RESULTS FOR THE YEAR ENDED 30 JUNE 2015

Investor Presentation: 2 September 2015

HIGHLIGHTS YEAR ENDED 30 JUNE 2015

Financial Highlights

Up 20.1%	Up 98.2%	Up 335.2%	Up 76.0%
REVENUE R23.4bn	EBITDA R2 224.0m	HEADLINE EARNINGS PER SHARE 112.2c	CASH GENERATED R 2 066.1m

Key Features

- **Full year** of **TSB** versus 6 months in 2014
- **TSB** delivered **solid performance**
- **Rainbow's** results **improved significantly**
- **Finalised** long-term **debt package**
- **Impaired Massingir** project **spend**
- **Structured** business into **new operating divisions**

Beyond delivering solid results, our recent acquisitions and restructuring of the business have led to a stronger, more diversified business that is geared for growth.

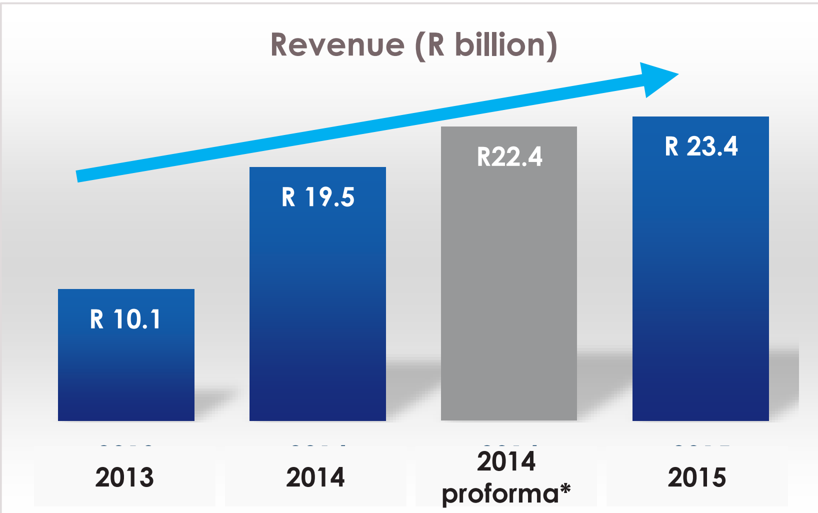
OUR JOURNEY SO FAR…

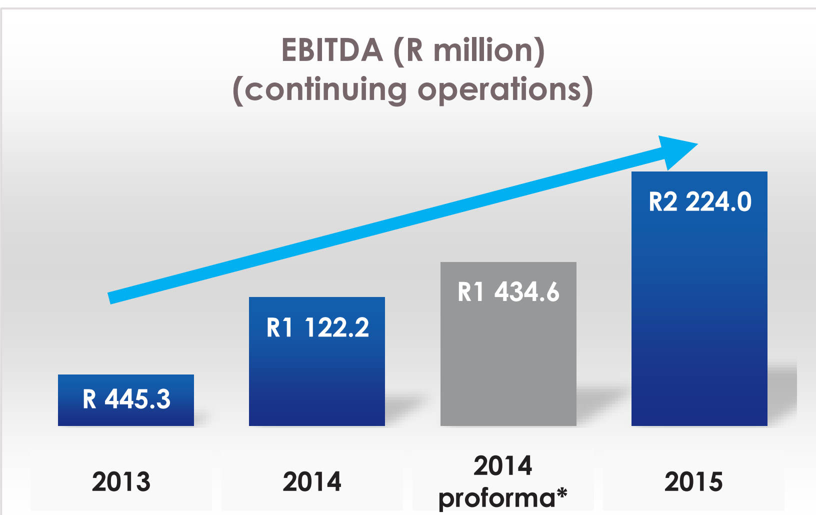
01 Platform for Growth

02 Integrated Organisation

03 Sharper Strategy

PLATFORM FOR GROWTH





20 479 EMPLOYEES

MORE THAN **1 500** VEHICLES

27 MILLION CHICKENS ON THE GROUND AT ANY TIME

702 000 TONS OF SUGAR PER YEAR

300 000 PIES PER DAY

500 000 LOAVES OF BREAD PER DAY

80 TONS OF MAYONNAISE PRODUCED DAILY

MORE THAN **20** WELL KNOWN & MUCH LOVED **BRANDS**

550 000 TONS OF FLOUR AND MAIZE MILLED PER YEAR

1.4 MILLION TONS OF ANIMAL FEED PER YEAR

INTEGRATED ORGANISATION

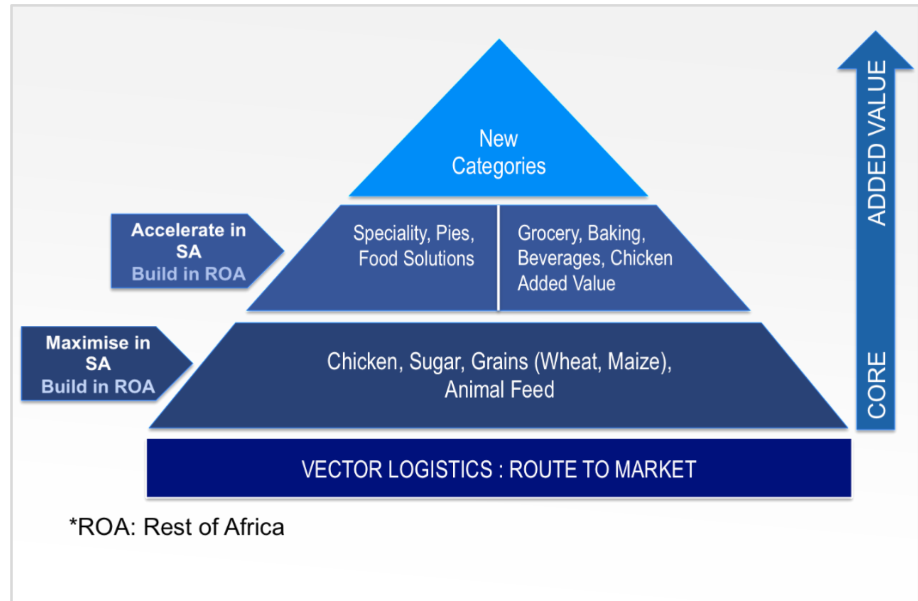
RCL FOODS

Consumer Division	Sugar & Milling Division	Vector Logistics
BUSINESS UNITS	**BUSINESS UNITS**	**BUSINESS UNITS**
Chicken, Speciality, Grocery, Pies & Beverages, FoodSolutions	Sugar, Milling and Baking, Animal Feed	Logistics business responsible for Group-wide Route to Market
		logisticsolutions
		WAREHOUSING
		DISTRIBUTION
		SUPPLY CHAIN INTELLIGENCE
		SALES SOLUTIONS

SHARPER STRATEGY

Passion, Ambition, Strategic Thrusts and Values

Business Model



STRATEGIC THRUSTS

01 Grow through Strong Brands

02 Partner with Strategic Customers

03 Extend our Leading Value Chain

04 Inspire Great People

05 Expand into Africa

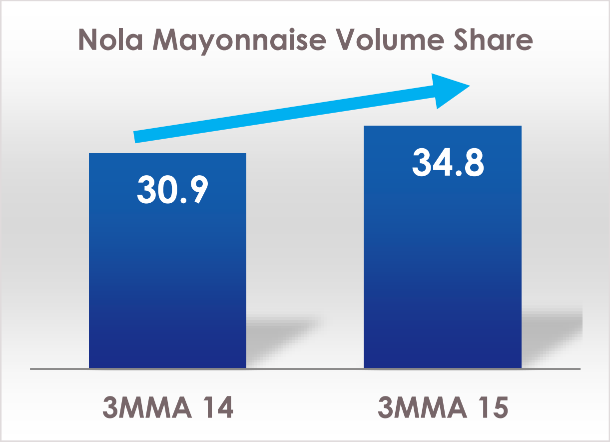
06 Drive Sustainable Business

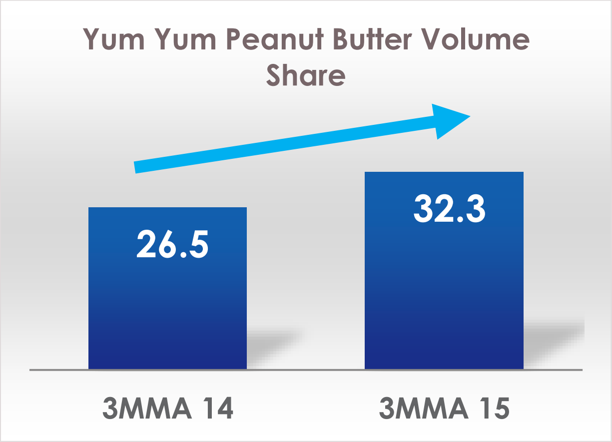
01 - GROW THROUGH STRONG BRANDS

2015 Achievements

- **Rainbow's new business model** is delivering more profitable, consistent results
- **TSB production volumes grew to 702k tons**, with strong Selati share performance
- **Nola, Yum Yum** started to show signs of an **encouraging share turnaround**
- **Investing R243 million** in new UHT and Pet Food Plants

