

RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2016



**INVESTOR PRESENTATION APPENDICES
24 FEBRUARY 2017**



RCL FOODS IN CONTEXT

Remgro
Limited

**FOOD, LIQUOR
& HOME CARE**

BANKING

HEALTHCARE

INSURANCE

INDUSTRIAL

INFRASTRUCTURE

MEDIA & SPORT



DISTELL



FIRSTRAND



**RMB
HOLDINGS**

MEDICLINIC



**RMI
HOLDINGS**

Discovery

**OUT
SURANCE**



MMI HOLDINGS



TOTAL

PGSI

PGSI Limited

**WISPECO
Aluminium**

**AIR
PRODUCTS**



SEACOM



**Community
Investment
Ventures
Holdings**



Premier Team Holdings Ltd

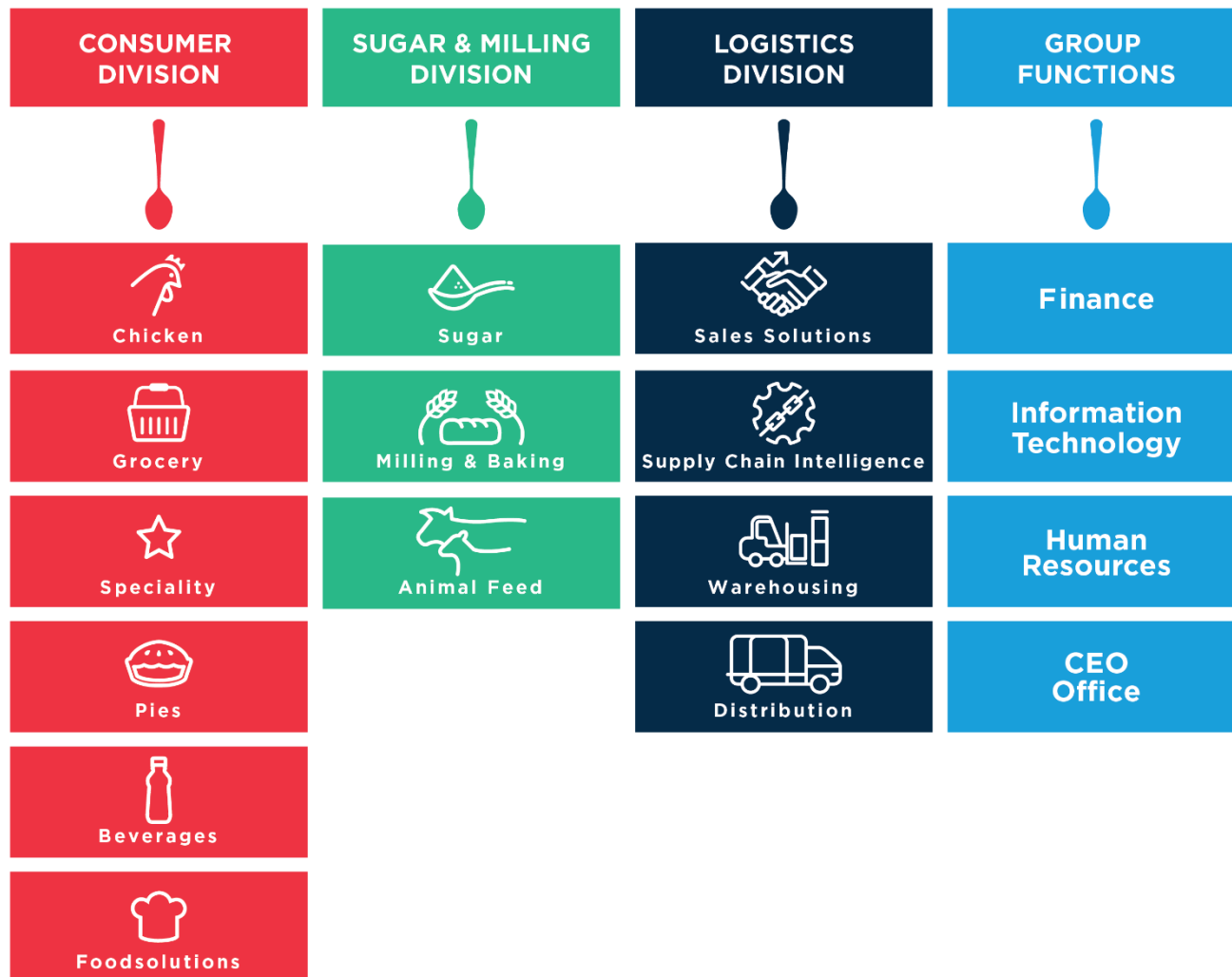


**Stellenbosch
Academy of Sport**





AREAS OF BUSINESS

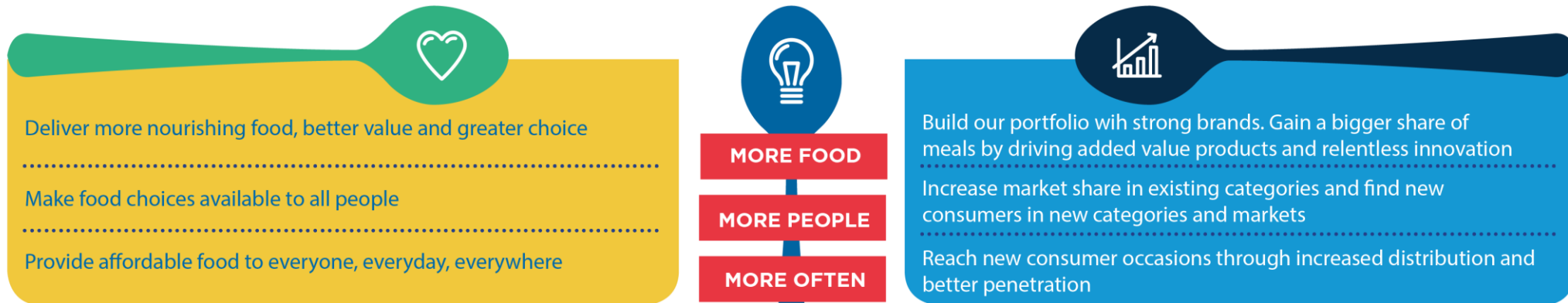




OUR PASSION

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.



