOYBEAN MEAL PRICE (US$/short ton)



MAIZE

Last season's South African crop of 14,25 million tons started to enter the local market in June 2014. With South Africa's annual total maize requirements for food and feed totalling just under 10,0 million tons, the surplus of maize saw prices come under downward pressure. Yellow maize in South Africa traded between R1 874 per ton and R2 184 per ton between July 2014 and February 2015. Softer prices, as a result of the surplus, saw local maize priced competitively relative to the international market. A total of just over 2,0 million tons of maize was exported, with as much as 1,3 million tons exported over the five-month period June to October 2014.

Toward the latter part of the season the focus shifted toward the new crop and feedback from the fields was that low rainfall coupled with hot and dry weather particularly in key growing regions, would result in a sub 10,0 million ton crop, below South Africa's annual maize requirement.

While our analysis shaped the view that South Africa would remain in surplus of maize, with a surplus on white maize negating a deficit in yellow maize, the market consensus appeared to be one of significant concern. Prices rallied from R1 990 at the end of January 2015 to R2 680 at the end of June 2015.

The average SAFEX market price for maize this reporting period was R2 111 per ton compared to the previous period of R2 474 per ton, a decrease of 14,7%.

WHEAT

Local wheat spot prices peaked at R4 012 per ton during the period under review. The average market price for local wheat for this period was R3 776 per ton compared to the average market price of R3 662 per ton over the previous 12-month period, an increase of 3,1%.

South Africa is a net importer of wheat, and wheat prices are therefore correlated to international wheat prices, the exchange rate and the derived inland import parity price. For the year-ended June 2015, a total of 410 000 tons of wheat was milled through our facilities.

SOYBEAN MEAL

Over the most recent financial year, the price of soybean meal, as traded on the Chicago Mercantile Exchange ("CME"), averaged $355 per short ton ("pst") or some $100 pst below that of the previous financial year. The nearby contract price at the start of the period was over $400 pst and finished the period at a low of under $300 pst, not seen since December 2011.

The declining price trend was on the back of consecutive record soybean crops for both the USA and South America (Brazil and Argentina), ensuring more than ample world soybean stocks. The projected season-end September 2016 carry-out stocks for the USA is somewhat smaller than anticipated at around 7,0% versus the world crop carry-out of over 30,0%, giving some support to price on the CME.

Prices are expected to hold the $300 to $400 range over the next period. Locally we have seen a welcome expansion in both crush capacity and crop size, with a record 2015 harvest of over 1 million metric tons expected. As a result RCL FOODS now purchase the total soybean meal demand for our inland feed mills from local crushers.

SAFEX WHEAT PRICE (R/ton)

Source: Reuters Info: Daily close of business prices and the relative move in prices between the start and end of each financial year.

FINANCIAL REVIEW

RCL FOODS has delivered a pleasing financial performance for the 2015 financial year with headline earnings from continuing operations increasing by R1 297,1 million to R964,5 million.

The increase in revenue of 20,1% can be mainly attributed to the inclusion of TSB's revenue for the full 12 month period (only six months in the comparative).

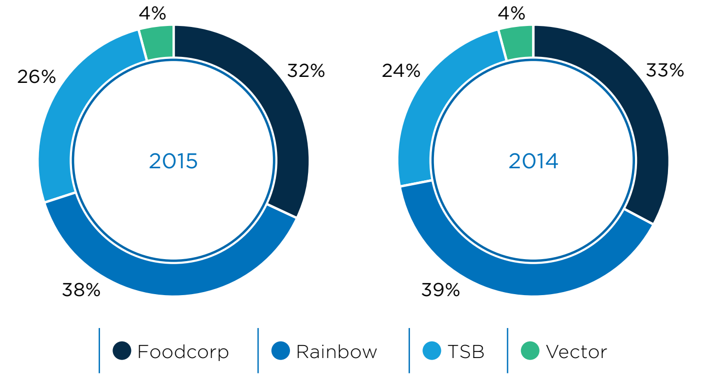
The inclusion of TSB's results for the full 12 months as well as an improved underlying performance, together with Rainbow's significantly improved performance as a result of the implementation of its new business model, had a significant impact on the Group's EBITDA which increased to R2 224,0 million, a 3,7% margin improvement to 9,5%.

Difficult trading conditions coupled with the adverse impact of the industrial action in its Speciality division resulted in Foodcorp experiencing modest growth in their EBITDA of 3,1%. Despite the subdued market, the Grocery division continues to perform well with pleasing margins being achieved by key brands. Rainbow delivered a significantly improved result with pre-IAS 39 EBITDA increasing by R365,2 million to R667,6 million, with the associated margin increasing to 7,4% from 3,4% in the prior year.

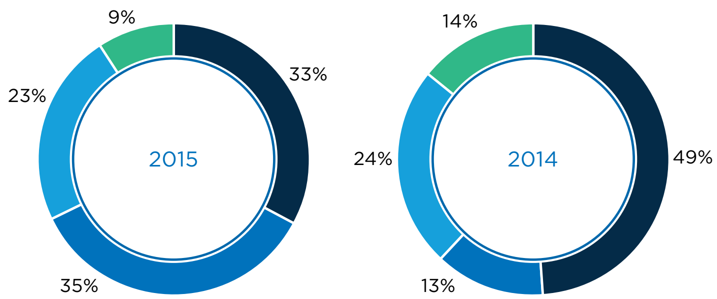
Whilst feed costs continue to be fairly high relative to long-term historic levels, Rainbow's new business model has had a profound impact on Rainbow's results. TSB's EBITDA for the year increased by 44,6% to R505,1 million, from R349,3 million on a *pro forma* basis (an improved margin of 8,2%), which was largely as a result of lower imports into South Africa. TSB's operating profit was impacted by an impairment of R84,0 million relating to the greenfields Massingir project in Mozambique. Vector's results for the period were negatively impacted by industrial action costs, resulting in EBITDA increasing by only 3,5% to R206,2 million (a margin of 10,9%).

The graph below depicts **EBITDA** from both a statutory perspective and adjusted for unrealised gains and losses on financial instruments (pre-IAS 39) used in Rainbow's feed raw material procurement strategy. Reporting (in terms of IAS 39) the financial effects of certain financial instruments used in Rainbow's feed procurement strategy introduces volatility to the Group's financial results. For the period under review, the pre-taxation impact on the Group's results of these unrealised positions is a positive impact of R106,2 million (2014: negative R98,8 million), being largely related to the recent increase in the maize price and devaluation in the R/US$ exchange rate.

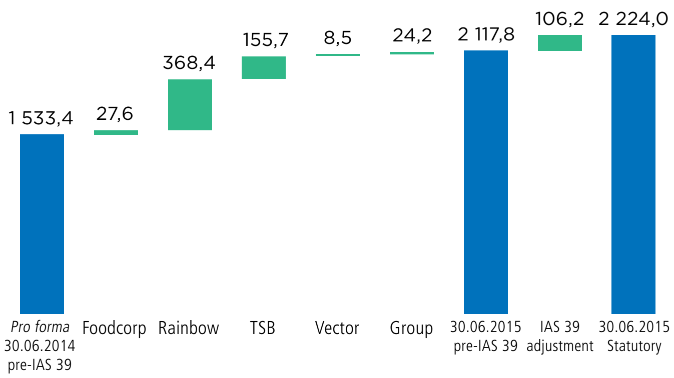
SEGMENTAL CONTRIBUTION TO REVENUE



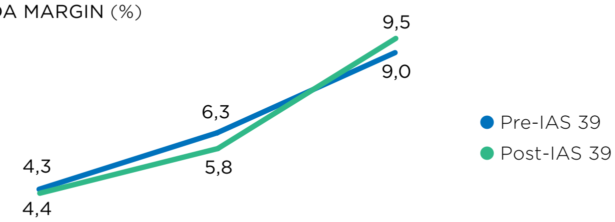
SEGMENTAL CONTRIBUTION TO EBITDA



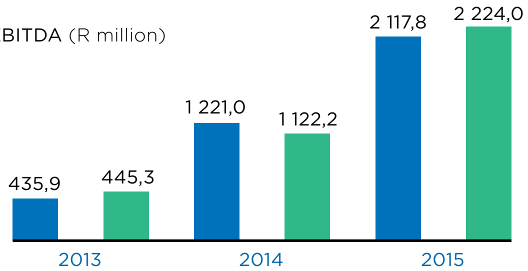
SEGMENTAL CONTRIBUTION TO EBITDA IMPROVEMENT (R million)



EBITDA MARGIN (%)



EBITDA (R million)



REPORT FROM THE CHIEF FINANCIAL OFFICER CONTINUED

FINANCE

Net finance costs have decreased by R573,6 million, mainly as a result of the comparative period results being materially impacted by exchange losses of R557,3 million incurred on Foodcorp's historic Euro-denominated debt and a reduction in overall debt during the current financial year.

EQUITY ACCOUNTED INVESTMENTS

Royal Swaziland Sugar Corporation ("RSSC")

TSB holds a 27,4% shareholding in RSSC. RSSC's equity accounted earnings for the 12 months were an after tax profit of R84,2 million, a decrease of 11,9% against the 2014 *pro forma* R95,6 million. Their results were negatively affected by the downward pressure on sugar prices in the European Union ("EU").

Akwandze Agricultural Finance Proprietary Limited ("Akwandze") and Mananga Sugar Packers Proprietary Limited ("Mananga")

TSB's Akwandze and Mananga contributed a combined after tax profit of R19,8 million for the 12 months to June 2015.

Zam Chick ("Zam Chick")

Due to differing year-end periods, the Group has equity accounted Zam Chick's 12-month results to 31 March 2015. Zam Chick exceeded expectations and continues to perform well, with equity accounted earnings increasing by 41,1% to R10,6 million (2014: R7,5 million).

Senn Foods Logistics ("Senn Foods")

Vector's investment in Senn Foods in the prior year has delivered solid results, with the Group's share of after tax profits amounting R7,6 million. Senn Foods has recently invested in a world-class infrastructure expansion to prepare for the planned growth. Due to differing year-end periods, the Group has equity accounted Senn Foods 11-month results to 31 March 2015.

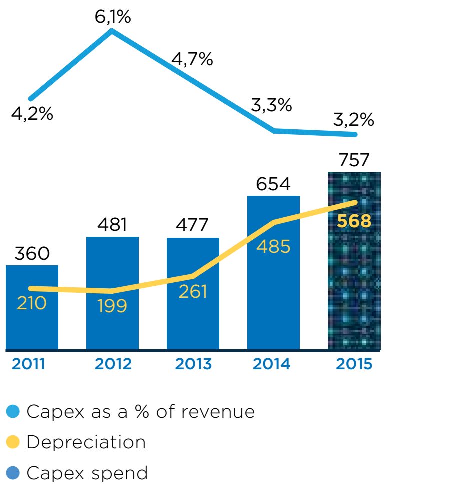
TAX

The effective tax rate before the share of the Group's associate and joint ventures profit is 31,8%. Non-deductible expenses predominantly relate to non-deductible depreciation, the Massingir impairment, listed company expenses and other capital costs arising due to the restructuring exercise performed in the current year.