STRONG SHARE TURNAROUND





Source Aztec June 2015

02 - PARTNER WITH STRATEGIC CUSTOMERS

R30 MILLON INVESTMENT
INTO NEW SPECIALITY PLANT
FOR WOOLWORTHS

2015 Achievements

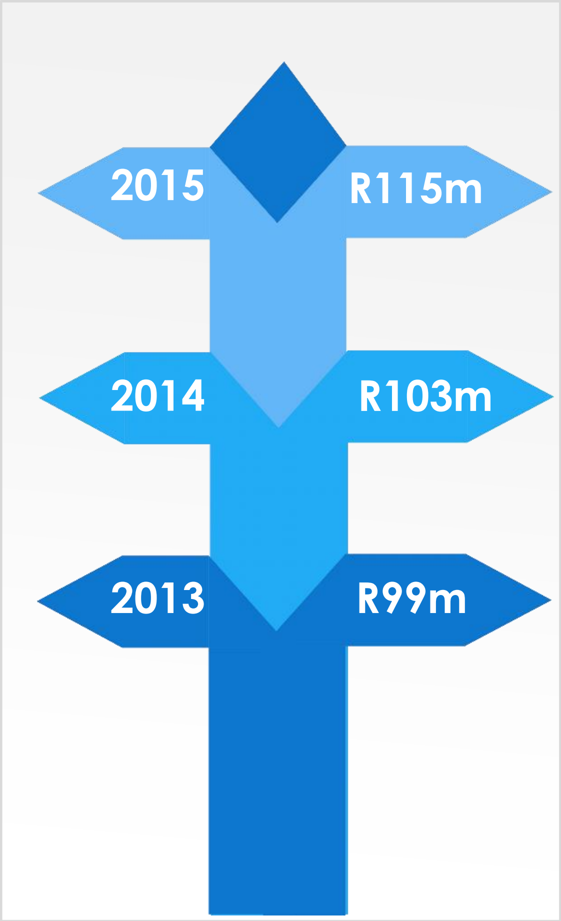
- Rainbow's **strong growth in QSR**
- Introduced **new categories** into the QSR network
- Commissioned **a fourth Speciality plant** for Woolworths
- Build on existing **Joint Business Partnerships**

03 - EXTEND OUR LEADING VALUE CHAIN

2015 Achievements

- Established **Transformation Management Office (TMO)**
- Achieved Group **sourcing savings of R115 million**
- A new sales force, **Vector Trade Marketing**
- Implemented **Pieman's warehousing** solution

R115 MILLION SAVINGS FROM SOURCING IN 2015

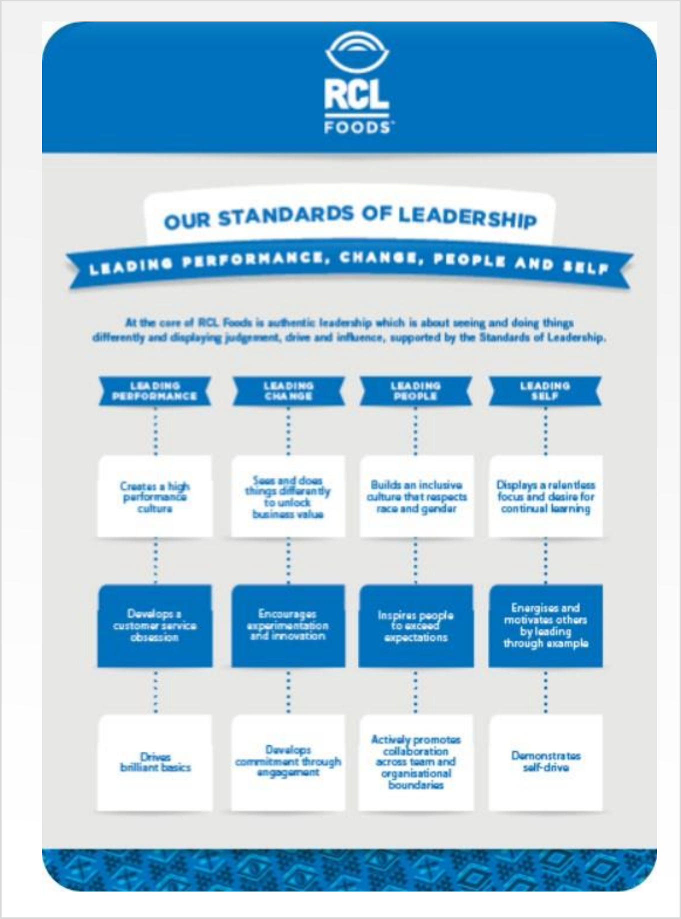


04 - INSPIRE GREAT PEOPLE

2015 Achievements

- New **structure** with three logical divisions
- New **Standards of Leadership**
- New **Leadership Development Programmes**
- New **Performance Management Programmes**

4 STANDARDS
OF LEADERSHIP



05 - EXPAND INTO AFRICA

2015 Achievements

- **Acquired 33.5% of HMH,** Uganda (post year-end)
- **Senn Foods** Logistics (Botswana) delivered **solid results**
- **Zam Chick** delivered **good results** in Zambia
- **Zamhatch investment** in new breeding operation in Zambia **well advanced**
- **RSSC (Swaziland) sugar production** has been positive

A DEAL FOR A R50 MILLION INVESTMENT IN UGANDAN POULTRY PRODUCTION

BUSINESSREPORT

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RCL Foods expands into Uganda

July 31 2015 at 12:21pm
By Nicola Mawson, IOL Business Editor

Comment on this story

Johannesburg - RCL Foods has expanded into Uganda by buying 33.5% of a poultry producer, it said on Friday.

RCL, which plays in the fast-moving consumer goods space, says it will spend R58.9 million in cash to buy just more than a third of HMH.

The listed foods company is a subsidiary of Remgro and owns four principal operating subsidiaries. These are Foodcorp, TSB Sugar RSA, Rainbow Farms and Vector Logistics.

RCL was previously known as Rainbow Chicken but, on August 16, 2013, it changed its name after buying Foodcorp, South Africa's third largest food producer.

RCL Foods has also partnered with Zambia's Zambeef Products around its chicken broiler business and establishing a broiler parent stock rearing, laying and hatching operation, Zamhatch.

In the six months to December, it grew revenue 38.8% to R12 billion, largely due to the inclusion of six months of TSB's results, which it bought last year, and improved performance by Rainbow.

RCL Foods' headline earnings before interest, tax, depreciation and amortisation gained 73.7% from R688.3 million to R1 195.5 million and its associated margin grew from 7.9% to 9.9%.

In a statement, it explains HMH is a poultry producer operating a feed mill, broiler farms and processing plant.

It is currently owned by the Hudani and Manji families, who have extensive interests in East Africa in food processing, distribution, construction, telecoms, real estate and hospitality.

"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," says RCL.

The deal is not subject to any material conditions.

nicola.mawson@inl.co.za

06 - DRIVE SUSTAINABLE BUSINESS

37.7 GWh OF CO-GENERATED ELECTRICITY SUPPLIED TO GRID

2015 Achievements

- Generated 223.8 GWh electricity – **a 10% increase** over last year. **Exported 37.7 Gwh electricity into grid.**
- **Produced 10 000 litres of biofuel from poultry by-product** in a pilot bio-diesel plant, replacing 10 000 litres of liquid burner fuel
- **Installed real time water monitoring** system in a poultry processing facility resulting **in 15% reduction of potable water use**.
- Sourced sugar cane from over **1 600 individual farmers**

KEY DELIVERABLES FOR 2016

1. Drive the **new business model** in Chicken
2. **Drive Group synergies** in Sugar, e.g. Sourcing, Route to Market
3. **Implement turnaround plans** for Milling & Baking, Pies and Speciality
4. **Sharpen our strategic customer focus** per category
5. **Invest behind brands and systems to** enable growth
6. **Optimise resources and costs** and drive synergies through TMO
7. Implement the **next level of the new organisation**
8. Continue with **our expansion strategy** (inc. Africa)

FINANCIAL SUMMARY

YEAR ENDED 30 JUNE 2015

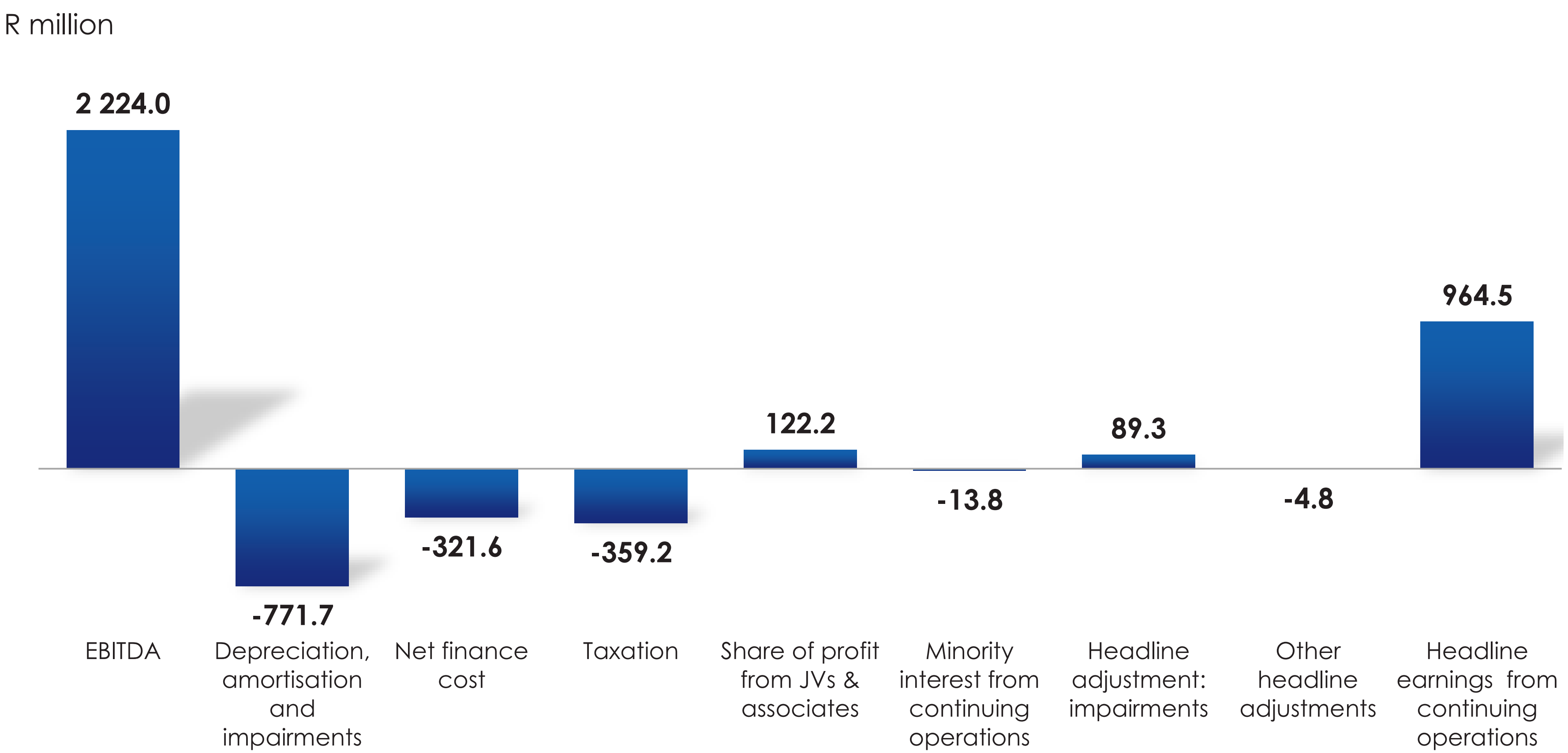
Statutory		Year ended 30 June '15	Restated Pro forma Year ended 30 June '14	% var	Restated Year ended 30 June '14
Revenue	Rm	**23 428.2**	22 426.6	4.5	19 500.8
EBITDA	Rm	**2 224.0**	1 434.6	55.0	1 122.2
EBITDA margin	%	**9.5**	6.4	3.1	5.8
EBIT	Rm	**1 452.4**	778.6	86.5	534.0
Effective tax rate (excluding JV's & associates)	%	**31.8**	36.4	(4.6)	(12.2)
Headline earnings - continuing operations	Rm	**964.5**	385.0	150.5	(332.6)
Cash generated by operations	Rm	**2 066.1**			1 174.0
Net cash and investment in money market	Rm	**873.4**			1 472.7
Headline earnings per share - continuing operations	Cents	**112.2**	45.1	148.8	(47.7)
Capex spend	Rm	**756.6**			654.0
Total dividend	Cents	**37.0**	20.0	85.0	20.0
NAV per share	Cents	**1 173.9**			1 098.8
Pre-IAS 39					
EBITDA	Rm	**2 117.8**	1 533.4	38.1	1 221.0
EBITDA margin	%	**9.0**	6.8	2.2	6.3