AMBITION

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

STRATEGIC THRUSTS

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

VALUES



**RESPECT
FOR PEOPLE**



**SEEING AND DOING
THINGS DIFFERENTLY**



**UNCOMPROMISING
INTEGRITY**



**ACT
RESPONSIBLY**



OUR WAY



WE'RE FOR MORE



We see and do things differently
We're restless, **often maverick**
We rattle complacency's cage, upset the status quo
Not just for the sake of it
But because **we want to make an impact**
One that matters

We want to do more and be more
We want people to lead **better lives**
We want business to do **better business**
We want relationships to be more resilient ...
We want to **embrace change, nurture longevity**

It's a big ask, but we're up for it
Because **our passion, our purpose** -
is simple and powerful:

MORE FOOD TO MORE PEOPLE MORE OFTEN

And we'll do this with **great people**.
Brave, curious, real, honest,
passionate, ideas people
Who break down barriers, build new bridges
and **change the rules**

BECAUSE
ANYTHING LESS,
WON'T ACHIEVE
MORE





OUR WAY



MORE IMPACT



MORE BRAVE



MORE CURIOUS



MORE OPEN



MORE SPEED



MORE YOU

PS. MORE FUN!



For the greatest impact, you need to face the brutal facts and clear the biggest hurdles.



Have the courage to do the right thing. Make bold decisions. Learn from your mistakes.



It's curious people who have game-changing ideas. Be curious!



Be generous with knowledge, value the views of others, regardless of who they are.



Speed and simplicity go hand in hand - so be clear, stay lean, go fast.

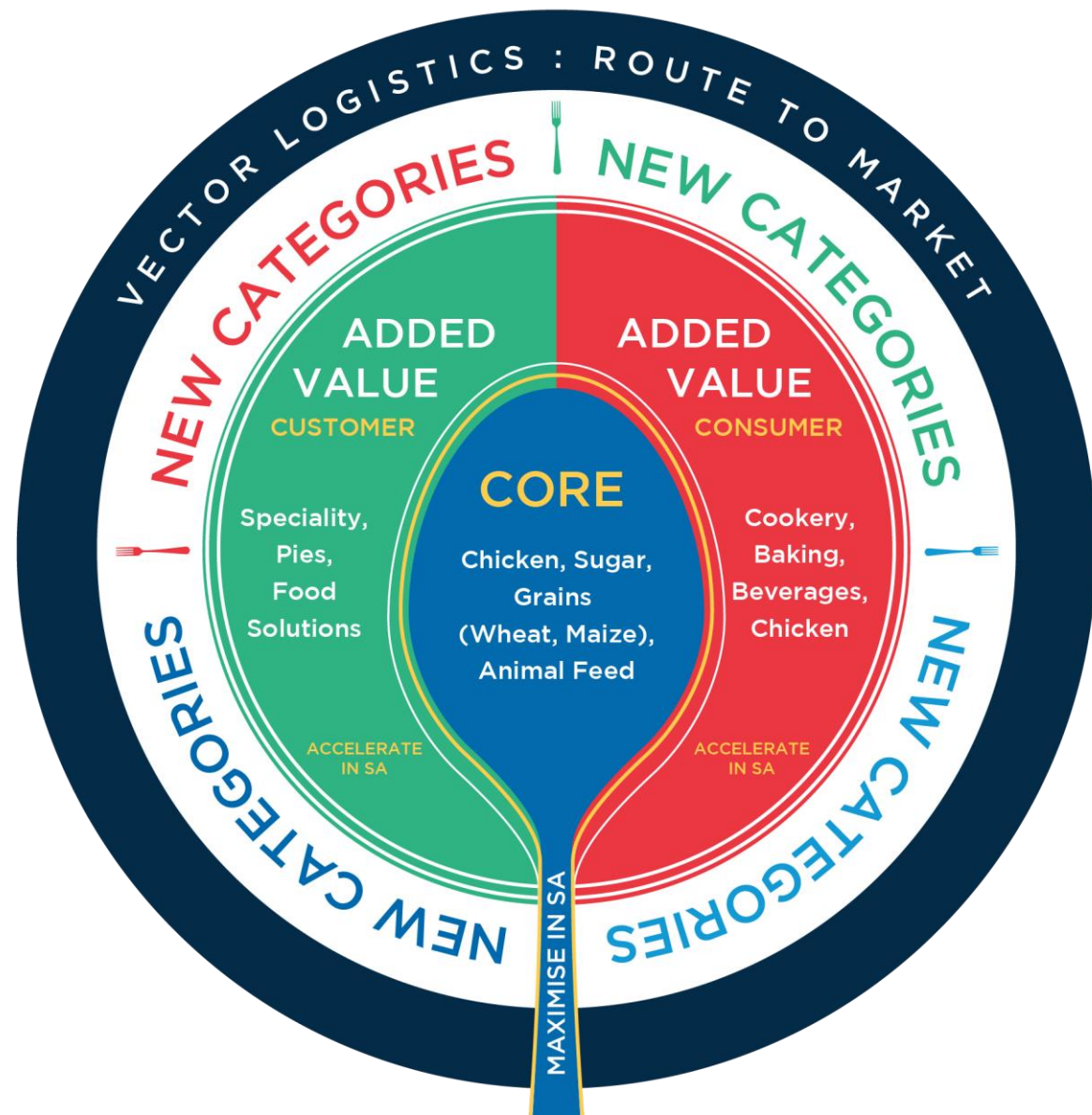


Be yourself. Be authentic.
Be more you!