DISCONTINUED OPERATION

Following lengthy deliberations at the Competition Commission and the Competition Appeal Court, the sale of Foodcorp's Fishing division was approved, subject to a condition that the Glenryck trademark be excluded from the transaction. The last conditions precedent were finalised on 2 February 2015. The revised purchase price for the Fishing division was R395,0 million (previously R445,0 million including the trademark) resulting in a loss of R31,9 million being included in the discontinued operation line.

CAPEX SPEND AND DEPRECIATION (R million)



STATEMENT OF FINANCIAL POSITION

Key statement of financial position items are highlighted below.

NON-CURRENT ASSETS

PROPERTY, PLANT AND EQUIPMENT (PP&E)

Capital expenditure (excluding intangibles) for the year was R756,6 million (2014: R654,0 million). An amount of R461,7 million (2014: R173.0 million) has been contracted and committed, but not spent, whilst a further R460,7 million (2014: R200,2 million) has been approved, but not contracted. The significant capital expenditure programme is supported by strong internal cash generation within the Group and underpins RCL FOODS' growth aspirations.

Approved capital expenditure includes Vector's distribution and warehousing facility in Port Elizabeth (R142,7 million), the Thekwini and Peninsula expansions (R90,3 million and R71,2 million respectively), Foodcorp's Mageu UHT project (R120,0 million) and the pet food plant upgrade (R123,0 million).

IMPAIRMENT

An amount of R84,0 million (no taxation impact) relating to work-in-progress spend for Massingir, the proposed greenfields sugar project in Mozambique, has been impaired in the current year as a suitable funding structure, that reduces the risk to the Group within the mandate set by the board of directors, had not been obtained.

INVESTMENT IN ASSOCIATE AND JOINT VENTURES

The increase in the investment in associate is mainly attributable to the Group's share of RSSC's profit less dividends received. An additional investment in the Zamhatch joint venture of R45,8 million was made during the year. The share of the Group's profit in joint ventures amounted to R38,0 million, whilst dividends of R11,2 million were received by the Group from Akwandze and Mananga.

In the current financial year 50,0% of the investment in TSGRO, a previously 100% owned subsidiary of the Group, was disposed of. This has resulted in TSGRO no longer being consolidated but being equity accounted as it has been classified as a joint venture. The impact of the disposal in not material to the Group.

CURRENT ASSETS AND CURRENT LIABILITIES

The increase in inventories is largely driven by the additional sugar stocks (R398,5 million) held at June 2015 resulting from an industry-led decision to hold back exports in anticipation of a smaller local crop, due to drought impacting the KwaZulu-Natal ("KZN") sugar producers.

Despite difficult economic conditions, trade debtors continue to be well managed across the Group with only 2,3% of trade debtors being considered doubtful.

The reduction in assets and liabilities held for sale is due to the final approval of the disposal of Foodcorp's Fishing division in February 2015 following a protracted Competition Commission process. The remaining held for sale assets and liabilities relate to the ongoing sale of the Glenryck brand and the proposed sale of certain of TSB's cane operations.

Cash on hand net of overdrafts and including the investment in money market fund, has decreased from R1 472,7 million in 2014 to R870,5 million in 2015, mainly as a result of the reduction in interest-bearing debt.

LONG– AND SHORT-TERM INTEREST-BEARING LIABILITIES

During the current financial year, the Group has placed significant focus on the raising of capital and the efficient use of cash to support the Group's growth ambition. In line with the Group's strategy, total long-term and short-term interest-bearing liabilities have decreased from R4 995,3 million to R3 642,8 million. The debt package that was put in place to replace the bridging loan facility in the prior year has been designed to have a level of flexibility that allows the Group to match inherent cash generation with the investment strategy both into new markets in sub-Saharan Africa as well as to enable capital expenditure in existing operations. The reduction in debt of R1,15 billion was financed from existing cash resources and the proceeds of the Foodcorp Fishing division disposal.

OTHER NON-CURRENT LIABILITIES

Deferred tax of R1 458,9 million (2014: R1 362,7 million) arises from numerous temporary differences across the Group.

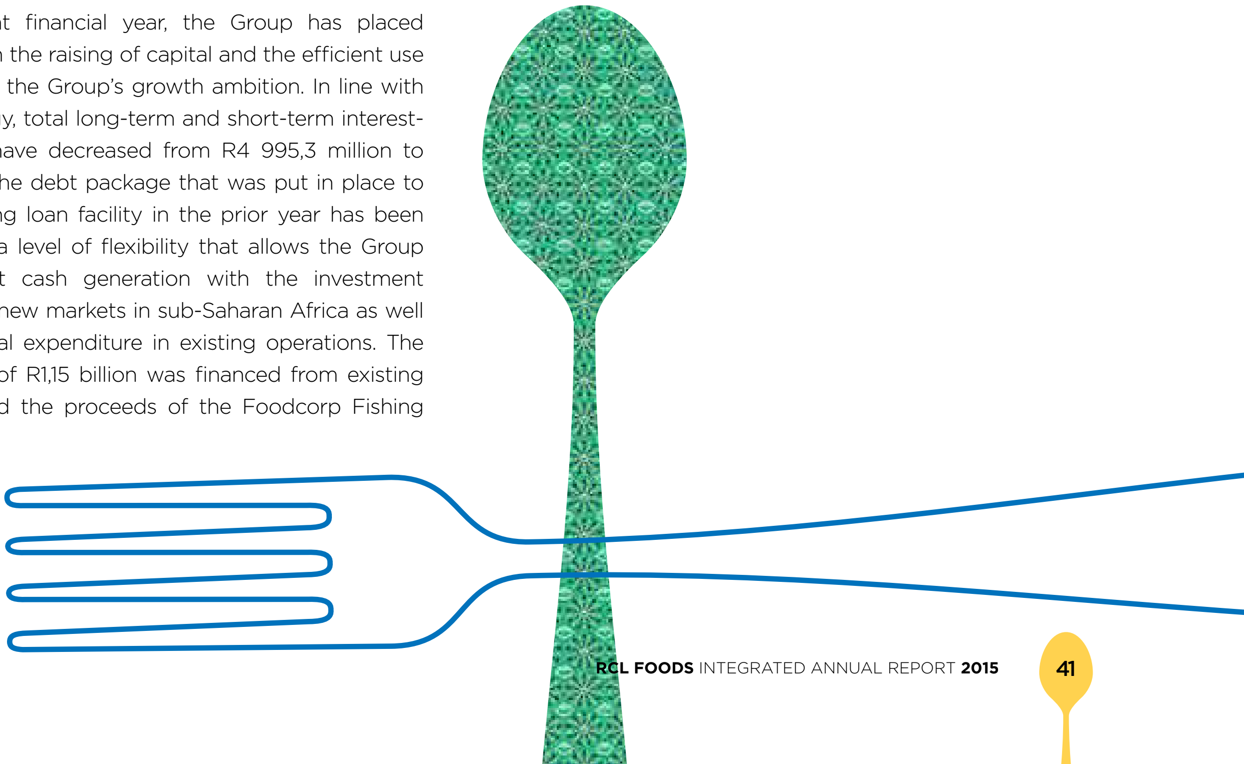
The post-retirement medical obligation of R187,7 million (2014: R225,8 million) arises from the actuarial valuation of the Group's potential liability resulting from post-retirement medical aid contributions in respect of current and future retirees. This liability is unfunded. The obligation of the Group to pay medical aid benefits after retirement is no longer part of the conditions of employment of the Group. The decrease in the current year is due to an outsourcing exercise that was offered to Rainbow and Vector pensioners resulting in an amount of R47,0 million being transferred to a registered third party annuity provider.

CASH FLOW AND WORKING CAPITAL

Cash generated by operations improved to R2 066,1 million, an increase of 76,0%, mainly as a result of the stronger financial performance and a continued focus on working capital management practices across the Group.

Net finance cost decreased to R322,6 million from R530,6 million, largely due to the replacement of Foodcorp's historic Euro-denominated debt with a cheaper local debt package.

The cash outflow of R80,7 million from investing activities is largely attributable to the capital expenditure (excluding intangibles) of R756,6 million, R45,8 million investments in joint ventures offset by the R446,0 million reduction in money market fund and the proceeds received on the sale of the Fishing division. The cash outflow from financing activities of R1,32 billion, mainly relates to the replacement of the bridging loan and a TSB loan of R216,0 million repaid as part of the debt refinance process.



REPORT FROM THE CHIEF FINANCIAL OFFICER CONTINUED

SUMMARISED CASH INFORMATION

	R million
Opening balance*	**1 472,7**
Operating profit adjusted for non-cash flow items	**1 914,8**
Working capital changes	**151,4**
Net finance costs paid	**(322,6)**
Tax paid	**(280,9)**
Dividends paid	**(301,8)**
Capital expenditure (including intangibles)	**(756,6)**
Proceeds on disposal of Fishing division (net of cash) sold	**251,1**
Additional investment in joint venture	**(46,0)**
Proceeds on sale of PP&E	**31,6**
Interest-bearing liabilities	**(1 357,7)**
Discontinued operation – net cash inflows	**35,3**
Other	**79,2**
Closing balance*	**870,5**

** Net of overdrafts and including money market fund.*

ACCOUNTING POLICIES

The Group's accounting policies are governed by International Financial Reporting Standards (IFRS). Guidance has been obtained from the International Financial Reporting Interpretations Committee (IFRIC) and circulars.

The Group maintains the view that the standards set the minimum requirements for financial reporting. The financial statements in this integrated annual report have been prepared with the aim of exposing the reader to a detailed view of the results, using a simplified approach, in the hope of facilitating a deeper and more informed understanding of the Group's performance.

PRIOR PERIOD RESTATEMENT

Following a reassessment of Foodcorp's trade agreements with its customers, it was concluded that certain allowances granted to customers that were previously recorded as an expense should be recorded as a reduction in revenue. As a result, revenue for the year ended 30 June 2014 has been restated. The restatement has no impact on operating profit or the statement of financial position. The effect of the above reassessment on the income statement for the year ended 30 June 2014 is a decrease in revenue of R219,1 million.

CONTINGENCIES

The contingencies balance is due to the inclusion of TSB's joint venture Akwandze. TSB has guaranteed long-term loans from the Land Bank on behalf of Akwandze. No losses are expected as the risk of default is extremely low due to the fact that some debtors are joint ventures to the Group with no history of default.

CASH DIVIDEND DECLARATION

It is the Board's intention to continue paying dividends, subject to the Group's underlying profit delivery.