OPERATING ENVIRONMENT

- General economic environment in South Africa remains challenged
  - Labour unrest
  - High unemployment is a risk to growth objectives and economic stability
  - Depreciating currency (R/US$ exchange rate depreciated 14.1% during the 2015 financial year)
  - Pedestrian growth of the SA economy
  - Electricity supply constraints
- All adding pressure on already stretched consumers
- Relief expected from reductions in fuel price
- Improved supply/demand balance in chicken and sugar markets

RESULTS WATERFALL

Reconciliation waterfall of EBITDA to headline earnings for year ended 30 June 2015



KEY FINANCIAL ISSUES

Details of term-funded debt package

- 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 is able to prepay the debt without penalty from internally generated cash flows
- The term-funded debt package is structured as follows:

Facilities	Amount (Rm)	Type	Term
Senior A Loan	**1 755**	Bullet	5 years
Senior B Loan	**1 097**	Bullet	4 years
Senior C Loan	**498**	Revolving	3 years
Total	**3 350**		

- 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
- Interest rates for years 1 & 2 are fixed
- In respect of years 3 & 4, R1.5 billion of the original hedgeable exposure of R2.85 billion has been hedged
- All covenants have been met with a significant safety margin in the 2015 financial year

KEY FINANCIAL ISSUES

Segmental reporting

- Whilst the restructure was effective 1 January 2015, the management accounting systems required to enable this reporting will only be implemented for the 2016 financial year and therefore RCL Foods will report its segmental information on the historical basis for the 2015 financial year

Massingir 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

Pro-forma results

- Due to the material impact of the corporate transactions in the 2014 financial year, RCL Foods published pro forma results on SENS on the 27th August 2014 to provide shareholders with a better understanding of the underlying operational performance of the Group
- The pro-forma results have been included as an additional comparative for the 2015 financial reporting period

RCL FOODS

OPERATING RESULTS SUMMARY

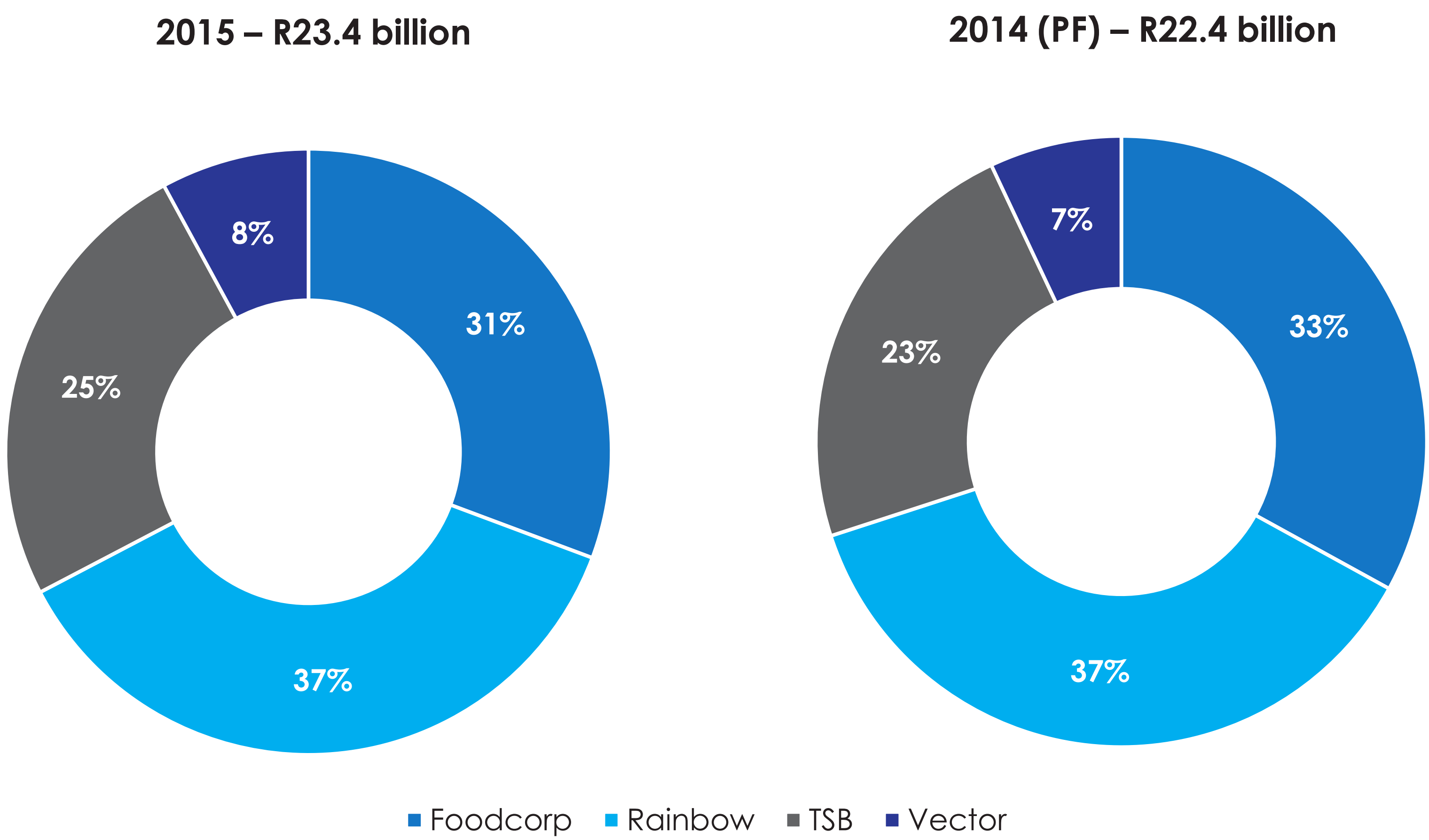
Segmental analysis – Revenue

Revenue (Rm)	Year ended 30 June '15	Restated Pro forma Year ended 30 June '14	% var	Restated * Year ended 30 June '14
Foodcorp	**7 519.6**	7 548.9	(0.4)	7 548.9
Rainbow	**9 077.5**	8 732.9	3.9	8 732.9
TSB	**6 134.4**	5 421.4	13.2	2 482.0
Vector	**1 883.7**	1 699.9	10.8	1 699.9
Sales between Segments				
Foodcorp to Rainbow	**(89.7)**	(62.0)	44.7	(62.0)
Rainbow to Foodcorp	**(73.0)**	(51.7)	41.2	(51.7)
TSB to Foodcorp	**(55.7)**	(27.1)	105.5	(13.5)
TSB to Rainbow	**(4.8)**		100.0	
Vector to Foodcorp	**(110.9)**	(21.5)	415.8	(21.5)
Vector to Rainbow	**(839.4)**	(814.2)	3.1	(814.2)
Vector to TSB	**(13.5)**		100.0	
Total	**23 428.2**	22 426.6	4.5	19 500.8

* Restatement relates to certain allowances granted to customers which were reflected as an expense instead of a reduction of revenue