...because it's contagious!

OUR BUSINESS MODEL



STRATEGIC THRUSTS

STRATEGIC THRUSTS

STRATEGIC GOALS F16-F20

GROW THROUGH STRONG BRANDS

- Invest behind brands, grow key markets and our shares
- Accelerate added value, maximise core categories in South Africa

PARTNER WITH STRATEGIC CUSTOMERS

- Partner with strategic customers, driving common growth & profit ambitions

EXTEND OUR LEADING VALUE CHAIN

- Optimise resources and costs
- Leverage our unique route to market capability through our Logistics division
- Drive synergies and opportunities through implementation of integrated IT systems

EXPAND INTO AFRICA

- Build core and added value categories (priority 2) in rest of Africa

INSPIRE GREAT PEOPLE

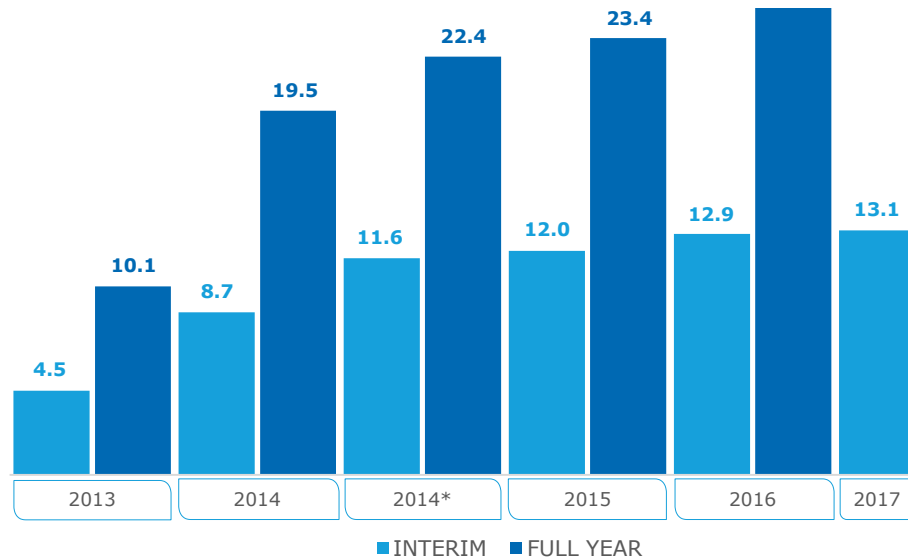
- Build RCL FOODS corporate brand
- Build leaders and develop talent to enable our growth ambition
- Drive performance culture and accountability to ensure delivery of results

DRIVE SUSTAINABLE BUSINESS

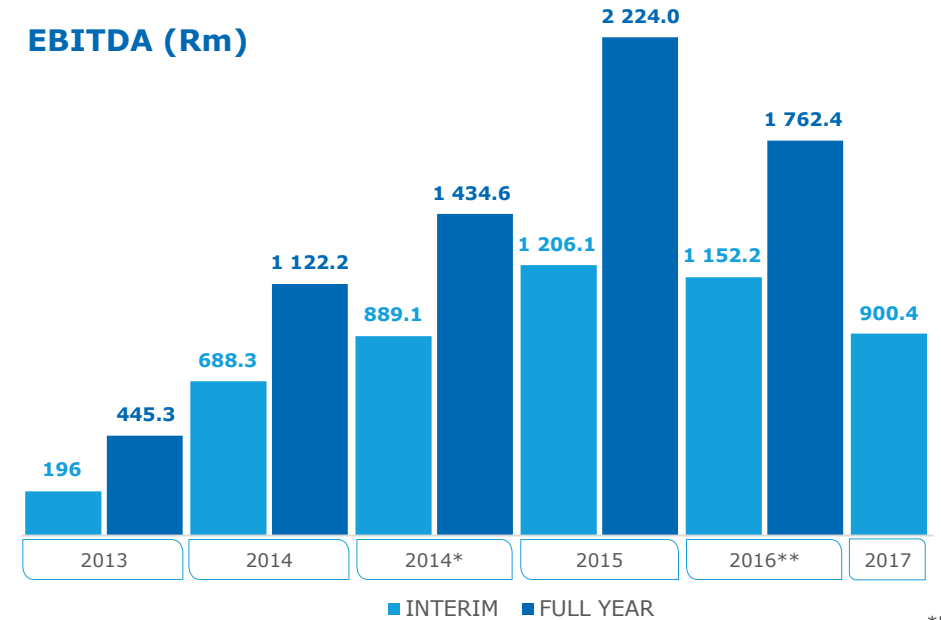
- Drive responsible consumption and production
- Build brands that matter

PLATFORM FOR GROWTH

REVENUE (Rbn)



EBITDA (Rm)



*Pro-forma
**Restated



**OVER
20 000
EMPLOYEES**



**AROUND
700 000
TONS OF SUGAR
PER YEAR**



**100 TONS
OF MAYONNAISE
PRODUCED DAILY**



**MORE THAN
1 500
DELIVERY
VEHICLES**



**500 000 TONS
OF FLOUR AND MAIZE
MILLED PER YEAR**



**400 000
PIES PER DAY**



**1.4 MILLION
TONS OF ANIMAL
FEED PER YEAR**



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



**500 000
LOAVES OF
BREAD PER DAY**



**30 MILLION
CHICKENS ON THE
GROUND AT ANY TIME**

INTEGRATED ORGANISATION



CONSUMER DIVISION

BUSINESS UNITS

Chicken, Speciality, Grocery,
Pies, Beverages



SUGAR & MILLING DIVISION

BUSINESS UNITS

Sugar, Millbake, Animal Feed



LOGISTICS DIVISION

BUSINESS UNITS

Logistics business responsible for
Group-wide route-to-market



OUR BRANDS

RELATIVE SALES (12 Months to December 2016)