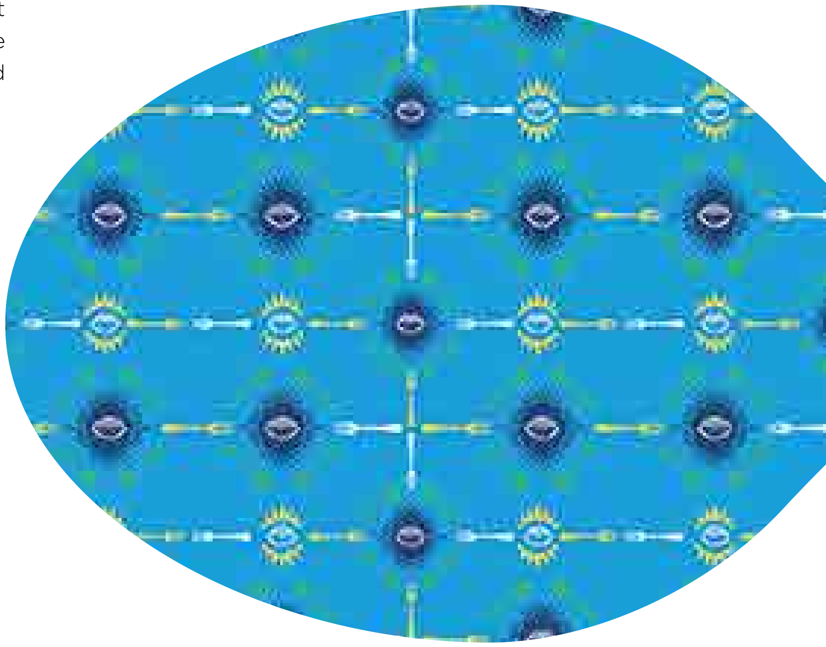
The directors have resolved to declare a final cash dividend of 22,0 cents per share for the year ended 30 June 2015. An interim dividend of 15,0 cents was declared and paid during the financial year. The dividend has been declared from income reserves. Dividend tax will amount to 3,3 cents per share and consequently shareholders, who are not exempt from dividend tax, will receive a net dividend amount of 18,7 cents per share.

FINANCIAL STRATEGY

The rapidly expanded Group has presented both challenges and opportunities from a financial perspective. Some of the key opportunities are covered below:

STRATEGIC SOURCING

In the period under review, the Group continued to invest in a centralised structure with specialist skills focused on strategic sourcing. The business operations across the Group remain supported by traditional procurement resources, however, the strategic sourcing team introduces a new level of engagement with the business and suppliers that ensure significant benefits are identified and delivered. This initiative is greatly enabled with the appropriate supporting systems like Rainbow's SAP implementation, however, benefits associated with the enlarged Group now including Foodcorp and TSB are being pursued despite the lack of systems and data alignment. A benefit of R115,3 million was achieved in the current year.



INSURANCE

The Group applies an umbrella approach to insurance, and aims to insure all Group companies under the same insurance structure.

The Group strategy is to keep insurance to a minimum without exposing the Group's assets or profitability to unacceptable financial loss which could materially affect either trading results or cash flow. RCL FOODS' stronger balance sheet has allowed more scope to self-insure predictable losses and less material risks which are not administratively cost effective to transfer to insurers. The level of self-insurance is determined based on the recommendations of RCL FOODS' broker, given the levels of policy deductibles and general risk environment.

The increased scale of the Group's assets has also allowed the underwriting to be broadened to include international insurance markets. A balanced placement of underwriting between local and international underwriters is considered to be more cost effective over the long term, as it protects the Group should the market experience excessive claims which would impact pricing risk in that market.

CENTRAL TREASURY AND DEBT REFINANCE

The inheritance of significant debt levels through the Foodcorp acquisition has led to an increased focus on gearing and cash flow management. Monthly management reporting and incentive structures now include a direct link to free cash flow generation and return on assets managed.

The treasury function has been centralised in order to minimise the cost of funding and to provide a single point of reference with funders.

The objective of the centralised treasury is to:

- Ensure that sufficient cash resources are available to meet working capital requirements across the Group;
- Ensure that excess cash is pooled and invested optimally;
- Reduce risk related to changes in asset values, interest rates and foreign currency holdings by the use of hedging and netting strategies;
- Determine and implement an optimal level of debt financing; and
- Minimise transaction costs.

During the year under review the R4,5 billion bridging loan was replaced with a longer term funding structure across 3, 4 and 5 year terms. Given the current growth trajectory and significant capital expenditure, flexibility within the funding package is key with R0,5 billion designated as a revolving credit facility. The Group's cash flow is also significantly impacted by the traditionally lower profit and cash flow in the second half of the financial year, as well as the three-month off-crop period of TSB whereby the year's major maintenance projects in the mills are completed. The Group is able to pre-pay the debt without penalty from internally generated cash flows.

Although the new average funding cost is slightly higher than the bridging facility it replaced, it is reflective of the longer-term nature of the debt with normal covenants but is still competitive due to the investment grade debt profile of the Group. The participants in the package are Rand Merchant Bank, Standard Bank of South Africa, ABSA and HSBC.

The funding package is structured on the following basis:

Facilities	Type	Term	**R million**
Senior A Loan	Bullet	5 years	**1 755**
Senior B Loan	Bullet	4 years	**1 097**
Senior C Loan	Revolving	3 years	**498**
Total			**3 350**

The Group will continue to seek ways to reduce volatility in cash flows through strict management of working capital investment, the hedging of interest rate risk and partnering with our funding service providers to improve transparency and forecasting of cash flows.

Key covenants on the debt package are net interest-bearing senior debt/pre-IAS 39 EBITDA cover ratio of less than 3,0 and a senior interest cover ratio of greater than 3,0. All covenants have been met with a significant safety margin in the 2015 financial year.

RH Field
Chief Financial Officer

CONTENTS

RCL FOODS Limited
Six The Boulevard
Westway Office Park
Westville
3629

Dear shareholder,

Kindly note that the information contained in this printed version of the integrated annual report represents a summary of the information contained in the full integrated annual report published on the RCL FOODS website www.rclfoods.com on 30 September 2015.

Any investment decisions by investors and/or shareholders should be based on a consideration of the full annual report as a whole and shareholders are encouraged to review the full annual report, (which is available for viewing on the Company's website set out above).

Investors and/or shareholders may request copies of the full annual report by contacting the company secretary at john.maher@rclfoods.com or on 031 242 8580.

Yours faithfully

JJ Durand
Non-executive Chairman

Chairman JJ Durand **Chief Executive Officer** M Dally **Directors** HJ Carse, RH Field, PR Louw, NP Mageza, DTV Msibi, MM Nhlanhla, RV Smither, GM Steyn, GC Zondi
Head office Six The Boulevard • Westway Office Park • Westville • 3629 • PO Box 273 4• Westway Office Park • 3635 • Tel +27 31 242 8600

REPORT OF THE AUDIT COMMITTEE
for the year ended 30 June 2015

This report sets out how the Audit Committee discharged its responsibilities during the financial year ended 30 June 2015 as required in terms of section 94 of the Companies Act of South Africa.

MANDATE AND TERMS OF REFERENCE

The responsibilities of the Audit Committee are incorporated into the committee's charter which is reviewed annually and approved by the Board. The committee has conducted its affairs in compliance with this charter and has discharged its responsibilities contained therein.

A copy of the charter can be found on our website www.rclfoods.com.

AUDIT COMMITTEE MEMBERSHIP AND RESOURCES

The Audit Committee consists of three independent non-executive directors. All members of the committee have the requisite financial knowledge and commercial skills and experience to contribute effectively to committee deliberations.

The committee met three times during the year as per the Audit Committee charter. The Chairman of the Board, Chief Executive Officer, Chief Financial Officer, Group Audit and Risk Manager (GARM) and representatives from the external auditors attend meetings by invitation. Other members of the Board and management team attend as required. The committee meets separately with the external auditors and internal auditors at least once a year without management present, to ensure that all relevant matters have been identified and discussed without undue influence.

ELECTION OF COMMITTEE MEMBERS

In terms of section 94 (2) of the Companies Act, it is proposed in the notice of the annual general meeting to be held on 26 November 2015 that Messrs RV Smither, NP Mageza and DTV Msibi be re-appointed as members of the Audit Committee until the next annual general meeting in 2016.

ROLES AND RESPONSIBILITIES

The Audit Committee's roles and responsibilities include its statutory duties per the Companies Act of South Africa and the responsibilities assigned to it by the Board. The Audit Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk and Information Technology (IT) risks as it relates to financial reporting.

The Audit Committee has discharged its key responsibilities as follows:

- Reviewed the interim results, period-end financial statements, sustainability disclosure and integrated report, culminating in a recommendation to the Board. In the course of its review the committee:
  - took appropriate steps to ensure that the financial statements are prepared in accordance with International Financial Reporting Standards (IFRS); and
  - considered and, when appropriate, made recommendations on financial statements, accounting practices and internal financial controls.
- Confirmed the Internal Audit charter and audit plan and revised structure;

Board members	26 August 2014	12 November 2014	17 February 2015
NP Mageza ACCA(UK) Appointed: September 2009	Present	Present	Present
DTV Msibi BBusSc, BCom (Hons), MCom, CA(SA) Appointed: August 2013	Present	Apologies	Present
RV Smither (Committee Chairman) CA(SA) Appointed: December 2008	Present	Present	Present

- Evaluated the effectiveness of internal controls and governance processes and satisfied itself about the adequacy and effectiveness of the Group's system of internal financial controls;
- Reviewed the appropriateness of the combined assurance model in addressing all significant risks facing the Group;
- Considered and recommended to the Board the appointment and retention of external auditors;
- Approved the audit fees and engagement terms of the external auditors; and
- Determined the nature and extent of allowable non-audit services and approved the terms for the provision of non-audit services by the external auditors.

The role of the Audit Committee applies to all the divisions of the Group.

EXPERTISE AND EXPERIENCE OF THE CFO AND FINANCE FUNCTION

The Audit Committee performed an assessment of the Chief Financial Officer (CFO), Robert Field and the finance function. Based on the 2015 assessment the Audit Committee is satisfied that Robert Field and his management team have the appropriate expertise and experience to service the Group's finance function. It further considered and satisfied itself of the overall appropriateness of the expertise and adequacy of resources of the Group's finance function. The Annual Financial Statements were compiled under the supervision of Robert Field, CA(SA).

EXTERNAL AUDIT

PricewaterhouseCoopers (PWC) are the incumbent auditors for all the Group companies. The committee continually monitors the independence and objectivity of the external auditors and satisfied itself with the ethical requirements regarding independence. The external auditors were considered independent with respect to the Group, as required by the codes endorsed and administered by the Independent Regulatory Board for Auditors and the South African Institute of Chartered Accountants.

During the period, PWC provided certain non-audit services, including tax services and a review of the Group commodity procurement process. Total fees incurred during the 2015 financial year to PWC were R22,0 million of which R5,1 million related to non-audit services.

The Audit Committee has nominated, for election at the annual general meeting, PWC as the external audit firm responsible for performing the functions of auditor for the 2016 financial year. The Audit Committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE list of auditors.

INTERNAL AUDIT

The Audit Committee is responsible for ensuring that the RCL FOODS' internal audit function is independent and has the necessary resources and authority to enable it to discharge its duties.

Internal audit comprises a dedicated team of appropriately qualified and technically experienced personnel. Where necessary, certain audits are outsourced to consultants with appropriate skills and technical expertise. The activities of the internal audit function are co-ordinated by the GARM. To ensure independence, the GARM reports functionally to the Audit Committee and, only from an administrative perspective, to the CEO.