OPERATING RESULTS SUMMARY

Segmental contribution to revenue



** Based on revenue before inter-segment sales*

RCL FOODS

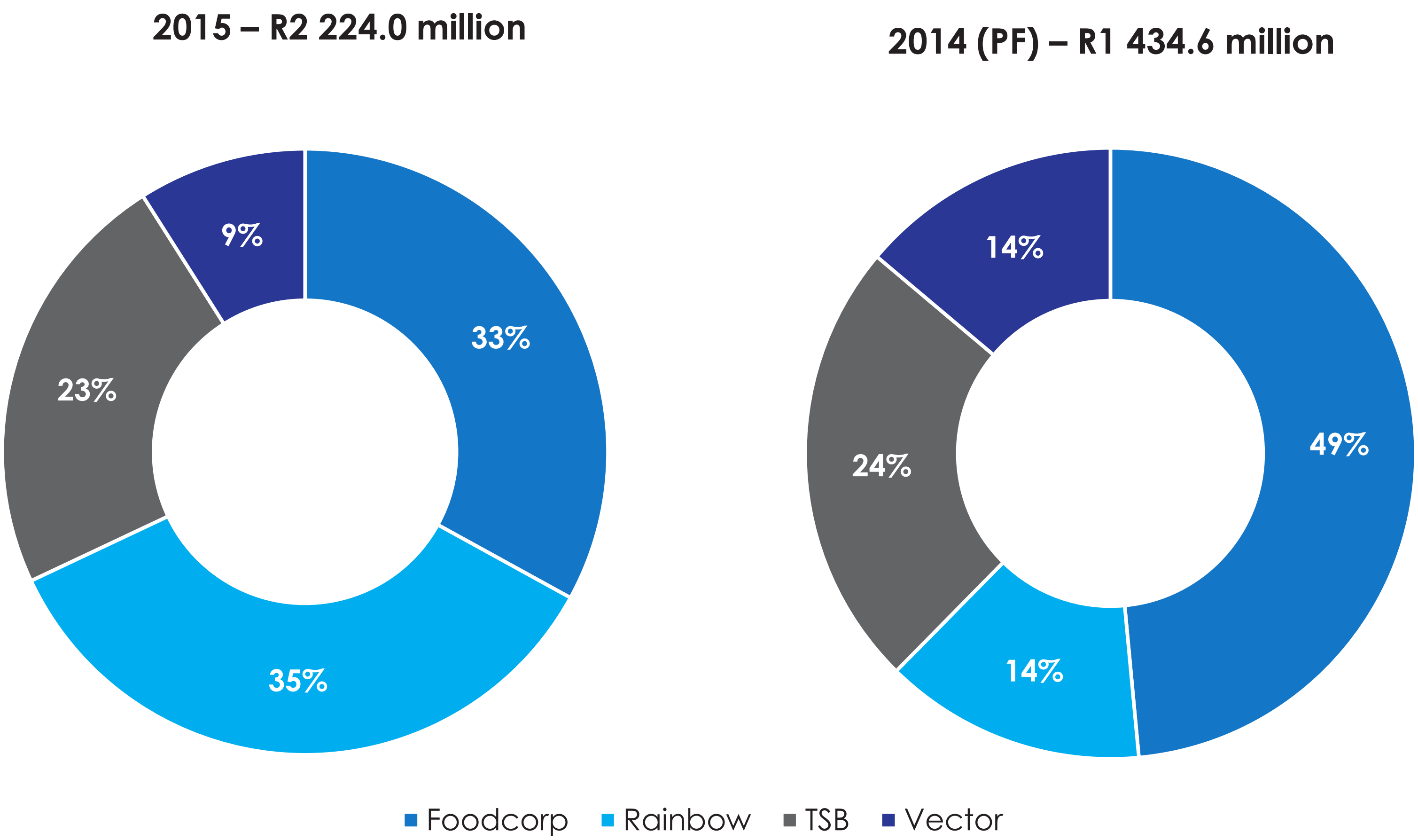
OPERATING RESULTS SUMMARY

Segmental analysis – EBITDA

EBITDA (Rm)	**Year ended 30 June '15**	Restated Pro forma Year ended 30 June '14	% var	Restated Year ended 30 June '14
Foodcorp	**743.3**	715.6	3.9	721.0
Rainbow	**773.9**	200.4	286.2	203.7
TSB	**505.1**	349.3	44.6	147.5
Vector	**206.2**	197.6	4.4	199.1
Unallocated group costs	**(4.3)**	(28.5)	84.9	(149.0)
Total	**2 224.0**	1 434.6	55.0	1 122.2
EBITDA Margin				
Foodcorp	**9.9%**	9.5%	0.4	9.6%
Rainbow	**8.5%**	2.3%	6.2	2.3%
TSB	**8.2%**	6.4%	1.8	5.9%
Vector	**10.9%**	11.6%	(0.7)	11.7%
Total	**9.5%**	6.4%	3.1	5.8%
Rainbow pre-IAS 39				
EBITDA	**667.6**	299.2	123.1	302.5
EBITDA Margin	**7.4%**	3.4%	4.0	3.5%

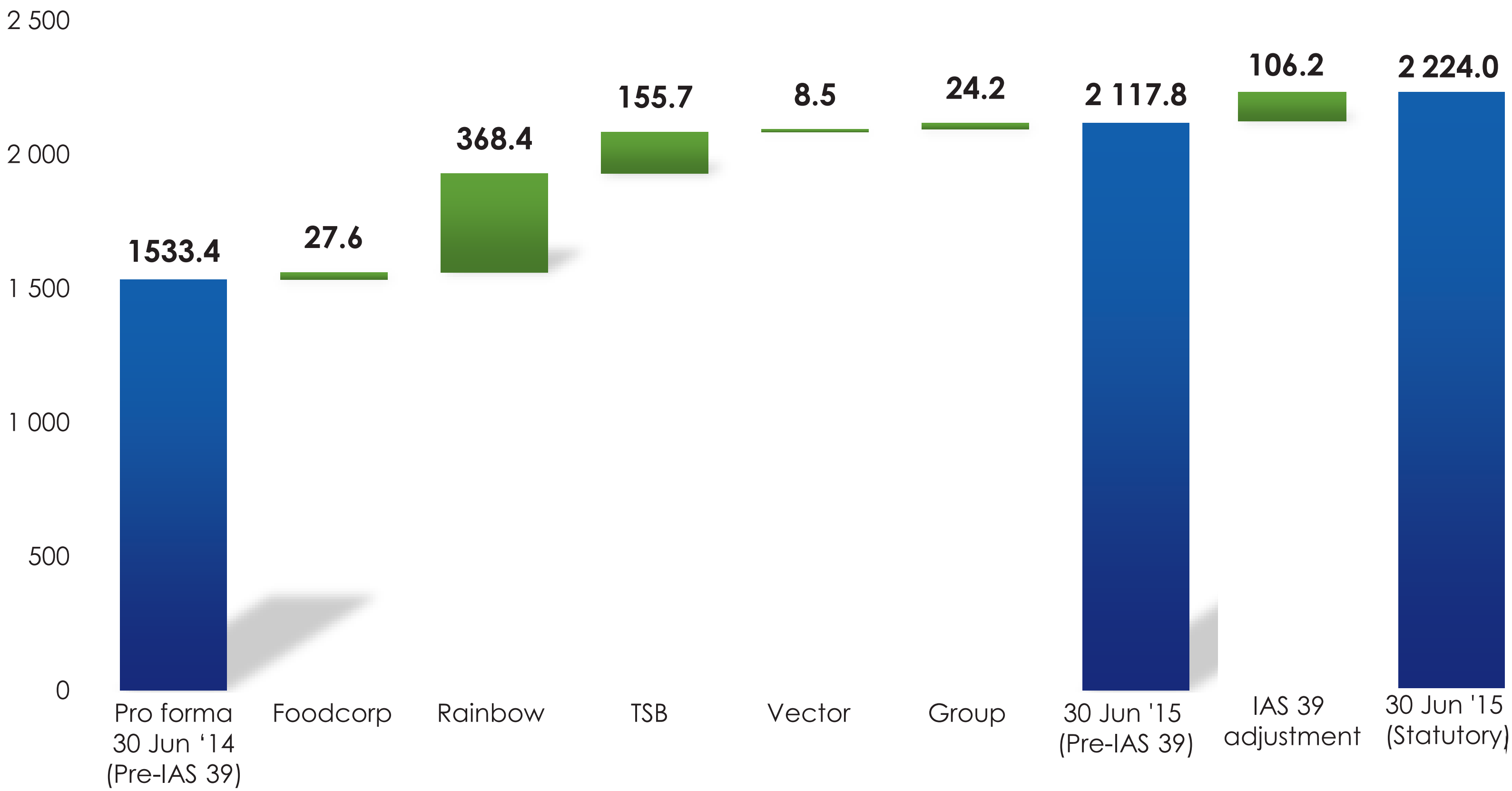
OPERATING RESULTS SUMMARY

Segmental contribution to EBITDA (Rm)



OPERATING RESULTS SUMMARY

Segmental contribution to EBITDA improvement (Rm)



RCL FOODS

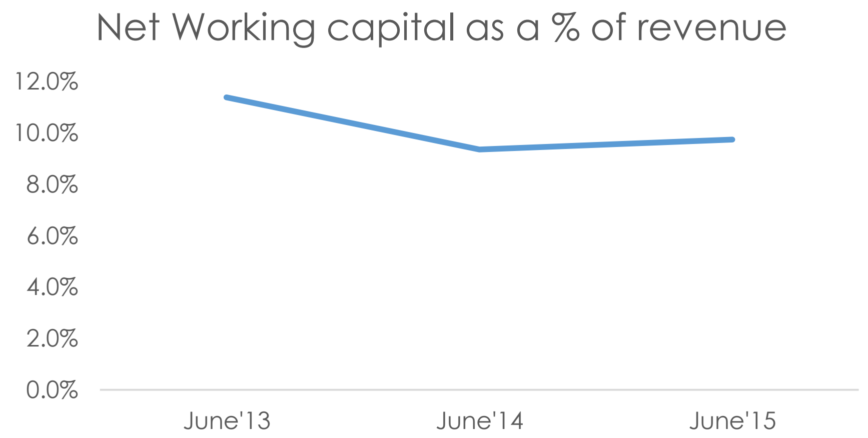
CASH FLOW SUMMARY

Rm	**Year ended 30 June '15**	Year ended 30 June '14
Opening balance (including money market investment and net of overdraft)	**1 472.7**	2 763.2
Operating profit adjusted for non-cash flow items	**1 914.8**	1 100.8
Working capital movement	**151.4**	73.2
Net finance cost paid	**(322.6)**	(530.5)
Tax paid	**(280.9)**	(48.9)
Capital expenditure (including intangibles)	**(763.5)**	(672.4)
Investment in joint venture/subsidiary	**(46.0)**	(616.4)
Proceeds on disposal of PP&E and preference shares	**31.6**	160.9
Interest-bearing liabilities	**(1 357.7)**	(1 774.5)
Dividends received	**47.0**	27.7
Dividends paid	**(301.8)**	-
Issue of shares	**37.1**	876.5
Proceeds on sale of fishing division (net of cash)	**251.1**	-
Discontinued operation - net cash inflows	**35.3**	33.8
Cash acquired in common control transaction (TSB acquisition)	**-**	152.8
Other	**2.0**	(73.5)
Closing balance	**870.5**	1 472.7

WORKING CAPITAL MOVEMENT

Rm	Year ended 30 June '15	Year ended 30 June '14
Net	**151.4**	73.2
Trade payables	**555.9**	141.1
Inventory and biological assets	**(336.5)**	269.7
Trade receivables	**(68.0)**	(337.6)