8 BRANDS UNDER R100m



10 BRANDS OVER R100m



5 BRANDS OVER R500m



6 BRANDS OVER R1bn



MARKET SHARE

VOLUME SHARE % FOR THE PERIOD	6MM Dec16	12MM Dec16	12MM Dec15	SOURCE
Catfoods (RCL Brands)	19.9	18.9	15.0	Aztec*
Dogfoods (RCL Brands)	27.0	26.9	26.7	Aztec
Yum Yum Peanut Butter	31.3	31.1	29.8	Aztec
Nola Mayonnaise	42.6	41.9	39.4	Aztec
Freezer to Fryer	28.5	26.0	24.8	Aztec
Sorghum (RCL Brands)	27.4	27.3	28.1	Aztec
Ouma Rusks	47.5	47.4	48.0	Aztec
Mageu	72.9	72.1	76.0	Aztec
Polony (RCL Brands)	8.8	9.3	11.6	Aztec
Viennas (RCL Brands)	18.7	18.8	19.1	Aztec
Selati	30.3	29.7	29.5	Aztec

VOLUME SHARE % FOR THE PERIOD	6MM Dec16	6MM Dec15	SOURCE
EPOL	14.9	15.0	Internal estimates – share of AFMA**
Molatek	4.6	5.5	Internal estimates – share of AFMA

VOLUME SHARE % AT	Dec16	Dec15	SOURCE
Sunbake	10.2	8.0	SAGIS***

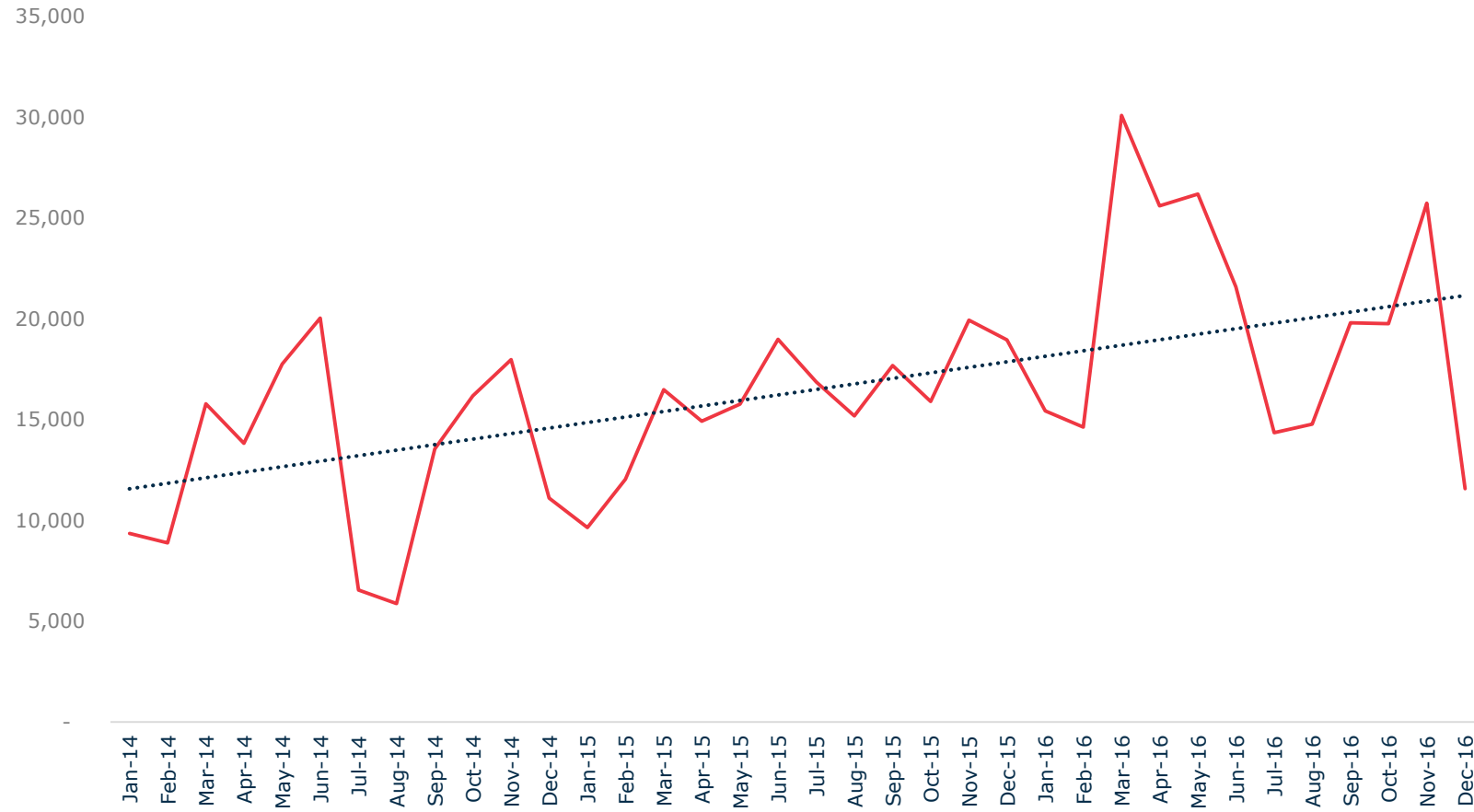
*Aztec is a provider of market measurement and related services for consumer packaged goods