INTERNAL FINANCIAL CONTROLS

The committee is satisfied that the company's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements, which is based on the review of the design, implementation and effectiveness of the Group's system of internal financial controls conducted by the internal audit function during the year under review, and reports made by the independent external auditors on the results of their audit and management reports. No findings have come to the attention of the committee to indicate that any material breakdown in internal controls has occurred during the past financial year.

GOING CONCERN ASSESSMENT

The Audit Committee reviewed a documented assessment by management of the going concern premise of the Group before concluding to the Board that the company will be a going concern in the foreseeable future.

RV Smither
Chairman of the Audit Committee

1 September 2015

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

	2015 R'000	2014 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	**5 193 089**	5 132 889
Intangible assets	**2 640 039**	2 740 218
Biological assets	**549 608**	498 803
Investment in joint ventures	**416 626**	347 819
Investment in associate	**406 250**	356 013
Deferred income tax asset	**8 320**	8 678
Loan receivable	**1 555**	1 555
Goodwill	**3 035 823**	3 035 823
	12 251 310	12 121 798
Current assets		
Inventories	**2 761 151**	2 157 236
Biological assets	**548 525**	538 881
Trade and other receivables	**3 156 670**	3 041 277
Derivative financial instruments	**10 438**	2 841
Tax receivable	**9 923**	13 907
Loan receivable	**5 239**	
Investment in money market fund		446 000
Cash and cash equivalents	**873 397**	1 047 710
Assets of disposal group classified as held for sale	**76 542**	541 110
	7 441 885	7 788 962
Total assets	**19 693 195**	19 910 760
EQUITY		
Capital and reserves	**10 113 499**	9 436 286
LIABILITIES		
Non-current liabilities		
Deferred income	**1 849**	5 153
Interest-bearing liabilities	**3 511 271**	367 556
Deferred income tax liabilities	**1 458 933**	1 362 670
Retirement benefit obligations	**187 656**	225 776
Trade and other payables	**8 567**	35 260
	5 168 276	1 996 415
Current liabilities		
Trade and other payables	**4 184 985**	3 604 363
Deferred income	**5 239**	3 059
Interest-bearing liabilities	**131 559**	4 627 716
Derivative financial instruments	**16 277**	10 389
Current income tax liabilities	**52 680**	25 388
Bank overdraft	**2 891**	20 993
Liabilities of disposal group classified as held for sale	**17 789**	186 151
	4 411 420	8 478 059
Total liabilities	**9 579 696**	10 474 474
Total equity and liabilities	**19 693 195**	19 910 760

ABRIDGED CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2015

		Year ended 30 June 2015 R'000	Restated Year ended 30 June 2014 R'000
Continuing operations			
Revenue		**23 428 206**	19 500 842
Operating profit before depreciation, amortisation and impairment (EBITDA)		**2 224 045**	1 122 220
Depreciation, amortisation and impairment		**(771 654)**	(588 177)
Operating profit		**1 452 391**	534 043
Finance costs		**(373 607)**	(1 043 458)
Finance income		**52 056**	148 283
Share of profits of joint ventures		**38 004**	16 854
Share of profit/(loss) of associate		**84 178**	(6 520)
Profit/(loss) before tax		**1 253 022**	(350 798)
Income tax expense		**(359 160)**	44 061
Profit/(loss) after tax from continuing operations		**893 862**	(306 737)
(Loss)/profit for the year from discontinued operation		**(31 905)**	29 755
Profit/(loss) for the year		**861 957**	(276 982)
Attributable to:			
Equity holders of the company		**848 121**	(289 039)
Non-controlling interests		**13 836**	12 057
HEADLINE EARNINGS			
Continuing operations			
Profit/(loss) for the year attributable to equity holders of the company		**880 026**	(318 794)
Profit on disposal of property, plant and equipment		**(3 920)**	(9 192)
Profit on sale of investment		**(1 546)**	
Insurance proceeds		**630**	
Impairment loss/(reversed)		**89 269**	(4 639)
Headline earnings from continuing operations		**964 459**	(332 625)
Discontinued operation			
(Loss)/profit for the year attributable to equity holders of the company		**(31 905)**	29 755
Loss on disposal of discontinued operation		**28 193**	
Impairment to fair value less cost to sell		**11 424**	
Headline earnings from discontinued operation		**7 712**	29 755
Earnings per share from continuing and discontinued operations attributable to equity holders of the company			
Continuing operations			
Basic earnings per share	(cents)	**102,4**	(45,7)
Basic earnings per share – diluted	(cents)	**101,7**	(45,7)
Headline earnings per share	(cents)	**112,2**	(47,7)
Headline earnings per share – diluted	(cents)	**111,5**	(47,7)
Discontinued operation			
Basic earnings per share	(cents)	**(3,7)**	4,3
Basic earnings per share – diluted	(cents)	**(3,7)**	4,3
Headline earnings per share	(cents)	**0,9**	4,3
Headline earnings per share – diluted	(cents)	**0,9**	4,3

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Year ended 30 June 2015 R'000	Year ended 30 June 2014 R'000
Profit/(loss) for the year	**861 957**	(276 982)
Other comprehensive income		
Items that will not be reclassified to profit and loss		
Remeasurement of retirement medical obligations – net of tax	**(4 299)**	15 451
Share of associates' other comprehensive income	**854**	
Items that will not be reclassified subsequently to profit and loss		
Cash flow hedges	**28 114**	(1 874)
Currency translation differences	**(6 129)**	3 295
Other comprehensive income/(loss) for the year – net of tax	**18 540**	16 872
Total comprehensive income/(loss) for the year	**880 497**	(260 110)
Total comprehensive income for the year attributable to:		
Equity holders of the company	**866 661**	(272 167)
Non-controlling interests	**13 836**	12 057
	880 497	(260 110)

ABRIDGED CONSOLIDATED CASH FLOW INFORMATION

for the year ended 30 June 2015

	Year ended 30 June 2015 R'000	Year ended 30 June 2014 R'000
Operating profit	**1 452 391**	534 043
Non-cash items	**462 448**	566 739
Operating profit before working capital requirements	**1 914 839**	1 100 782
Working capital requirements	**151 276**	73 221
Cash generated by operations	**2 066 115**	1 174 003
Net finance cost	**(322 558)**	(530 549)
Net cash flows from operating activities – discontinued operation	**54 275**	43 918
Tax paid	**(280 896)**	(48 921)
Cash available from operating activities	**1 516 936**	638 451
Dividend received	**46 955**	27 673
Dividends paid	**(301 777)**	
Cash outflows from investing activities – continuing operations	**(80 720)**	(487 506)
Cash outflows from investing activities – discontinued operation	**(17 510)**	(6 556)
Cash outflows from financing activities – continuing operations	**(1 320 625)**	(1 455 017)
Cash outflows from financing activities – discontinued operation	**(1 455)**	(3 519)
Net movement in cash and cash equivalents	**(158 196)**	(1 286 474)
Cash and cash equivalents at the beginning of the year	**1 026 717**	2 313 191
Exchange rate translation	**1 985**	
Cash and cash equivalents at the end of the year	**870 506**	1 026 717

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Attributable to equity holders of the company							
	Stated capital R'000	Other reserves R'000	Common control reserve R'000	Share-based payments R'000	Retained earnings R'000	Controlling interest total R'000	Non-controlling interest R'000	Total R'000
Balance at 1 July 2013 – restated	5 079 194	1 041		185 188	1 468 691	6 734 114	311 306	7 045 420
(Loss)/profit for the year					(289 039)	(289 039)	12 057	(276 982)
Other comprehensive income		1 421			15 451	16 872		16 872
Acquisition of minority interest in subsidiary							(493 269)	(493 269)
Transfer to retained earnings					(189 182)	(189 182)	189 182	
Acquisition of entity under common control	4 000 000		(1 919 832)			2 080 168	42 421	2 122 589
BEE share-based payments charge				112 486		112 486		112 486
Pro rata issue of shares	790 184					790 184		790 184
Employee share option scheme:								
– proceeds from shares issued	86 322					86 322		86 322
– value of employee services				32 664		32 664		32 664
Balance at 30 June 2014	9 955 700	2 462	(1 919 832)	330 338	1 005 921	9 374 589	61 697	9 436 286
Profit for the year					**848 121**	**848 121**	**13 836**	**861 957**
Other comprehensive income		**21 985**			**(3 445)**	**18 540**		**18 540**
Ordinary dividends paid					**(300 963)**	**(300 963)**	**(814)**	**(301 777)**
Transfer of non-controlling interests to retained earnings					**(4 063)**	**(4 063)**	**4 063**	
BEE share-based payments charge				**17 600**		**17 600**		**17 600**
Employee share option scheme:								
– proceeds from shares issued	**37 115**					**37 115**		**37 115**
– value of employee services				**43 778**		**43 778**		**43 778**
Balance at 30 June 2015	**9 992 815**	**24 447**	**(1 919 832)**	**391 716**	**1 545 571**	**10 034 717**	**78 782**	**10 113 499**

ABRIDGED SUPPLEMENTARY INFORMATION
for the year ended 30 June 2015

		Year ended 30 June 2015 R'000	Year ended 30 June 2014 R'000
Capital expenditure contracted and committed		**461 742**	172 985
Capital expenditure approved but not contracted		**460 658**	200 158
Contingencies		**75 000**	75 000
Additions due to replacement of property, plant and equipment		**476 459**	306 489
Additions due to expansion of property, plant and equipment		**280 161**	347 532
Intangible asset additions		**6 927**	18 417
Amount expensed as write-down to net realisable value		**45 131**	15 010
Statistics			
Statutory ordinary shares in issue (includes BEE shares)	(000's)	**932 325**	929 569
Ordinary shares in issue for accounting purposes	(000's)	**861 566**	858 810
Weighted average ordinary shares in issue	(000's)	**859 611**	697 988
Diluted weighted average ordinary shares in issue	(000's)	**865 355**	697 988
Net asset value per share	(cents)	**1 173,9**	1 098,8
Ordinary dividends per share:			
– interim dividend paid	(cents)	**15,0**	
– final dividend declared/paid	(cents)	**22,0**	20,0
Total dividends	(cents)	**37,0**	20,0

ABRIDGED SEGMENTAL ANALYSIS
for the year ended 30 June 2015

	Year ended 30 June 2015 R'000	Restated Year ended 30 June 2014 R'000
Revenue	**23 428 206**	19 500 842
Foodcorp	**7 519 641**	7 548 878
Rainbow	**9 077 501**	8 732 933
TSB	**6 134 351**	2 482 052
Vector	**1 883 664**	1 699 903
Sales between segments:		
Foodcorp to Rainbow	**(89 708)**	(61 981)
Rainbow to Foodcorp	**(72 979)**	(51 736)
TSB to Foodcorp	**(55 667)**	(13 552)
TSB to Rainbow	**(4 841)**	
Vector to Foodcorp	**(110 943)**	(21 495)
Vector to Rainbow	**(839 366)**	(814 160)
Vector to TSB	**(13 447)**	
Operating profit before depreciation, amortisation and impairment	**2 224 045**	1 122 220
Foodcorp	**743 257**	720 960
Rainbow	**773 860**	203 650
TSB	**505 078**	147 483
Vector	**206 190**	199 132
Unallocated group costs	**(4 340)**	(149 005)
Depreciation, amortisation and impairment	**(771 654)**	(588 177)
Operating profit/(loss)		
Foodcorp	**461 694**	455 172
Rainbow	**558 886**	622
TSB	**284 088**	79 541
Vector	**153 570**	149 119
Unallocated group costs	**(5 847)**	(150 411)
Operating profit	**1 452 391**	534 043
Finance costs	**(373 607)**	(1 043 458)
Finance income	**52 056**	148 283
Share of profits of joint ventures		
TSB	**19 815**	9 327
Vector	**7 569**	
Zambian operations	**10 620**	7 527
Share of profits of joint ventures	**38 004**	16 854
Share of profit/(loss) of associate		
TSB	**84 178**	(6 520)
Share of profit/(loss) of associate	**84 178**	(6 520)
Profit/(loss) before tax	**1 253 022**	(350 798)