- Net working capital as a % of revenue has remained sub 10%
- Working capital management practices across the Group continue to receive attention



CAPITAL EXPENDITURE

Largely directed at Foodcorp and Vector in 2015

Rm	Year ended 30 June '15	Year ended 30 June '14
Total expenditure (excluding intangibles)	**756.6**	654.0

- Foodcorp expenditure amounts to R233.8 million with major capital expenditure relating to the solvent extraction plant in the Grocery division
- TSB expenditure amounted to R218.3 million, while Rainbow expenditure amounted to R210.2 million
- R461.7 million has been contracted and committed, but not spent
- A further R460.7 million has been approved, but not contracted
- Approved capital expenditure for Vector includes the distribution and warehousing facility in Port-Elizabeth (R142.7 million), and the Thekwini and Peninsula expansions (R90.3 million and R71.2 million respectively)
- Approved capital expenditure for Foodcorp includes the Mageu UHT project (R120 million) and petfood plant upgrade (R123 million)

RCL FOODS

OPERATIONAL REVIEW – FOODCORP

FOODCORP

Revenue (Rm)	Year ended 30 June '15	Restated Pro forma Year ended 30 June '14	% var	Restated Year ended 30 June '14
Foodcorp	7 519.6	7 548.9	(0.4)	7 548.9
Rainbow	9 077.5	8 732.9	3.9	8 732.9
TSB	6 134.4	5 421.4	13.2	2 482.1
Vector	1 883.7	1 699.9	10.8	1 699.9
Sales between Segments	(1 187.0)	(976.5)	21.6	(962.9)
Total	23 428.2	22 426.6	4.5	19 500.8
EBITDA (Rm)				
Foodcorp	743.3	715.6	3.9	721.0
Rainbow	773.9	200.4	286.2	203.7
TSB	505.1	349.3	44.6	147.5
Vector	206.2	197.6	4.4	199.1
Unallocated Group costs	(4.3)	(28.5)	84.9	(149.0)
Total	2 224.0	1 434.6	55.0	1 122.2

The opportunity

- Drive innovation in existing brands and categories and expand into new brand categories
- Being part of RCL Foods enables greater product innovation and investment in new opportunities
- Opportunity to harness the selling, distribution and credit management synergies across the Group

OPERATIONAL REVIEW – FOODCORP

Foodcorp experienced subdued growth driven by a slow first half in a competitive market, and industrial action in Speciality

- EBITDA grew at 3.9% to R743.3m (30 June '14 PF: R715.6m), translating into a margin of 9.9%
- Industrial action at the Speciality division had a profit impact of R23.0m (excluding this impact, 3.9% growth improves to 7.1%)
- Foodcorp's Grocery, Speciality, Pies and Beverages categories now form part of RCL Foods Consumer.
- Foodcorp's Milling and Baking divisions now form part of RCL Foods Sugar & Milling
- RCL Foods sees significant upside into the future in both margin and volume across all of Foodcorp's brands and categories

OPERATIONAL REVIEW – FOODCORP

The new Consumer Executive has been in place since January 2015: driving a clear, strong plan

Brilliant basics have been put in place including:

- strict pricing compliance
- shelf health
- on shelf availability
- promotional step change and compliance
- depth of distribution achievement

…and longer term brand building basics have been put in place, including:

- clarifying brand opportunities and weaknesses and consequential plans
- real product intrinsic differentiation communication

RCL FOODS

OPERATIONAL REVIEW – FOODCORP

FOODCORP

Consequential market shares, which started the year poorly, have shown strong recoveries in the final three months, in many cases to three year highs

	Brand Share 12MM Jun '14	Brand Share 12MM Jun '15	Apr – Jun'15	Apr' 15	May '15	June '15
Culinary						
Nola mayonnaise	32.0%	31.0%	31.3% ↑	30.6%	33.6%	29.7%
Yum Yum peanut butter	26.7%	27.1%	29.0% ↑	26.7%	30.7%	29.7%
Ouma rusks	39.8%	39.0%	46.1% ↑	43.8%	45.6%	48.1%
Pet Food						
Dry dog food	53.8%	47.4%	50.8% ↑	51.6%	50.2%	50.7%
Bobtail	26.7%	23.1%				
Foodcorp Housebrands	20.1%	19.0%				
Dogmor	5.3%	3.6%				
Canine Cuisine	0.5%	1.0%				
Wet Dog Food	3.9%	4.0%				
Dry Cat Food	32.9%	28.4%				
Catmor	28.0%	21.8%				
Wet Cat Food	4.5%	4.2%				

Source: Nielsen & Aztec June 2015

OPERATIONAL REVIEW – FOODCORP

Noteworthy category performance

- As mentioned, Nola mayonnaise, Yum Yum peanut butter, Ouma rusks and Pet food brands have had a strong last quarter, soundly beating EBIT targets for this quarter
- Pies have stabilised, and a strong plan is being put in place, inclusive of a quality step change, innovation and keen price points in new channels
- Beverages continue to grow margin through trading up to the premium offering (No1 Smooth) – this healthy brand remains key and a raft of innovation is in the pipeline
- Speciality (Woolworths) performance was affected by the strike (R23m). However, a three year wage agreement has been signed, and RCL Foods and Woolworths exec teams have agreed the growth blueprint for the future
- We are confident that the Foodcorp portfolio of brands are set for a strong performance

OPERATIONAL REVIEW – FOODCORP

Milling and Baking

- Milling and Baking divisions merged into single operational structure (Millbake)
- Positive revenue growth in Milling offset by increases in raw materials and utility costs and lower volumes
- Softer commodity prices resulted in improved maize margins versus prior year
- New Milling plant commissioned
- Consolidated Gauteng bakeries expected to deliver benefits in 2016

RCL FOODS

OPERATIONAL REVIEW – FOODCORP

FOODCORP

Milling and Baking – Market review

- Competitive intensity in the grains industry increases, impacting margins
  - Declining wheat consumption (1.77%)
  - Change in consumption patterns in upper LSM's (Low Carb trend might be the driver)
  - Over capacity
  - More market entrants
- Maize consumption increases as other carbohydrates become increasingly more expensive
- Bread consumption per capita stagnant but Speciality breads increases off low base

OPERATIONAL REVIEW – FOODCORP

Millling and Baking initiatives

SUPREME BAKING ACADEMY

RCL FOODS

OPERATIONAL REVIEW – RAINBOW

RAINBOW

Revenue (Rm)	Year ended 30 June '15	Restated Pro forma Year ended 30 June '14	% var	Restated Year ended 30 June '14
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Total	23 428.2	22 426.6	4.5	19 500.8
EBITDA (Rm)				
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Unallocated Group costs	(4.3)	(28.5)	84.9	(149.0)
Total	2 224.0	1 434.6	55.0	1 122.2
Rainbow pre-IAS 39 EBITDA	667.6	299.2	123.1	302.5

The opportunity

- Consumption and long-term volume growth trends expected to continue
- Focus on value-added products and strategic customers driving an improved mix
- Industry margins improved but not yet restored to acceptable levels
  - Tariffs and anti-dumping protection are key
  - Commodity price volatility and rand weakness remain a risk
- Rainbow remains supportive of Government's intended cap on injection

RCL FOODS

OPERATIONAL REVIEW – RAINBOW

RAINBOW

Rainbow's new business model is performing and delivering more profitable, consistent results

Rainbow Pre IAS 39 EBITDA, at R667.6m, is significantly up on the R299.2m for the comparable period. The post IAS 39 profit growth is 286.2%

Critical factors in the success of the new business model are:

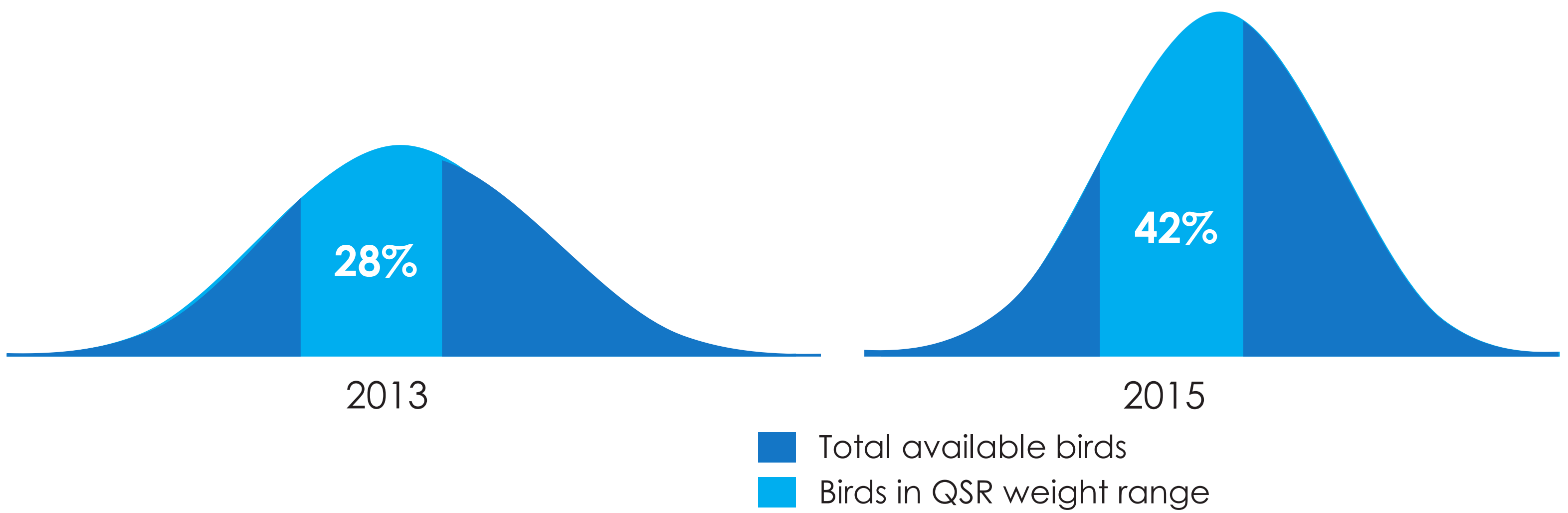
1. Increasing the proportion of the bird weights bell curve suitable for QSR's, so that we could reduce the number of birds going into commodity lines
2. …thereby reducing the volume of loss making IQF substantially
3. Taking cost out and becoming more efficient
4. …and growing added value aggressively, most notably FoodSolutions, followed by retail further processed brands