**AFMA refers to the Animal Feed Manufacturers Associations, which represents approximately 60-65% of the total feed market

*** SAGIS is a South African grain information service that supplies market information to the grain and oil seeds industry

CHICKEN BONE-IN IMPORTS

TONS PER MONTH

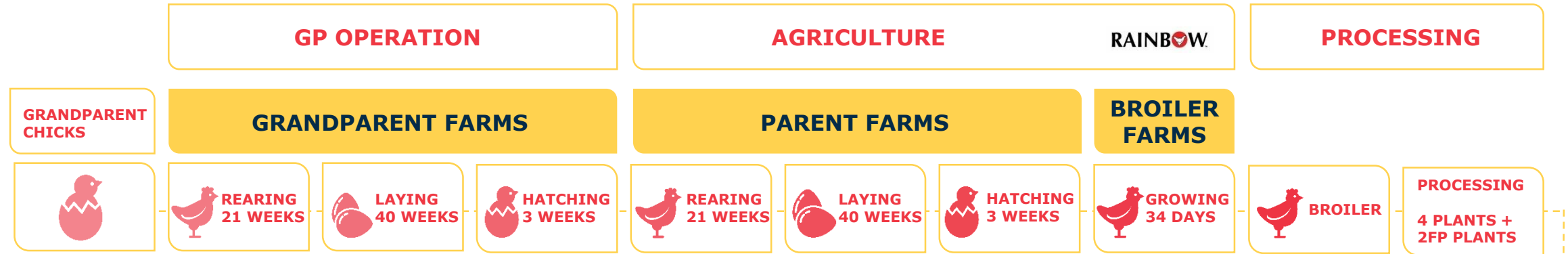


Source: SAPA

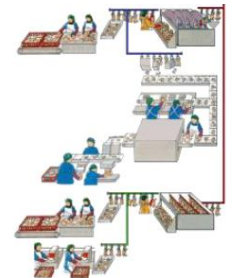
- Import levels remain high at an average of 20 000 tons per month over the last 12 months

CONSUMER: CHICKEN

INTEGRATED SUPPLY CHAIN FROM "FARM TO FORK"

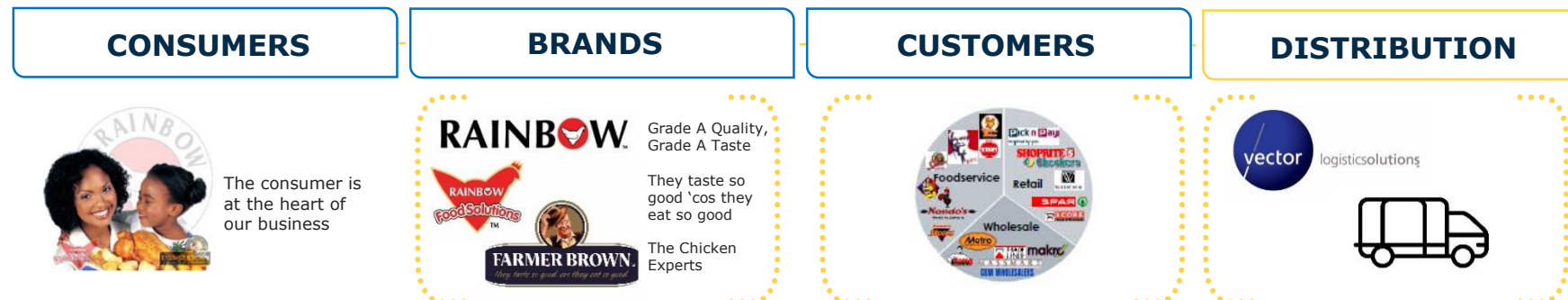


- World's oldest pedigree broiler breed
- Located in Carolina East London to ensure optimal bio-security
- 3 broad agricultural regions: Northern, KZN, W Cape