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS for the year ended 30 June 2015

1. BASIS OF PREPARATION

The abridged consolidated annual financial statements have been extracted from the audited consolidated annual financial statements for the year ended 30 June 2015, available at www.rclfoods.com. The abridged consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the information required by IAS 34 (Interim Financial Reporting), IFRIC interpretations, SAICA financial reporting guides and in compliance with the Companies Act of South Africa and the Listings Requirements of the JSE Limited, under the supervision of the Chief Financial Officer, Robert Field CA(SA). The accounting policies comply with IFRS and are consistent with those applied in the previous year except for the adoption of the amendments to IAS 19 (Employee Benefits), IAS 32 (Financial Instruments: Presentation), IAS 36 (Impairment of Assets), IAS 39 (Financial Instruments: Recognition and Measurement), Annual Improvements 2012 and Annual Improvements 2013 which became effective 1 July 2014. The adoption of these amendments has no effect on the results, nor has it required any restatement of results.

Following a reassessment of Foodcorp's trade agreements with its customers, it was concluded that certain allowances granted to customers, that were previously recorded as an expense, should be recorded as a reduction of revenue. As a result, the revenue total for the year ended 30 June 2014 has been restated. The restatement has no impact on operating profit or the statement of financial position.

	30 June 2014 R'000
Impact on statement of comprehensive income	
Decrease in revenue	(219 123)

2. DIRECTORS' EMOLUMENTS

	Basic salary R'000	Pension contribution R'000	Bonus* R'000	Other benefits** R'000	Total R'000
2015					
M Dally	**6 688**	**527**	**2 750**	**191**	**10 156**
RH Field	**3 300**	**347**	**1 142**	**103**	**4 892**
	9 988	**874**	**3 892**	**294**	**15 048**
2014					
M Dally	6 161	446	1 785	218	8 610
RH Field	2 968	295	674	112	4 049
	9 129	741	2 459	330	12 659

* *Bonus payments relate to the prior financial year.*

** *Other benefits include company contributions to disability insurance, medical aid and UIF.*

2. DIRECTORS' EMOLUMENTS continued

Non-executives (for services as a director)	2015 R'000	2014 R'000
Present directors		
HJ Carse*	**246**	223
JJ Durand*	**302**	223
PR Louw*	**246**	223
NP Mageza	**455**	389
DTV Msibi**	**345**	269
MM Nhlanhla	**296**	269
RV Smither	**582**	497
GM Steyn	**383**	276
GC Zondi***	**541**	473
	3 396	2 842
Past directors		
Dr M Griessel		129
JB Magwaza		96
		225
Total	**3 396**	3 067

* *Paid to Remgro Management Services Limited.*

** *Paid to Investment Solutions Holdings.*

*** *Paid to Imbewu Capital Partners Consulting Proprietary Limited.*

Interests of directors of the company in share options granted in terms of the RCL FOODS Share Incentive Scheme

Options granted to executive directors and unexpired or unexercised as at 30 June 2015 are as follows:

	Issue price prior to rights issue Rand	Issue price post rights issue* Rand	Options exercisable at 30 June 2014	Options exercised during the year	Options exercisable at 30 June 2015	Exercise price Rand	Gain on options exercised R'000
M Dally	**14,20**	**13,21**	**542 224**	**(542 224)**		**17,16**	**2 141**
RH Field	**14,20**	**13,21**	**284 319**	**(284 319)**		**17,16**	**1 122**
Total			**826 543**	**(826 543)**			**3 263**

* *The issue price and number of outstanding options were amended as a result of the rights issues in the prior financial year in order to place the holders in the same position as they were before the rights issue. This amendment has no financial effect for the Group as they have placed the participants in the same economic position as they were before the rights issue.*

2. DIRECTORS' EMOLUMENTS continued

Interests of directors of the company in share options granted in terms of the RCL FOODS Share Incentive Scheme continued

Options granted to executive directors and unexpired or unexercised as at 30 June 2014 are as follows:

	Issue price prior to rights issue Rand	Issue price post rights issue* Rand	Options exercisable at 30 June 2013	Options exercised during the year	Options exercisable at 30 June 2014	Exercise price Rand	Gain on options exercised R'000
M Dally	16,35	15,21	1 188 688	(1 188 688)		17,00	2 128
	14,20	13,21	542 224		542 224		
			1 730 912	(1 188 688)	542 224		2 128
RH Field	16,35	15,21	619 147	(619 147)		17,00	1 108
	14,20	13,21	284 319		284 319		
			903 466	(619 147)	284 319		1 108
Total			2 634 378	(1 807 835)	826 543		3 236

No options were issued during the year, nor will any further options be issued under the RCL FOODS Share Incentive Scheme, as this scheme has been replaced by the RCL FOODS Share Appreciation Rights Scheme approved at the 43rd annual general meeting of the shareholders held on 31 July 2009. The scheme will be simply allowed to run its course in respect of existing options.

Interests of directors of the company in share appreciation rights awarded in terms of the RCL FOODS Share Appreciation Rights Scheme

Share appreciation rights awarded to executive directors and unexpired or unexercised as at 30 June 2015 are as follows:

	Issue price prior to rights issue Rand	Issue price post rights issue* Rand	Rights at 30 June 2014	Rights awarded during the year	Rights at 30 June 2015	Grant date fair value of rights awarded during the year** R'000	Rights exercisable at 30 June 2015
M Dally	**15,34**	**14,27**	**908 945**		**908 945**		**908 945**
	15,83	**14,73**	**929 256**		**929 256**		**929 256**
	17,68	**16,45**	**714 572**		**714 572**		**471 617**
	14,19	**13,20**	**768 117**		**768 117**		
		16,54	**1 240 943**		**1 240 943**		
		15,93		**1 014 820**	**1 014 820**	**2 760**	
			4 561 833	**1 014 820**	**5 576 653**	**2 760**	**2 309 818**
RH Field	**15,34**	**14,27**	**427 702**		**427 702**		**427 702**
	15,83	**14,73**	**431 618**		**431 618**		**431 618**
	17,68	**16,45**	**364 999**		**364 999**		**240 899**
	14,19	**13,20**	**374 505**		**374 505**		
		16,54	**621 765**		**621 765**		
		15,93		**559 397**	**559 397**	**1 522**	
			2 220 589	**559 397**	**2 779 986**	**1 522**	**1 100 219**
Total			**6 782 422**	**1 574 217**	**8 356 639**	**4 282**	**3 410 037**

* *The issue price and number of outstanding options were amended as a result of the rights issues in the prior financial year in order to place the holders in the same position as they were before the rights issue. This amendment has no financial effect for the Group as they have placed the participants in the same economic position as they were before the rights issue.*

** *Grant date fair value of rights awarded represents the total fair value of rights awarded during the year. This cost will be expensed over the rights' vesting period.*

2. DIRECTORS' EMOLUMENTS continued

Interests of directors of the company in share appreciation rights awarded continued

Share appreciation rights awarded to executive directors and unexpired or unexercised as at 30 June 2014 are as follows:

	Issue price prior to rights issue Rand	Issue price post rights issue* Rand	Rights at 30 June 2013	Rights awarded during the year	Rights at 30 June 2014	Grant date fair value of rights awarded during the year** R'000	Rights exercisable at 30 June 2014
M Dally	15,34	14,27	908 945		908 945		599 903
	15,83	14,73	929 256		929 256		613 308
	17,68	16,45	714 572		714 572		205 808
	14,19	13,20	768 117		768 117		
		16,54		1 240 943	1 240 943	4 054	
			3 320 890	1 240 943	4 561 833	4 054	1 419 019
RH Field	15,34	14,27	427 702		427 702		282 283
	15,83	14,73	431 618		431 618		284 867
	17,68	16,45	364 999		364 999		120 449
	14,19	13,20	374 505		374 505		
		16,54		621 765	621 765	2 031	
			1 598 824	621 765	2 220 589	2 031	687 599
Total			4 919 714	1 862 708	6 782 422	6 085	2 106 618

* *The issue price and number of outstanding options were amended as a result of the rights issues in the prior financial year in order to place the holders in the same position as they were before the rights issue. This amendment has no financial effect for the Group as they have placed the participants in the same economic position as they were before the rights issue.*

** *Grant date fair value of rights awarded represents the total fair value of rights awarded during the prior year. This cost will be expensed over the rights' vesting period.*

Interests of directors of the company in conditional shares awarded in terms of the RCL FOODS conditional share plan

	Conditional shares at 30 June 2015	Conditional shares at 30 June 2014
M Dally	**675 547**	675 547
RH Field	**340 124**	340 124
Total	**1 015 671**	1 015 671

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS for the year ended 30 June 2015

2. DIRECTORS' EMOLUMENTS continued

Interests of directors of the company in stated capital

The aggregate beneficial holdings as at 30 June of those directors of the company holding issued ordinary shares are detailed below:

	2015		2014	
	Direct beneficial	**Indirect beneficial**	Direct beneficial	Indirect beneficial
Executive directors				
M Dally	**1 201 653**		1 201 653	
RH Field	**250 000**		250 000	
Non-executive directors				
NP Mageza		**386**		386
MN Nhlanhla*		**229 559**		229 559
GC Zondi*		**4 251 093**		4 251 093
	1 451 653	**4 481 038**	1 451 653	4 481 038

** Assumes 100% vesting in terms of BEE transaction.*

There has been no change in the interest of the directors in the stated capital of the company since the end of the financial year to the date of this report.