RAINBOW

OPERATIONAL REVIEW – RAINBOW

1. Bell curve success

- Historically 28% of Rainbow birds grown met the QSR weight spec. This has now been increased through new, innovative agriculture practices to 42% (a 50% increase in appropriate bird numbers for QSR's) and further upside still exists



- This has allowed us to place fewer birds, and dramatically reduce loss making commodity lines, while allowing no investment growth for QSR's

Source: Internal data

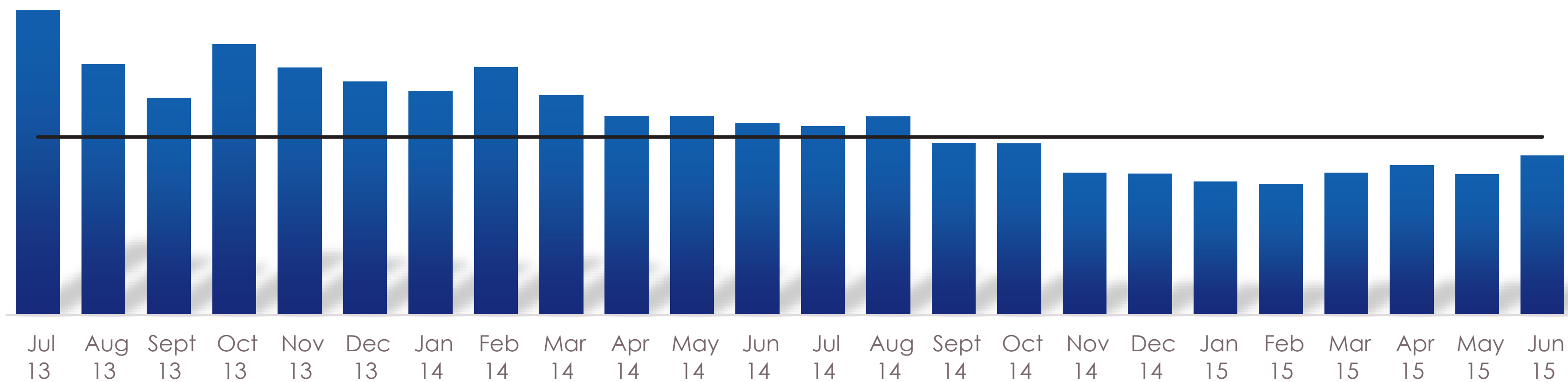
OPERATIONAL REVIEW – RAINBOW

2. Reduction of IQF

- Rainbow, with lower injection than competitors, makes lower margin on the large IQF market category…usually at a loss
- The extra QSR birds available in the bell curve have allowed us to down place bird numbers, and reduce IQF production dramatically…

…. by up to two thirds

Processing – IQF tons per day



Source: Internal data

OPERATIONAL REVIEW – RAINBOW

3. Taking cost out and step changing efficiency

- A number of targeted savings have come to fruition in agriculture, processing and sourcing – these have contributed significantly to results

4. Aggressive added value growth

- FoodSolutions has performed well, with decent volume growth returning to this area across all customers
- Rainbow has further developed the strong partnerships with QSR partners, winning more share of their chicken business in the process. In addition, the acquired Foodcorp capability to produce mayonnaise, sauces and baked products and deserts, has allowed RCL Foods to make a step change into the fuller QSR and Food Service basket of products
- In retail, the Simply Chicken ranges have grown their margin by some 20% as a consequence of carefully planned price value decisions

OPERATIONAL REVIEW – RAINBOW

Industry issues update

Injection

- DAFF called a meeting of stakeholders last month, to announce that they have heard all input and will make an announcement on their decision soon
- This is expected to be a cap on injection in the desirable range for Rainbow and will level the playing fields in this important area

Imports

- These show no sign of abating and remain at historical highs
- The recent AGOA decision, to allow 65 000 tons of USA dumped leg quarters, dumping duty free into South Africa, will not help

RCL FOODS

OPERATIONAL REVIEW – TSB

tsb

Revenue (Rm)	Year ended 30 June '15	Restated Pro forma Year ended 30 June '14	% var	Restated Year ended 30 June '14
Foodcorp	7 519.6	7 548.9	(0.4)	7 548.9
Rainbow	9 077.5	8 732.9	3.9	8 732.9
TSB	6 134.4	5 421.4	13.2	2 482.1
Vector	1 883.7	1 699.9	10.8	1 699.9
Sales between Segments	(1 187.0)	(976.5)	21.6	(962.9)
Total	23 428.2	22 426.6	4.5	19 500.8
EBITDA (Rm)				
Foodcorp	743.3	715.6	3.9	721.0
Rainbow	773.9	200.4	286.2	203.7
TSB	505.1	349.3	44.6	147.5
Vector	206.2	197.6	4.4	199.1
Unallocated Group costs	(4.3)	(28.5)	84.9	(149.0)
Total	2 224.0	1 434.6	55.0	1 122.2

The opportunity

- Significant growth potential into Africa with huge diversification potential
- Potential to expand electricity exports to the Eskom grid

OPERATIONAL REVIEW – TSB

Performance at a glance

- EBITDA of R505.1 million (44.6% up on prior year pro forma) and an EBITDA margin of 8.2%
- Total Revenue of R6.1 billion increased by 13.2% from prior year of R5.4 billion
- Import duties & droughts in Brazil reduced sugar imports and led to a recovery in the average sugar prices
- Raw exports were 50 236 tons less than in 2014 – this was mainly due to the lower Industry crop

Record production & sale levels

- Crushing the most cane in history
- Selati market share 30.3%
- Production share was 29.7% for the 2015 season due to the positive production results and the severe drought in KZN

Massingir

- 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

OPERATIONAL REVIEW – TSB

Performance at a glance – Feed

- Integration of Epol and Molatek into a single Feed business unit is going well with all structure changes implemented – system changes will follow
- Financial result for the year is excellent with both Epol and Molatek exceeding their best ever results
- Expansion project contributing to Molatek brand
- Operating cost management focus well entrenched with savings exceeding R35 million

OPERATIONAL REVIEW – TSB

TSB Agronomic Dashboard

Cane is provided per season	**June 2015**	June 2014
Cane crushed (000)	**5 730**	**4 928**
Raw sugar produced (000)	**702**	**598**
Cane : Sugar ratio	**8.2**	**8.2**
Sucrose %	**14.4%**	**14.2%**
TSB Managed Farms		
Hectares managed	**14 426**	**14 262**
Cane yield per hectare	**103.9**	**113.0**
Capacity		
Cane capacity (000)	**5 745**	**5 745**
Capacity utilisation	**99%**	**86%**
TSB Production Share	**29.7%**	27.4%

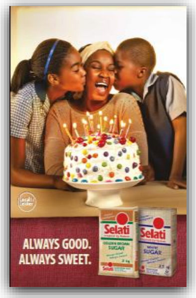
OPERATIONAL REVIEW – TSB

Brand share summary

Category	Brands	Market position value	TSB packed brands (Incl HB'S)	TSB Share volume	TSB Share value
SUGAR	Selati	2	SELATI	29.2%	30.3%
			House Brands	16.5%	15.2%
			TOTAL TSB	**45.7%**	**45.5%**
SPECIALITY SUGAR	 	2	SELATI	23.6%	24.8%
			House Brands	25.4%	18.6%
			TOTAL TSB	**49.0%**	**43.4%**
ARTIFICIAL SWEETENERS		3	SELATI	6.0%	5.8%

OPERATIONAL REVIEW – TSB

Sugar Marketing initiatives



#AlwaysGood

RCL FOODS

OPERATIONAL REVIEW – VECTOR

vector

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The opportunity

- Opportunity to leverage Vector's business model and skills into the outbound supply chain for the Group
- Significant investment in new capacity will facilitate higher volumes and improved operational efficiency, positioning Vector well for future growth (c.R15 bn value of goods moved through Vector system annually)

OPERATIONAL REVIEW – VECTOR

Revenue growth of 10.8%, driven largely by take on of 4 new customers

Vector welcomes four new customers into the network

Foodservice industry volume performance pleasing

Revenue growth 10.8% to R1 883.7m

- Four new customers joined the network, namely Sea Harvest, Dr Oetker, Natures Garden and Heinz post the exit of McCain and Famous Brands in the year
- Volume growth in the Foodservice industry continued
- Second sales and merchandising structure operational

OPERATIONAL REVIEW – VECTOR

Expansion and industrial action impact cost

Industrial action costs R20m

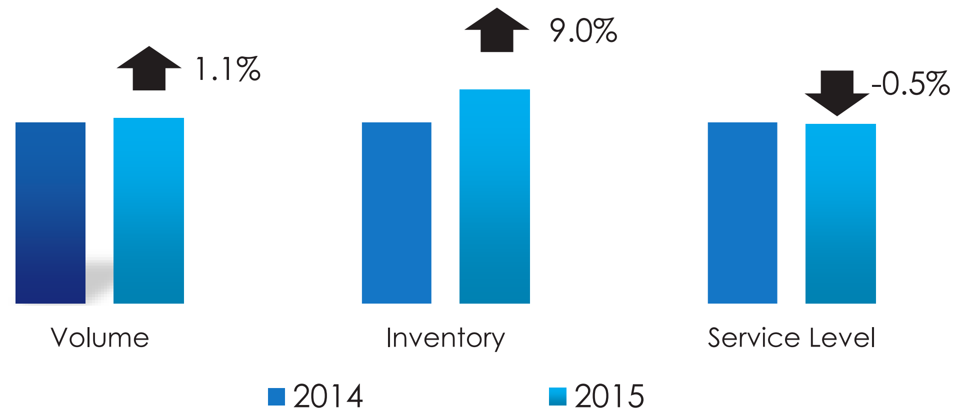
Second sales and merchandising structure implemented

New facility at PE (Coega)

- EBITDA grew at a muted 4.4% to R206.2 million, largely due to the industrial action at the Midrand campus, R20m incurred to maintain service levels (excluding this impact, EBITDA would have grown by 14.5%)
- Second sales and merchandising unit employing > 1 000 new staff
- New facility at Coega operational shortly after year-end, two additional major expansion projects underway

OPERATIONAL REVIEW – VECTOR

Operational efficiency



9% increase in inventory levels, 2% excluding new business

- ✓ Excluding new customers, inventory level growth of 2% on prior year
- ✓ 9% increase driven by the stock build in the take-on phase of the four new customers to ensure service level requirements were met

Operational efficiency

- Year on year volume growth increased by 1.1%
- Average inventory levels increased by 9%, largely as a result of new business (2% excluding new business)
- Service levels maintained to meet customer requirements despite constraints in supply from certain major principals

PROSPECTS

- Sustainable improvement in consumer spending is unlikely: the impact of this is pervasive across all RCL Foods' segments
- The Consumer division's new management structure and focused investment behind its brands is expected to yield positive financial results in 2016
- Poultry industry still facing uncertainty following the recent decision with respect to duty free USA imports, while the injection cap issue remains unresolved
- The Sugar & Milling division's use of irrigation will largely shield it from the current drought conditions experienced by the KZN 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 food service customers is expected to help offset negative economic factors
- RCL Foods continues to explore opportunities in strategic growth markets in the food sector in South Africa and sub-Saharan Africa, in line with long-term aspirations

APPENDICES

STRATEGIC OVERVIEW

RCL Foods in context

Rupert Family

- RICHEMONT
- Remgro Limited
- REINET INVESTMENTS S.C.A.