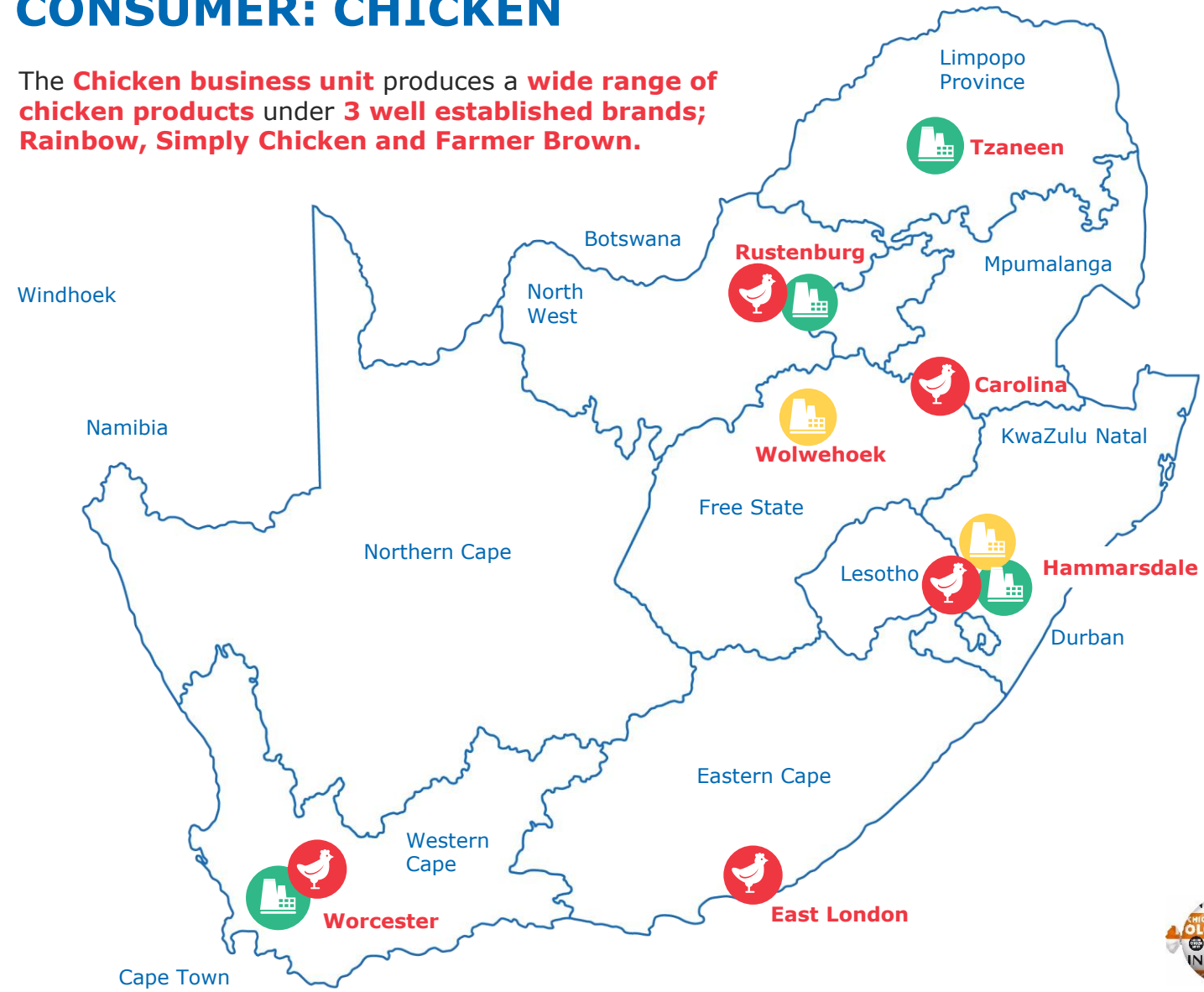
FEED SUPPLY




- 5 feed mills producing 1,1m tons pa
- Around 70% of production to Rainbow



CONSUMER: CHICKEN

The **Chicken business unit** produces a **wide range of chicken products** under **3 well established brands; Rainbow, Simply Chicken and Farmer Brown.**



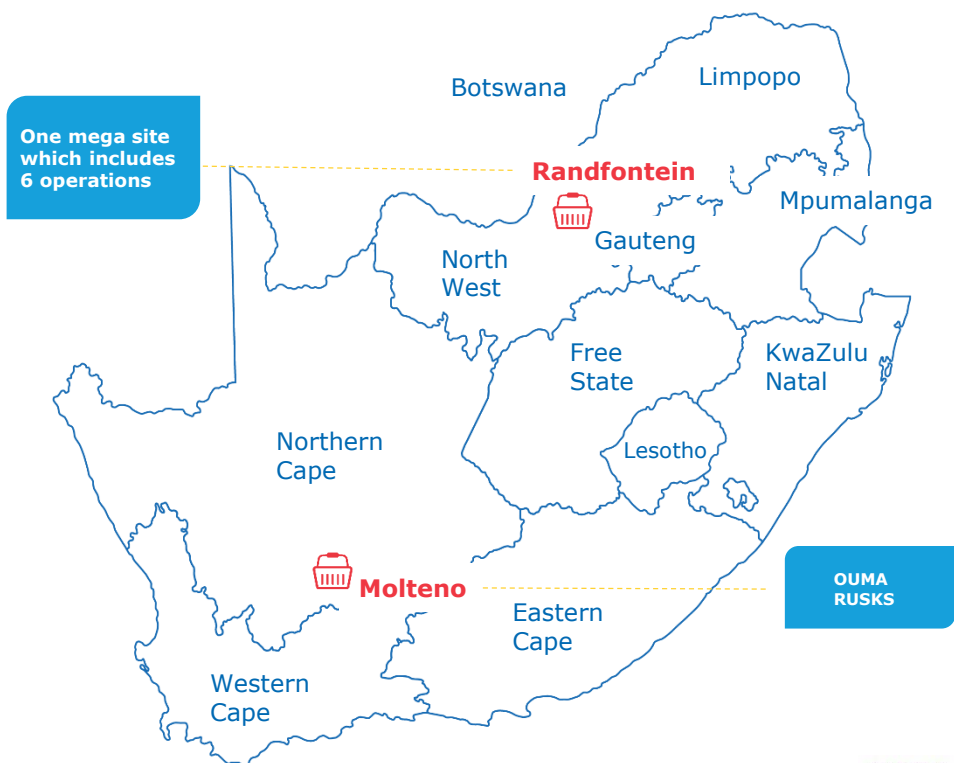
-  209 rearing, laying and broiler farms and hatcheries
27m birds on the ground
-  4 primary processing plants nearly 250m birds per year
-  2 further processed plants 27,000 tons per year