Directors' emoluments paid by Remgro Limited

Fixed pay	**Fees R'000**	**Salaries R'000**	**Retirement fund R'000**	**Other benefits** R'000**	**Total R'000**
30 June 2015					
Executive					
HJ Carse		**1 717**	**340**	**231**	**2 288**
JJ Durand	**245**	**9 204**	**1 874**	**302**	**11 625**
PR Louw		**1 530**	**303**	**232**	**2 065**
	245	**12 451**	**2 517**	**765**	**15 978**
Non-executive					
NP Mageza	**328**				**328**
	328				**328**
Total	**573**	**12 451**	**2 517**	**765**	**16 306**
30 June 2014					
Executive					
HJ Carse		1 602	318	218	2 138
JJ Durand	228	7 617	1 556	283	9 684
PR Louw		1 412	280	218	1 910
	228	10 631	2 154	719	13 732
Non-executive					
NP Mageza	305				305
	305				305
Total	533	10 631	2 154	719	14 037

*** Other benefits include medical aid contributions and vehicle benefits.*

2. DIRECTORS' EMOLUMENTS continued

Variable pay – long-term incentive plans

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2015

Participant	Balance of SARs accepted as at 30 June 2014	SARs accepted during the year	Offer date	Offer price Rand	Number of SARs exercised	Date exercising SARs	Share price on exercise date	Increase in value* R'000	Balance of SARs accepted as at 30 June 2015	Grant date fair value of SARs granted during the year R'000
Executive										
HJ Carse	20 613			78,30	(20 613)	23/09/2014	239,20	3 317		
	38 062			97,55	(10 000)	15/05/2015	257,40	1 599	28 062	
	7 546			147,25					7 546	
	11 767			191,70					11 767	
		17 775	26/11/2014	253,53					17 775	1 219
JJ Durand	108 236			78,30	(108 236)	3/11/2014	252,98	18 907		
	7 572			75,38	(2 572)	3/11/2014	252,98	457	5 000	
	235 895			97,55	(78 633)	3/11/2014	252,98	12 222	157 262	
	271 258			147,25					271 258	
	93 128			191,70					93 128	
		108 468	26/11/2014	253,53					108 468	7 442
PR Louw	8 998			65,50					8 998	
	27 432			97,55					27 432	
	22 646			147,25					22 646	
	12 944			191,70					12 944	
		5 952	26/11/2014	253,53					5 952	408
	866 097	132 195			(220 054)			36 502	778 238	9 069

* *It refers to the increase in value of the SARS Scheme shares of the indicated participants from the offer date to the date of payment of delivery.*

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS for the year ended 30 June 2015

2. DIRECTORS' EMOLUMENTS continued

Remgro Equity Settled Share Appreciation Right Scheme (SARs) – 2014

Participant	Balance of SARS accepted as at 30 June 2013	SARS accepted during the year	Offer date	Offer price Rand	Number of SARS exercised	Date exercising SARS	Share price on exercise date	Increase in value* R'000	Balance of SARS accepted as at 30 June 2014	Grant date fair value of SARS granted during the year R'000
Executive										
HJ Carse	20 613								20 613	
	2 933				(2 933)	27/09/2013	197,95	359		
	1 624				(1 624)	27/09/2013	197,95	187		
	38 062								38 062	
	7 546								7 546	
		11 767	4/12/2013	191,7					11 767	640
JJ Durand	108 236								108 236	
	7 572								7 572	
	235 895								235 895	
	271 258								271 258	
		93 128	4/12/2013	191,7					93 128	5 064
PR Louw	7 066				(7 066)	31/10/2013	206,50	1 007		
	26 995				(17 997)	31/10/2013	206,50	2 538	8 998	
	27 432								27 432	
	22 646								22 646	
		12 944	4/12/2013	191,7					12 944	704
	777 878	117 839			(29 620)			4 091	866 097	6 408

* *It refers to the increase in value of the SARS Scheme shares of the indicated participants from the offer date to the date of payment of delivery.*

	2015 R'000	2014 R'000
3. FINANCE COSTS		
Interest – financial institutions	**351 541**	450 102
Interest – preference shares		1 825
Fair value adjustment on interest rate collar option	**3 176**	
Transaction costs on term-funded debt	**882**	
Interest – Group companies	**5 932**	10 908
Foreign exchange losses*		557 251
Interest – other	**33 269**	24 665
	394 800	1 044 751
Less: amounts capitalised on qualifying assets	**(21 193)**	(1 293)
	373 607	1 043 458

* *The prior year amount includes loss on translation of Eurobonds during the financial year of R893,0 million and gains on re-measurement of forward exchange contracts and the participation hedge during the prior financial year of R332,0 million.*

	2015 R'000	2014 R'000
4. INTEREST-BEARING LIABILITIES		
Long-term		
Bank borrowings	**56 392**	227 711
Finance lease liabilities	**62 102**	79 371
Term-funded debt package	**3 350 000**	
Loan from Akwandze Agricultural Finance Proprietary Limited	**42 777**	60 474
	3 511 271	367 556
Short-term		
Bank borrowings	**4 637**	54 000
Finance lease liabilities	**33 073**	36 389
RMB bridging loan		4 494 750
Loan from Akwandze Agricultural Finance Proprietary Limited	**93 849**	42 577
	131 559	4 627 716

Bank borrowings

Included in bank borrowings in the prior year was an unsecured loan from FNB with a carrying value of R216,0 million. This loan was repaid in full during the current financial year. This loan bore interest at Jibar +2,3%. The accrued interest on the loan was repayable in quarterly instalments on the 15th of the month. The capital was repayable in four equal yearly instalments of R54,0 million on the 15th of April each year.

Included in long-term bank borrowings are loans from Futuregrowth Asset Management Proprietary Limited with a carrying value of R56,4 million (2014: R65,7 million) with an amount of R4,6 million included in short-term bank borrowings (2014: Rnil). These loans were used to fund new contract grower operations in Rainbow. These loans bear interest at the three-month Jibar with a margin of between 1,5% and 5,25% (2014: 4,25% and 5,25%). The outstanding loan together with the accrued interest is required to be repaid in instalments based on the contract growers operating cycle, at intervals of between 40 to 50 days between payment.

The carrying amount of bank borrowings approximates their fair values.

Finance lease liabilities

The finance lease liabilities bear interest at a rate between 7,0% and 10,0%.

Finance lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

The carrying amount of the finance lease liabilities approximates their fair values.

Term-funded debt package

During the 2015 financial year, the RMB bridging loan was replaced with a term-funded debt package.

The debt package comprises two bullet loans and a revolving credit facility.

The loans bear interest at a floating rate (JIBAR) plus a margin of between 1,65% and 2,25%.

The interest rate is fixed in years one and two at an average rate of 8,63% on a portion of the bullet loans and thereafter a floating rate is applied.

The above loans were obtained from a combination of RMB, ABSA, Standard Bank South Africa and HSBC. Any material corporate transactions that would impact on the lenders assessment of risk in terms of the debt package, requires prior consent.

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS for the year ended 30 June 2015

4. INTEREST-BEARING LIABILITIES continued

The details of the loans and the effective interest rate for the year is shown below:

	Amount R'000	Term years	Effective interest rate %
Type			
Bullet loan (A)	**1 755 000**	**5**	**8,57**
Bullet loan (B)	**1 097 000**	**4**	**8,34**
Revolving credit facility	**498 000**	**3**	**8,38**
Total	**3 350 000**		

In the event that the Net Senior Debt to EBITDA ratio exceeds 2.7 times on a measurement date, the applicable interest rate will be increased by 0,25% until the cover is restored. Net Senior Debt represents all unsubordinated debt less cash and cash equivalents and investment in money market fund.

The obligation in respect of the debt package discussed above has been guaranteed by each of Foodcorp Proprietary Limited, RCL FOODS Limited, New Foodcorp Holding Proprietary Limited, TSB Sugar Proprietary Limited, Rainbow Farms Proprietary Limited, Rainbow Farms Investments Proprietary Limited, RCL Group Services Proprietary Limited, Vector Logistics Proprietary Limited and Capitau Investment Management Proprietary Limited.

Loans from Akwandze Agricultural Finance Proprietary Limited ("Akwandze")

The loans from Akwandze are repayable annually, over a maximum period of six years. These loans bear interest at a fixed rate of 4,0% per annum and are secured by a cession over Libuyile Farming Services Proprietary Limited, Mgubho Farming Services Proprietary Limited and Sivunosetfu Proprietary Limited rights and interest in the gross revenue accruing to these companies from all sugar cane cut and delivered to any mill, including revenue from any seed cane sold or disposed otherwise.

All of the above loans are unsecured.

The carrying amount of these loans approximates their fair values.

	2015 R'000	2014 R'000

5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION

Non-current assets held for sale and the discontinued operation relate to the following segments:

	2015 R'000	2014 R'000
Assets		
Foodcorp	43 279	541 110
TSB	33 263	
	76 542	541 110
Liabilities		
Foodcorp	17 789	186 151
	17 789	186 151

TSB

Shubombo Agricultural Services Proprietary Limited was engaged in a lease agreement as a lessee with the a local community (lessor) in respect of a cane and fruit producing farm. An option to exit the lease agreement was exercised during the current financial year. The assets of the farm to which the lease agreement pertains will be transferred for value to the local community. The exit agreement between the parties has been signed and a formal exit will be finalised during the 2016 financial year.

Details of the assets and liabilities classified as held for sale are as follows:

	2015 R'000	2014 R'000
Assets		
Biological assets	30 316	
Property, plant and equipment	2 947	
	33 263	
Movements during the year		
Transferred from property, plant and equipment	1 459	
Transferred from biological assets	30 316	
Additions to property, plant and equipment	1 488	
Closing balance	33 263	

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS for the year ended 30 June 2015

5. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATION continued

Foodcorp

The last of the conditions precedent pertaining to the sale of the Fishing division (previously part of the Foodcorp segment) was fulfilled during the current financial year.

The sale was concluded subject to a condition that the Glenryck trademark not form part of the transaction. The proposed sale of the Glenryck brand to a third party is well advanced and as such the trademark has been disclosed as held for sale at its fair value less costs to sell.

	2015 R'000	2014 R'000
Net cash inflow from operating activities	**54 275**	43 918
Net cash outflow from investing activities	**(17 510)**	(6 556)
Net cash outflow from financing activities	**(1 455)**	(3 519)
Total cash flows discontinued operation	**35 310**	33 843
Assets of disposal group classified as held for sale		
Property, plant and equipment		108 720
Goodwill		138 867
Trademarks and other intangibles	**24 376**	120 074
Investments		11
Inventory	**4 873**	68 613
Trade and other receivables	**1 586**	79 128
Trade receivables intercompany	**12 444**	23 584
Loan receivable		2 113
Total assets	**43 279**	541 110
Liabilities of disposal group classified as held for sale		
Interest-bearing liabilities		1 394
Trade and other payables	**10 790**	79 396
Current income tax liabilities		157
Deferred tax liability	**6 999**	105 204
Total liabilities	**17 789**	186 151

Non-controlling interest classified as held for sale

As the assets and liabilities presented as held for sale were acquired in a business combination, no income/expenses have been recognised in other comprehensive income relating to disposal group classified as held for sale.

Analysis of the result of the discontinued operation, and the result recognised on the measurement and sale of assets or disposal group, is as follows:

	2015 R'000	2014 R'000
Revenue	**298 318**	484 466
Expenses	**(287 866)**	(439 529)
Profit before tax	**10 452**	44 937
Income tax expense	**(2 740)**	(15 182)
Profit for the year from operations	**7 712**	29 755
Loss on disposal of discontinued operation (net of tax)	**(28 193)**	
Impairment to fair value less cost to sell (net of tax)*	**(11 424)**	
(Loss)/profit for the year from discontinued operation	**(31 905)**	29 755
Attributable to:		
Equity holders of the company	**(31 905)**	29 755

The fair value was determined using the selling price of the asset based on the impending sale to a third party. The fair value is a level 3 input.