Food, Liquor & Home care	Banking	Healthcare	Insurance	Industrial	Infrastructure	Media & Sport
RCL Foods	FirstRand	Mediclinic	RMI Holdings	Total	Grindrod Limited	e
Distell	RMB Holdings		Discovery	kth	SEACOM	Crystal Brook Distribution
Unilever			OUTsurance	Air Products	Wispeco Aluminium	W.P. Rugby
			MMI Holdings			Blue Bulls

FOODCORP: GROCERY AND PIE DIVISIONS

FOODCORP

Grocery

The Grocery Division consists of a portfolio of well recognised brands with **market leading positions**

Includes a wide range of grain and edible oil based products, sorghum, peanut butter, rusks, a range of pet foods, as well as salad dressings, dips and spreads

Brands

Pie

The **Pie Division produces a range of high quality, predominantly meat pies under the Piemans brand** that are sold in these formats: frozen unbaked, frozen baked and chilled baked

Brands

FOODCORP: BEVERAGE AND SPECIALITY DIVISIONS

Beverage

The Beverage Division produces a **maize-based health drink** under the Mageu No 1, Smooth, Phuzimpilo and Mnandi brands

Brands

Speciality

The Speciality Division produces a range of superior ready to eat products, including speciality breads, **mainly for Woolworths**

The product range includes sandwiches, muffins, desserts, snack foods, scones, rye breads, cake products, pastries and croissants

Brands

RCL FOODS

FOODCORP: BAKING AND MILLING DIVISIONS

FOODCORP

Baking

The Baking Division is the **fourth largest bakery group in the country**, operating seven bakeries and **distributing its products in five of the country's provinces**

Brands

Milling

The Milling Division operates **the largest single site flour mill in Southern Africa** and a maize mill, both based at the same site in Pretoria

Brands



RAINBOW: COMPLEX BUSINESS CHAIN

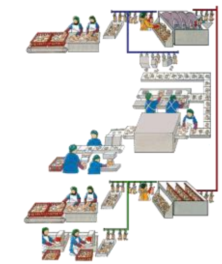
Integrated supply chain from "farm to fork"

GP operation | **Agriculture** | **Processing**

Grandparent chicks → **Grandparent farms**: Rearing 21 weeks → Laying 40 weeks → Hatching 3 weeks → **Parent farms**: Rearing 21 weeks → Laying 40 weeks → Hatching 3 weeks → **Broiler farms**: Growing 34 days → Broilers → Processing 4 plants + 2 FP plants

- World's oldest pedigree broiler breed
- Located in Carolina and East London to ensure optimal bio-security

- 3 broad agricultural regions
  - Northern, KZN, W Cape



Feed supply
- 5 feed mills producing 1.1m tons pa
- Around 70% of production to Rainbow

Consumers ← **Brands** ← **Customers** ← **Distribution**

The consumer is at the heart of our business

RAINBOW
Grade A Quality, Grade A Taste

They taste so good 'cos they eat so good

FARMER BROWN

Food Solutions

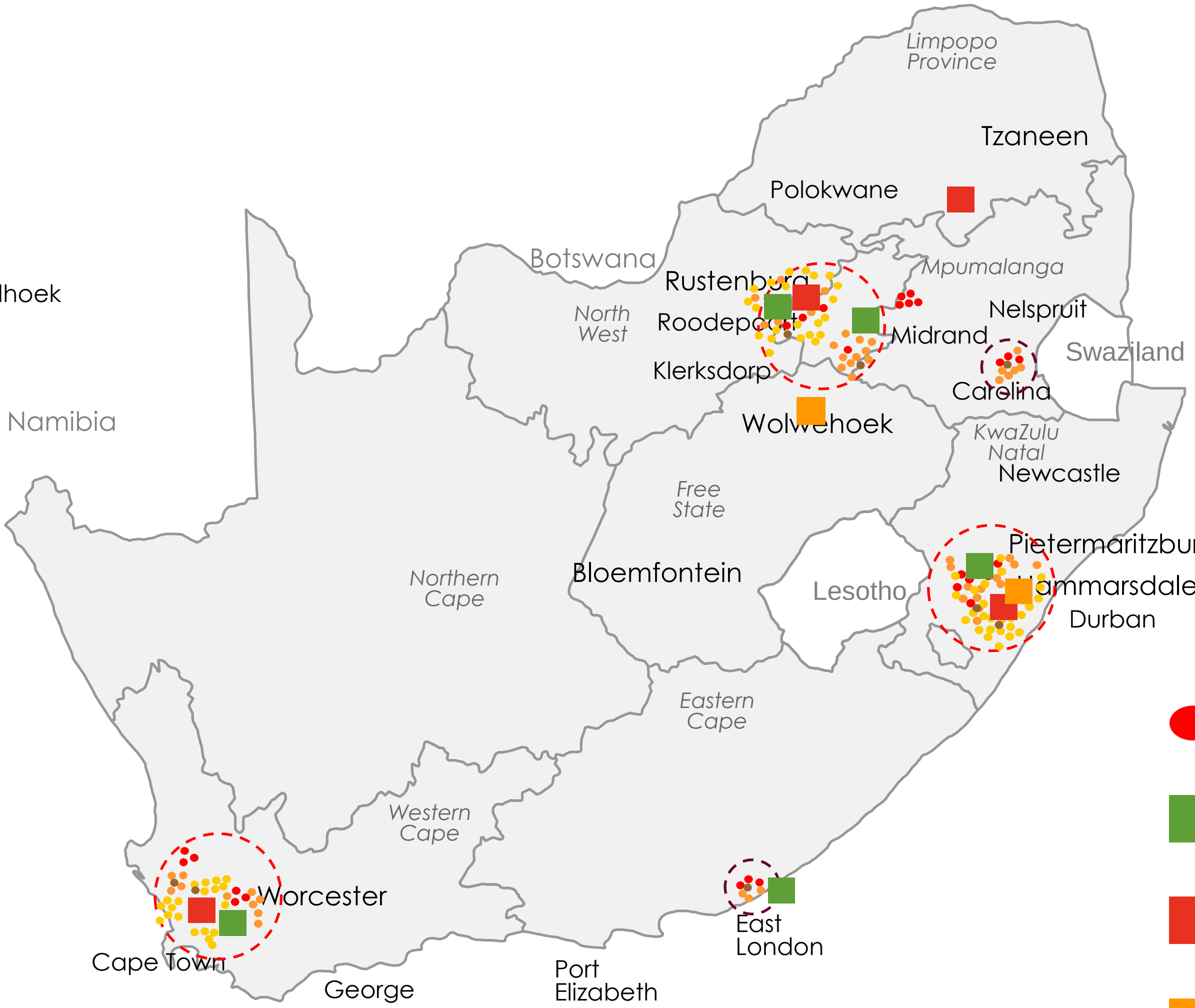
The Chicken Experts

Foodservice | Retail | Wholesale

RCL FOODS

RAINBOW – INFRASTRUCTURE

RAINBOW



209 rearing, laying and broiler farms and hatcheries
27m birds on the ground

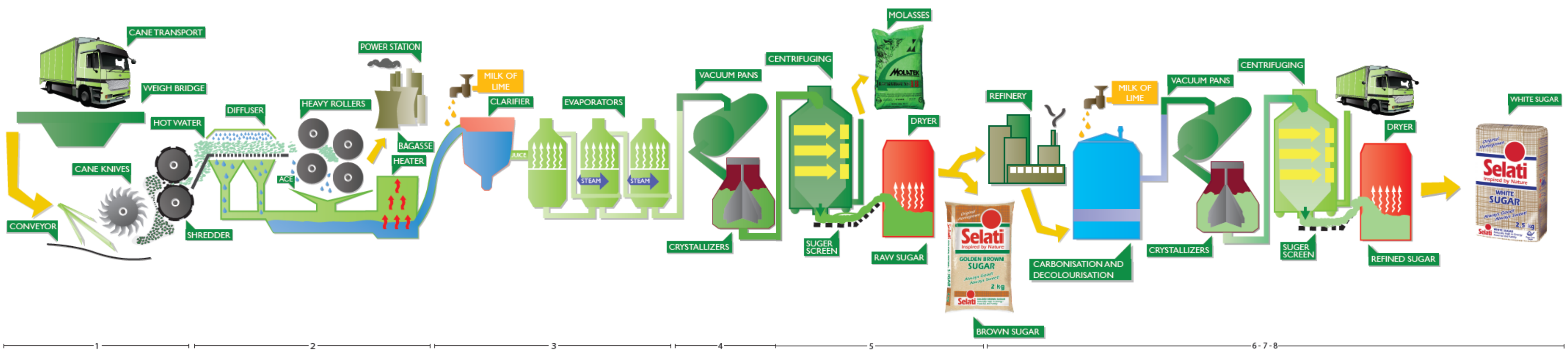
5 feed mills
1.1m tons per year

4 primary processing plants
nearly 250m birds per year

2 further processed plants
27,000 tons per year

OPERATIONAL REVIEW – TSB

HOW **SELATI SUGAR** IS MADE



1.CANE PREPARATION

The sugar cane is delivered by road to the mills where it is weighed and off-loaded directly into the production stream. It moves through the preparation area where cane knives cut it into smaller pieces. These smaller pieces are then fed into a shredder that converts all the cane into a finely chopped fibre, hereby exposing the sweet sucrose bearing cells.