CONSUMER: GROCERIES

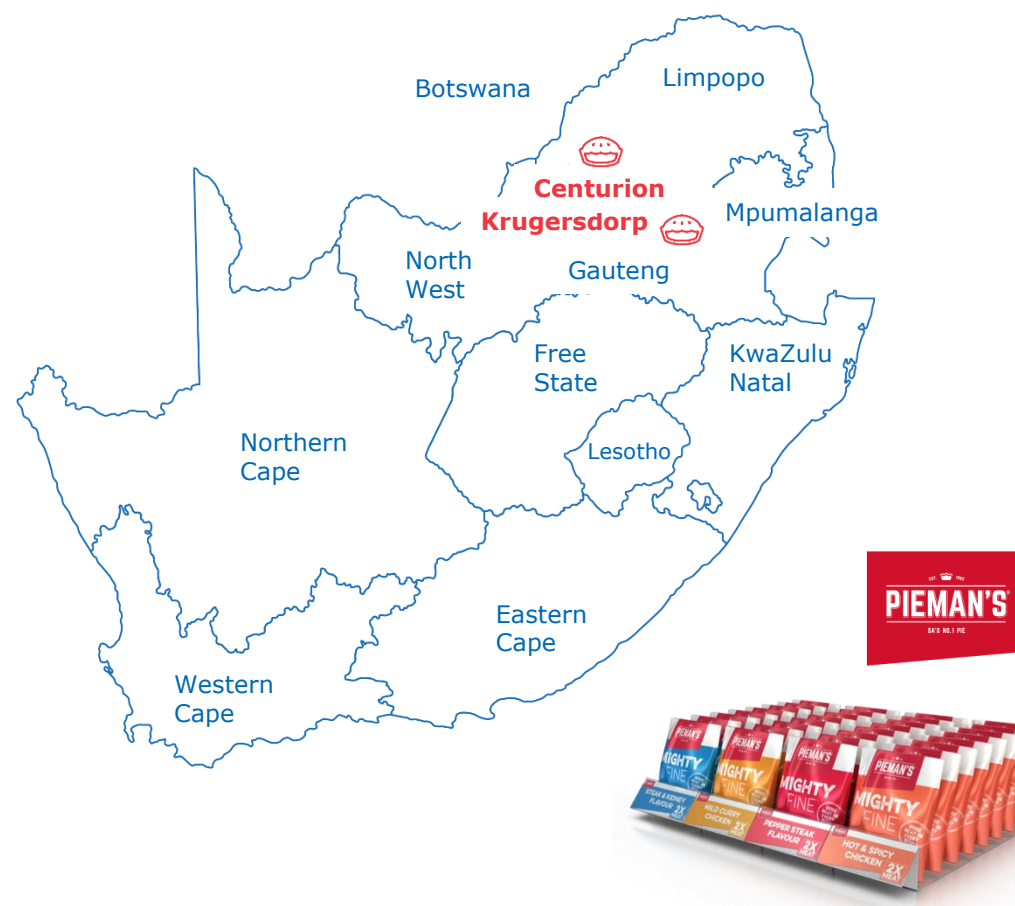
GROCERY

The **Grocery business unit** consists of a portfolio of **leading South African brands** spanning staples to top end offerings across a range of **food and animal product categories**.



PIES

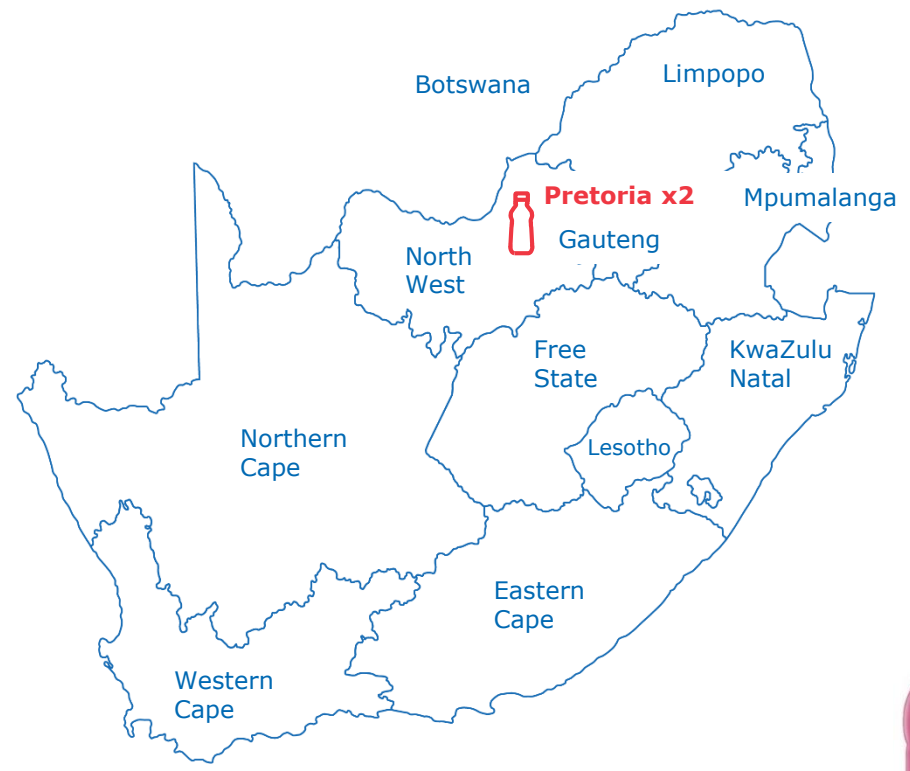
The **Pies business unit** produces a range of **high quality pies** **under the Pieman's brand** in frozen unbaked, frozen baked and chilled baked formats.