Reconciliation of carrying amount of Glenryck trademark	2015 R'000	2014 R'000
Balance at 1 July	**40 000**	
Impairment to fair value less cost to sell	**(15 624)**	
Balance at 30 June	**24 376**	

** The impairment relates to the write down of the carrying amount of the Glenryck trademark to fair value less cost to sell.*

6. RELATED PARTY TRANSACTIONS

Related party relationships exist between RCL FOODS Limited, its subsidiaries, associates , joint ventures and Remgro Limited and its subsidiaries, associates and joint ventures. Remgro Management Services Limited provides treasury services to the Group.

The ultimate controlling party of the Group is Remgro Limited.

During the prior financial year, TSB RSA Proprietary Limited was acquired from Remgro Limited for a total consideration of R4,0 billion, settled by issuing shares at a price of R17,32 per share.

Group

As detailed in note 1 to the company financial statements available at www.rclfoods.com, the company has concluded certain lending transactions with these related parties. In addition the following transactions were concluded:

	2015 R'000	2014 R'000
Transactions and balances with ultimate holding company		
Interest paid to Remgro Management Services Limited	**8 725**	8 044
Administration and other fees paid to Remgro Management Services Limited	**19 148**	13 438
Amount owing to Remgro Management Services Limited included in payables	**6 492**	1 386
Directors' fees	**794**	669
Transactions and balances with associates of the holding company		
Bank charges paid to First National Bank Limited	**2 946**	2 098
Bank balances with First National Bank Limited included in cash and cash equivalents	**129 027**	162 017
Net interest paid to First National Bank Limited	**11 925**	3 331
Corporate finance transaction costs paid to Rand Merchant Bank	**10 000**	17 250
Commitment, settlement and facility fees paid to Rand Merchant Bank	**864**	11 985
Amount owing to Rand Merchant Bank included in short-term interest-bearing liabilities	**7 105**	4 500 000
Amount owing to Rand Merchant Bank included in long-term interest-bearing liabilities	**1 126 000**	
Interest paid to Rand Merchant Bank	**254 302**	74 336
Purchases from Falconair Proprietary Limited	**5**	1
Purchases from Total South Africa Proprietary Limited	**56 692**	21 100
Amount owing to Total South Africa Proprietary Limited included in payables	**1 232**	1 976
Purchases from Unilever South Africa Proprietary Limited	**88 257**	65 902
Amount owing to Unilever South Africa Proprietary Limited included in payables	**15 141**	9 755
Purchases from PG Glass Proprietary Limited	**100**	100
Amount owing to PG Glass Proprietary Limited included in payables	**11**	31
Bank charges paid to First Auto Proprietary Limited	**27**	27
Purchases from First Auto Proprietary Limited	**5 299**	5 080
Interest paid to First Auto Proprietary Limited	**9**	
Amount owing to First Auto Proprietary Limited included in payables	**410**	137
Purchases from Blue Bulls Proprietary Limited	**379**	404
Purchases from Glassmen Proprietary Limited		4
Purchases from Tracker and Signal Distribution Technologies Proprietary Limited	**7**	38
Purchases from Unitrade Management Services Proprietary Limited	**20**	297
Purchases from Mia Gas Proprietary Limited		2
Sales to Distell Limited		331
Purchases from Sturrock Grinrod Ships Agencies Proprietary Limited		112
Purchases from Rohlig Grindrod Proprietary Limited	**201**	
Amount payable to Rohlig Grindrod Proprietary Limited	**33**	
Purchases from Mediclinic Proprietary Limited	**1**	

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS for the year ended 30 June 2015

	2015 R'000	2014 R'000
6. RELATED PARTY TRANSACTIONS continued		
Transactions with associate and joint ventures within the Group		
Interest paid to Akwandze Agricultural Finance Proprietary Limited	**5 687**	2 633
Interest paid to Managa Sugar Packers Proprietary Limited		4
Management fees received from Managa Sugar Packers Proprietary Limited	**1 230**	583
Service fees received from The Royal Swaziland Sugar Corporation Limited	**3 684**	1 589
Dividend received from The Royal Swaziland Sugar Corporation Limited	**35 741**	25 981
Dividend received from Managa Sugar Packers Proprietary Limited	**10 215**	1 692
Dividend received from Akwandze Agricultural Finance Proprietary Limited	**999**	
Amounts owing to Akwandze Agricultural Finance Proprietary Limited included in payables	**106**	110
Sales to Akwandze Agricultural Finance Proprietary Limited	**344**	
Sales to Managa Sugar Packers Proprietary Limited	**2 390**	2 260
Purchases from Managa Sugar Packers Proprietary Limited	**817 969**	281 165
Amounts owing by Managa Sugar Packers Proprietary Limited included in payables	**1 593**	1 565
Amounts owing to Managa Sugar Packers Proprietary Limited included in receivable	**84 999**	73 064
Sales to The Royal Swaziland Sugar Corporation Limited	**3 300**	1 343
Amounts owing by The Royal Swaziland Sugar Corporation Limited included in receivables	**392**	425
Purchases from The Royal Swaziland Sugar Corporation Limited	**731**	
Interest received from TSGRO Farming Service Proprietary Limited	**111**	
Service fees paid to TSGRO Farming Service Proprietary Limited	**1 982**	
Sales to TSGRO Farming Service Proprietary Limited	**389**	
Purchases from TSGRO Farming Service Proprietary Limited	**2 312**	
Amounts owing by TSGRO Farming Service Proprietary Limited included in receivables	**366**	
Amounts owing to TSGRO Farming Service Proprietary Limited included in payables	**857**	
Key management of RCL FOODS Limited		
In terms of IAS24: Related party disclosures, key management are considered to be related parties.		
Executive management and the senior leadership team are classified as key management.		
The following transactions were carried out with key management individuals within the Group:		
– short-term and post-employment benefits	**415 220**	191 044
– share-based payments	**47 546**	34 617
	462 766	225 661

7. SUBSEQUENT EVENTS

On 31 July 2015, the Group acquired a 33,5% shareholding in Hudani Manji Holdings Limited, a private poultry producer in Uganda. The assessment of the accounting for the acquired entity will be finalised and reported on in the 2016 financial year.

NOTICE TO SHAREHOLDERS

RCL FOODS LIMITED

Incorporated in the Republic of South Africa
Registration number: 1966/004972/06
Share code: RCL
ISIN: ZAE000179438
"RCL FOODS" or "the company"

In terms of section 59(1)(a) of the South African Companies Act, No 71 of 2008, as amended, ("the Companies Act") the record date for the purpose of determining which shareholders of the company are entitled to receive notice of the annual general meeting is Friday, 23 October 2015. In terms of section 59(1)(b) of the Companies Act, the record date for the purpose of determining which shareholders of the company are entitled to participate in and vote at the annual general meeting is Friday, 20 November 2015. Accordingly the last day to trade in order to be registered in the register of members of the company and therefore be eligible to participate in and vote at the annual general meeting is Friday, 13 November 2015.

Notice is hereby given that the 49th annual general meeting of shareholders of RCL FOODS Limited will be held at Six The Boulevard, Westway Office Park, Westville, KwaZulu-Natal on Thursday, 26 November 2015 at 08:30 to consider and, if deemed fit, to pass the following ordinary and special resolutions with or without modification and to transact such other business as may be transacted at an annual general meeting.

ORDINARY RESOLUTIONS

1. ADOPTION OF ANNUAL FINANCIAL STATEMENTS

Ordinary resolution number 1

Resolved that the audited annual financial statements of the company and the Group, including the directors' report, report of the Audit Committee and independent auditor's report, for the year ended 30 June 2015 be received and adopted.

2. ELECTION AND RE-ELECTION OF DIRECTORS

Ordinary resolution number 2.1

Resolved that Mr RV Smither, having retired and been re-appointed in accordance with the company's retirement policy since the last annual general meeting, be re-elected as a director of the company.

Ordinary resolution number 2.2

Resolved that Mr HJ Carse, who retires by rotation in accordance with the Memorandum of Incorporation of the company and who, being eligible, has offered himself for re-election, be re-elected as a director of the company.

Ordinary resolution number 2.3

Resolved that Mr DTV Msibi, who retires by rotation in accordance with the Memorandum of Incorporation of the company and who, being eligible, has offered himself for re-election, be re-elected as a director of the company.

Ordinary resolution number 2.4

Resolved that Mrs MM Nhlanhla, who retires by rotation in accordance with the Memorandum of Incorporation of the company and who, being eligible, has offered herself for re-election, be re-elected as a director of the company.

Ordinary resolution number 2.5

Resolved that Mr GM Steyn, who retires by rotation in accordance with the Memorandum of Incorporation of the company and who, being eligible, has offered himself for re-election, be re-elected as a director of the company.

Biographical details of the above directors can be found on pages 24 and 25 of this integrated annual report, of which this notice forms part.

3. RE-APPOINTMENT OF EXTERNAL AUDITORS

Ordinary resolution number 3

Resolved that the re-appointment of PricewaterhouseCoopers Incorporated as the company's auditors, as nominated by the company's Audit Committee, be approved, and to note that the individual registered auditor who will undertake the audit during the financial year ending 30 June 2016 is Mrs S Randlehoff.

4. ELECTION OF MEMBERS OF THE AUDIT COMMITTEE

Ordinary resolution number 4.1

Resolved that Mr NP Mageza, an independent non-executive director of the company, be elected as a member of the Audit Committee until the next annual general meeting.

Ordinary resolution number 4.2

Resolved that Mr DTV Msibi, an independent non-executive director of the company, be elected as a member of the Audit Committee until the next annual general meeting.

Ordinary resolution number 4.3

Resolved that Mr RV Smither, an independent non-executive director of the company, be elected as a member of the Audit Committee until the next annual general meeting.

5. CONTROL OF AUTHORISED BUT UNISSUED SHARES

Ordinary resolution number 5

Resolved that the unissued ordinary shares in the capital of the company remain under the control of the directors who shall be authorised to issue these shares at such times and on such terms as they may determine, subject to the Companies Act, the company's Memorandum of Incorporation and the Listings Requirements of the JSE Limited (JSE).

6. APPROVAL OF GROUP REMUNERATION POLICY

Ordinary resolution number 6

Resolved that the Group Remuneration Policy, as described in the Remuneration Report available on our website at www.rclfoods.com of which this notice forms part, is hereby approved by way of a non-binding advisory vote, as recommended in the King Code of Governance for South Africa 2009, commonly referred to as King III.

7. ENABLING RESOLUTION

Ordinary resolution number 7

Resolved that any director of the company and/or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to the implementation of special resolution number 1, special resolution number 2 and special resolution number 3.

SPECIAL RESOLUTIONS

1. AMENDMENT TO MEMORANDUM OF INCORPORATION

Special resolution number 1

Resolved as a special resolution that the Memorandum of Incorporation of the company be and is hereby amended as follows:

By the deletion in its entirety of clause 26.4, which provides as follows:

"26.4 The provisions of this clause 26 shall not apply to any Shareholders' meetings that are called in terms of the Listings Requirements or the passing of any resolution in terms of clause 27.2.2 or to any annual general meeting of the Company."

and the replacement of such clause with the following:

"26.4 The provisions of this clause 26 shall not apply to the passing of any resolution in terms of clause 27.2.2 or to any general meeting of the Company."