2.JUICE EXTRACTION

From here the chopped fibre moves through a diffuser. A diffuser is a large vessel where hot water is sprayed onto the moving bed of chopped cane and the sucrose is leached out of the cane (like a teabag in a tea cup!). After passing through the diffuser, the remaining sucrose bearing moisture is extracted from the chopped cane through a milling process where the cane passes through heavy rollers that squeeze out the remainder of the juice. The fibre discharged from the mill is called bagasse and is the main source of fuel for the boilers that produce steam and electricity required by the sugar production process. TSB also uses the excess bagasse for the production of animal feeds.

3.CLARIFICATION & EVAPORATION

After extraction, mixed juice consisting of water, sucrose and a few other impurities, is heated and milk of lime is added to neutralise the acids which then form a precipitate that is settled out in the clarifiers. The clarified juice is pumped into the evaporators, a series of vessels arranged so that each one has a greater vacuum than the preceding one. During the process the excess water is removed and the juice solids are concentrated.

4.CRYSTALLISATION

During the next stage, crystallisation is achieved by further evaporating the water in large vacuum pans. When the water has evaporated, the sugar reaches concentrated levels. Seed crystals are added and they act as nuclei that grow into larger sugar crystals. This crystal mixture and the surrounding mother liquor are known as massecuite. From the vacuum pans the mother liquor passes through crystallisers, additional sugar is exhausted from the mother liquor and deposited into the crystals.

5.RAW SUGAR

The sugar crystals now have to be separated from the mother liquor. The mixture is fed into centrifuges, where a rotating perforated basket spins at high speed spinning out the mother liquor, now called molasses. The raw sugar crystals are retained in the basket. The raw sugar now passes through a drier before been dispatched into the sugar bin or the refinery. The molasses is also used by the animal feed plant, Molatek at the Malalane Mill.

6.REFINING

At the refinery, the light brown coloured raw sugar is turned into pure white refined sugar through a refining process that entails the re-melting of the raw sugar crystals.
The re-melted crystals pass through a decolourisation process. After re-crystallisation the sugar is colourless.

7.PACKAGING

From the refinery the sugar moves either to the sugar silo or to the packaging operation. Here, the sugar is packed in commodities ranging from a 5gm sachets to bulk one ton bags for the industrial market. In addition to white refined sugar, TSB also produces a range of brown speciality sugars, including Selati Muscovado and Demarara, as well as white icing snow and white caster sugar, which are all packaged at the plant.

8.DISPATCH

The packaged sugar is housed in huge sugar stores from where it is dispatched by road and rail to customers all over South Africa. TSB prides itself on the efficiency of its sugar dispatch system, where client satisfaction and timely response are the key words.

OPERATIONAL REVIEW – TSB

TSB Mills

Mill	Mill	Established	Tons sugar produced	Notes
Nkomazi	Malalane	1968	226 000	*Nkomazi produces approximately 560 000 tons of sugar per year*
	Komati	1993	333 000	
Pongola	Pongola	1954	143 000	*Pongola produces approximately 140 000 tons of sugar per year. Adding Pongola to Nkomazi, TSB current produces 29.7% of the total SA production*

RCL FOODS

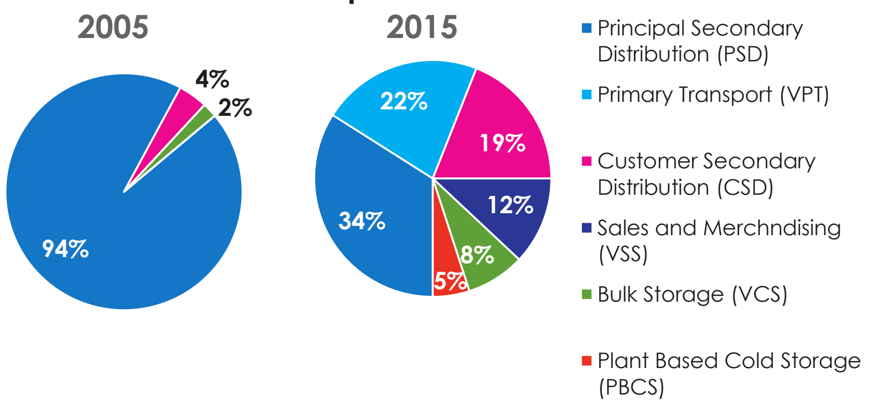
OPERATIONAL REVIEW – VECTOR

vector

Services

Manufacturers Plant Based Cold Stores (PBCS)	Vector Cold Storage (VCS)	Vector Primary Transport (VPT)	Principal Secondary Distribution (PSD)	Customer Secondary Distribution (CSD)	Vector Trade Marketing (VTM) call centres, sales and merchandising	Credit & Information Management
2008	2002	2007	1966	2001	2004	2001

Proportion of Mix



In December 2004 Rainbow acquired the Vector business which comprised 94% Principal Secondary Distribution. Since then:

- Vector manages the entire Rainbow Outbound Supply Chain
- Vector now offers a fully integrated and cost effective outbound supply chain to customers and principals
- The business is more balanced and diversified with service offerings covering the full outbound supply chain

OPERATIONAL REVIEW – VECTOR

Customers

Customer Secondary Distribution (CSD)

- Vector is contracted by the customer to deliver their full basket of products directly to the outlets

Principals

Principal Secondary Distribution (PSD)

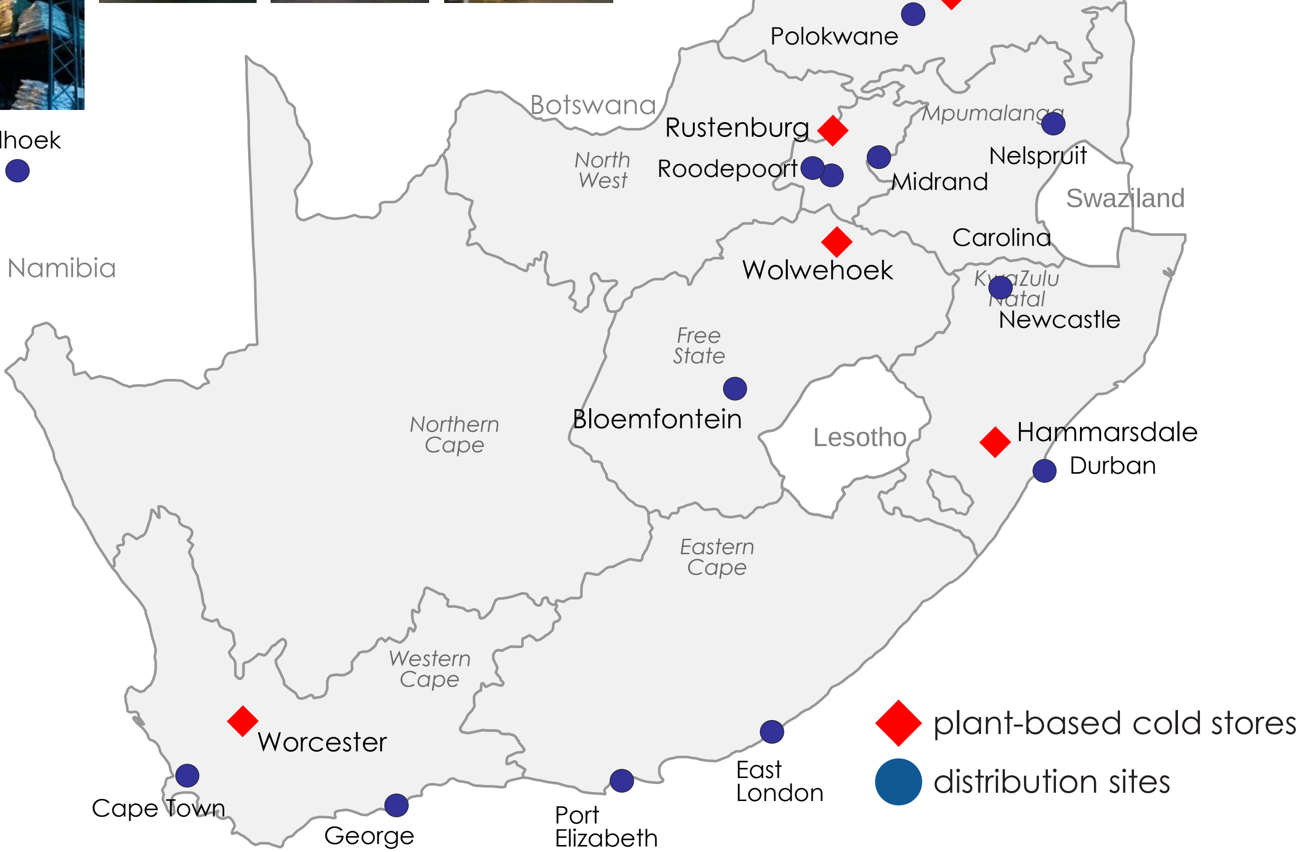
- Vector is contracted by the principal to deliver to all retailers, wholesalers and general trade

OPERATIONAL REVIEW – VECTOR

Infrastructure




Windhoek



Vector infrastructure

- National footprint including Windhoek
  - 5 plant-based cold stores
  - 13 distribution sites
  - Capacity 102 407 pallets
  - Employees 4 208
  - Customer Drop Points 7 100
  - 221 000 cases delivered daily (57.5m cases pa)
  - Tonnage 605 000 tons pa
  - Fleet of 372 vehicles (primary 80 / secondary 292)
  - ISO 22000 and ISO 22002 accreditation for all Warehouses
  - ISO 14001 and OHSAS 18001 across Peninsula, Midrand, Thekwini and Roodepoort