"26.5 Any shareholders' resolutions requiring relevant shareholder approval may be passed by way of a meeting of shareholders or, unless the JSE Listings Requirements require otherwise, by way of a written resolution in terms of section 60 of the Act."

"26.6 Any written resolution referred to in clause 26.5 above, shall be limited to, in accordance with section 60 of the Act, change of name; odd lot offers; increase in authorised share capital and/or approval of amendment to this Memorandum of Incorporation."

Explanation

The reason and effect of special resolution number 1 is to amend the company's Memorandum of Incorporation to provide for the passing of written resolutions, including certain shareholder resolutions required in terms of the Listings Requirements of the JSE Limited ("the Listings Requirements"), in accordance with section 60 of the Companies Act and to the extent permitted in terms of paragraph 10.11(h) of Schedule 10 of the Listings Requirements.

2. FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45

Special resolution number 2

Resolved as a special resolution that the board may, subject to sections 44 and 45 of the Companies Act, the Memorandum of Incorporation of RCL FOODS and the JSE Limited Listings Requirements, authorise RCL FOODS to provide direct or indirect financial assistance as contemplated by sections 44 and 45 of the Companies Act:

(i) by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by RCL FOODS, or any related or inter-related company, or for the purchase of any securities of RCL FOODS, or any related or inter-related company; and/or

(ii) to a director or prescribed officer of RCL FOODS or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation, or to a person related to any such company, corporation, director, prescribed officer or member,

provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of two years from the date of the adoption of this special resolution.

Explanation

On a regular basis, and in the ordinary course of business, the company provides loan financing, guarantees, and other support to the related and inter-related companies/legal entities in the Group.

Sections 44 and 45 of the Companies Act empower the board of a company to provide direct or indirect financial assistance to a related or inter-related company or corporation pursuant to a special resolution of the shareholders of the company adopted within the previous two years.

The reason for and effect of special resolution number 2 is to grant the directors of the company the authority to cause the company to provide financial assistance to any company or other legal entity which is related or inter-related to the company, subject to compliance with the relevant provisions of sections 44 and 45 of the Companies Act.

3. APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION

Special resolution number 3

Resolved as a special resolution that, unless otherwise determined by the company in a general meeting, the annual fees payable by the company to its non-executive directors, with effect from 1 October 2015, be approved as follows:

Rands per annum	Current	Proposed
Board		
Chairman	250 000	267 500
Members	250 000	267 500
Audit Committee		
Chairman	203 000	223 300
Members	102 000	112 200
Remuneration and Nominations Committee		
Chairman	120 000	132 000
Members	75 000	82 500
Risk Committee		
Chairman	120 000	132 000
Members	75 000	82 500
Social and Ethics Committee		
Chairman	86 000	94 600
Members	52 000	57 200

Explanation

Section 66(9) of the Companies Act requires that a company may pay remuneration to its directors for their services as directors only in accordance with a special resolution approved by the shareholders within the previous two years.

The reason for and effect of special resolution number 3 is to grant the company the authority to pay fees to its non-executive directors for their services as directors.

NOTICE TO SHAREHOLDERS CONTINUED

APPROVALS REQUIRED FOR RESOLUTIONS

Ordinary resolution numbers 1 to 7 contained in this notice require the approval of more than 50% (fifty percent) of the voting rights exercised on the resolution by members present or represented by proxy at the annual general meeting.

Special resolution numbers 1 to 3 contained in this notice require the approval of more than 75% (seventy-five percent) of the voting rights exercised on the resolutions by members present or represented by proxy at the annual general meeting.

ATTENDANCE AND VOTING BY MEMBERS OR PROXIES

Ordinary members who have not dematerialised their ordinary shares or who have dematerialised their ordinary shares with own name registration are entitled to attend and to vote at the meeting. Any such member may appoint a proxy/proxies to attend, speak and vote in their stead (on a poll) at the meeting. A proxy need not be a member of the company. Forms of proxy, together with a notarially certified copy of the power of attorney (if applicable) or other instrument (if any), appointing the proxy and the authority under which it is signed (if any), must be deposited at the registered office of the company or posted to the Company Secretary, PO Box 2734, Westway Office Park, Westville, 3635, or lodged with the transfer secretaries of the company, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg 2001, or posted to the transfer secretaries at PO Box 61051, Marshalltown 2107, so as to arrive no later than 08:30 on Tuesday, 24 November 2015.

Any shares held by a share trust or scheme will not have their votes at the annual general meeting taken into account for the purposes of resolutions proposed in terms of the Listings Requirements. In terms of section 48(2)(b)(ii) of the Companies Act, no voting rights may attach to any shares held in treasury.

Any forms of proxy not received by this time must be handed to the Chairman of the annual general meeting immediately prior to the annual general meeting.

On a show of hands, every member of the company present in person or represented by proxy shall have one vote only. On a poll, every member of the company shall have one vote for every share held in the company by such member.

Ordinary members who have dematerialised their ordinary shares other than with “own name” registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; or
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Shareholders or their proxies may participate by electronic communication in all or part of the meeting and, if they wish to do so:

- must contact the Company Secretary (by email at the address: John.Maher@rclfoods.com) by no later than 16:00 on Friday, 20 November 2015 in order to facilitate participation; and
- the electronic communication is at the expense of the shareholders or proxy.

PROOF OF IDENTIFICATION REQUIRED

The Companies Act requires that any person who wishes to attend or participate in a shareholders’ meeting must present reasonably satisfactory identification at the meeting. Any shareholder or proxy who intends to attend or participate at the annual general meeting must be able to present reasonably satisfactory identification at the meeting for such shareholder or proxy to attend and participate at the meeting. A green bar-coded identification document issued by the South African Department of Home Affairs, a driver’s licence or a valid passport will be accepted as sufficient identification.

JMJ Maher
Company Secretary

1 September 2015

Registered office
Six The Boulevard
Westway Office Park
Westville
3629

FORM OF PROXY

RCL FOODS LIMITED

Incorporated in the Republic of South Africa
Registration number 1966/004972/06
Share code: RCL
ISIN: ZAE000179438
("the company")

This form of proxy is only for use by:

1. Registered members who have not yet dematerialised their ordinary shares
2. Registered members who have already dematerialised their ordinary shares and registered them in their own name (See explanatory note 3 overleaf)

I/We (name in block letters)

of (address)

Telephone number Cell number

being a member/members of RCL FOODS Limited (registration number 1966/004972/06)

and the registered holder/s of ordinary shares in the company, hereby appoint (see instruction 1 overleaf)

1. or failing him/her

2. or failing him/her

3. the Chairman of the annual general meeting,

as my/our proxy to attend, speak and vote for me/us and on my/our behalf or to abstain from voting at the annual general meeting of the company to be held at Six The Boulevard, Westway Office Park, Westville, KwaZulu-Natal on Thursday, 26 November 2015 at 08:30 and at any adjournment thereof as follows:

		IN FAVOUR	AGAINST	ABSTAIN
ORDINARY RESOLUTIONS				
1.	Adoption of annual financial statements			
2.	Election and re-election of directors			
2.1	Mr RV Smither			
2.2	Mr HJ Carse			
2.3	Mr DTV Msibi			
2.4	Mrs MM Nhlanhla			
2.5	Mr GM Steyn			
3.	Re-appointment of external auditors			
4.	Election of members of the Audit Committee			
4.1	Mr NP Mageza			
4.2	Mr DTV Msibi			
4.3	Mr RV Smither			
5.	Control of authorised but unissued shares			
6.	Approval of Group Remuneration Policy			
7.	Enabling resolution			
SPECIAL RESOLUTIONS				
1.	Amendment to Memorandum of Incorporation			
2.	Financial assistance in terms of sections 44 and 45			
3.	Approval of non-executive directors' remuneration			

(Indicate instructions to proxy by way of a cross in the space provided). Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this day of 2015.

Signature

(Please read the notes and instructions overleaf.)

NOTES TO THE FORM OF PROXY

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered member of the company. Satisfactory identification must be presented by any person wishing to attend the annual general meeting, as set out in the notice.
2. Every member present in person or by proxy and entitled to vote at the annual general meeting of the company shall, on a show of hands, have one vote only, irrespective of the number of shares such member holds. In the event of a poll, each member shall be entitled to one vote in respect of each ordinary share held in the company by him/her.
3. Members registered in their own name are members who elected not to participate in the Issuer-Sponsored Nominee Programme and who appointed Computershare Custodial Services as their Central Securities Depository Participant (CSDP) with the express instruction that their uncertified shares are to be registered in the electronic sub-register of members in their own names.

INSTRUCTIONS ON SIGNING AND LODGING THE FORM OF PROXY:

1. A member may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided overleaf, with or without deleting "the Chairman of the annual general meeting", but any such deletion must be initialled by the member. Should this space be left blank, the proxy will be exercised by the Chairman of the annual general meeting. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A member's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by the member, in the appropriate spaces provided overleaf. Failure to do so shall be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting, as he/she thinks fit in respect of all the member's exercisable votes. A member or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the member or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
4. To be valid, the completed forms of proxy must be deposited at the registered office of the company or posted to the Company Secretary, PO Box 2734, Westway Office Park, Westville, 3635, or lodged with the transfer secretaries of the company, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg 2001, or posted to the transfer secretaries at PO Box 61051, Marshalltown 2107, so as to arrive no later than 08:30 on Tuesday, 24 November 2015.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the Chairman of the annual general meeting.
6. The completion and lodging of this form of proxy shall not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.
7. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this form of proxy must be initialled by the signatory/ies.
8. The provisions of the Companies Act in relation to the revocation of the appointment of a proxy apply. A member may accordingly revoke a proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of such revocation to the proxy and the company.
9. The Chairman of the annual general meeting may reject or accept any form of proxy which is completed other than in accordance with these instructions provided that he is satisfied as to the manner in which a member wishes to vote.

SHAREHOLDERS' DIARY

Financial year-end	June
Annual general meeting	November
FINANCIAL REPORTS	
Announcement of results for the year	September
Annual financial statements posted	September
Interim report for the half year to December	February
FUTURE ORDINARY DIVIDENDS	
Interim dividend	
Declaration	February
Payment	April
Final dividend	
Declaration	August
Payment	October

CORPORATE INFORMATION

Company registration number	1966/004972/06
JSE share code	RCL
ISIN code	ZAE000179438
Registered office/street address	Six The Boulevard Westway Office Park Westville 3629
Postal address	PO Box 2734 Westway Office Park Westville 3635
Transfer secretaries	Computershare Investor Services Proprietary Limited 70 Marshall Street Johannesburg 2001 PO Box 61051 Marshalltown 2107
Company secretary	JMJ Maher
Auditors	PricewaterhouseCoopers Incorporated
Listing	JSE Securities Exchange South Africa
Sector	Food Producers
Sponsor	Rand Merchant Bank (a division of FirstRand Bank Limited)
Bankers	ABSA Bank Limited, First National Bank, Standard Bank Limited
Website	www.rclfoods.com

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www.rclfoods.com