CONSUMER: GROCERIES

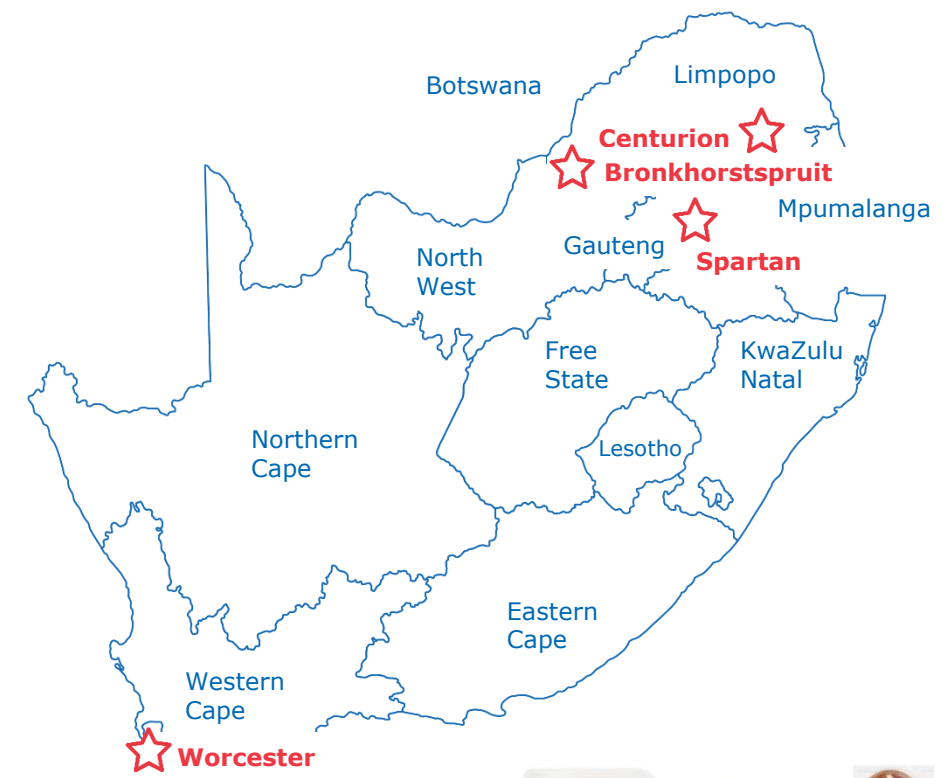
BEVERAGES

The **Beverages business unit** produces a **maize-based drink** under the **Mageu No 1, Smooth** and **Mnandi** brands.

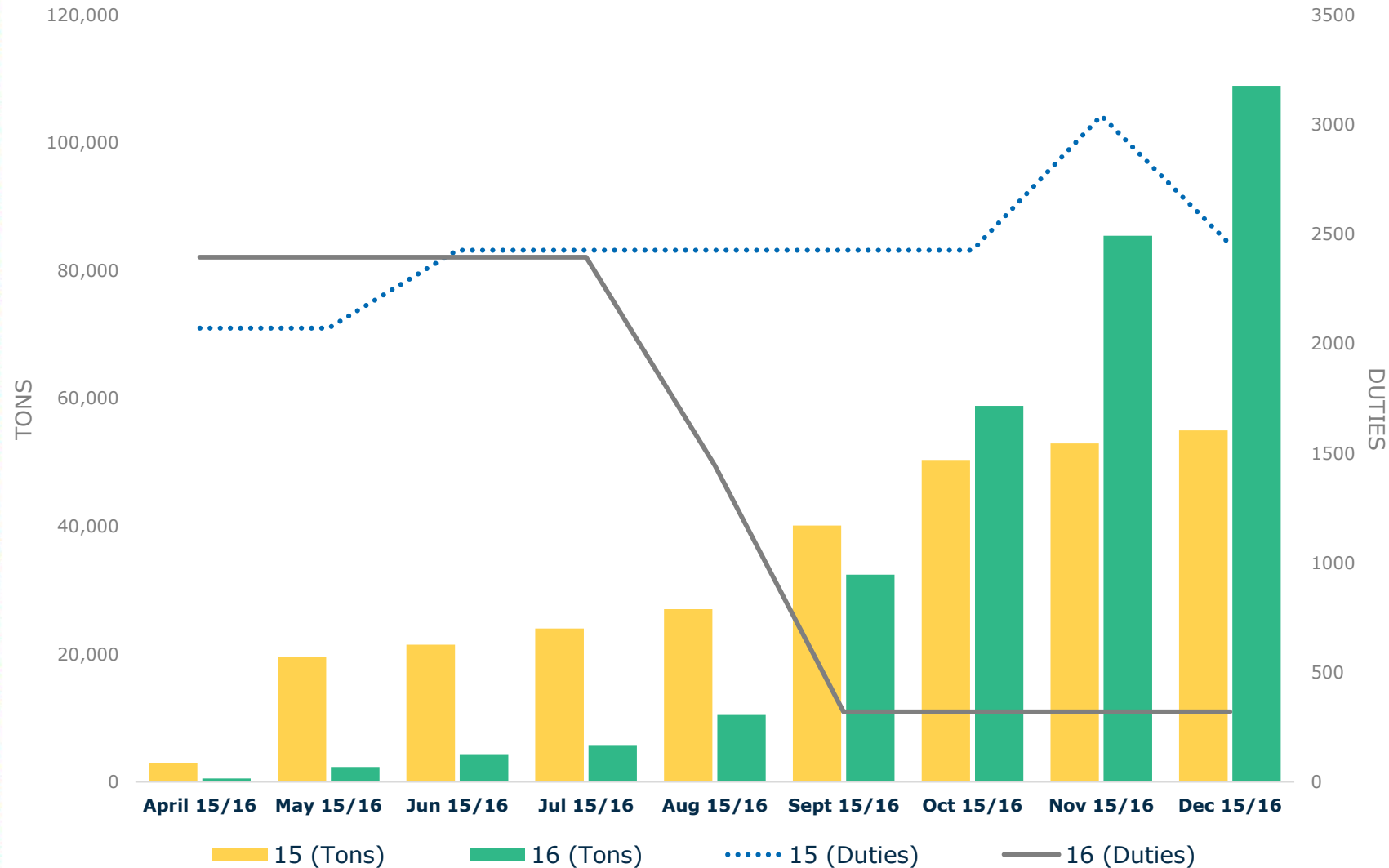


SPECIALITY

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



SUGAR IMPORTS AND DUTIES

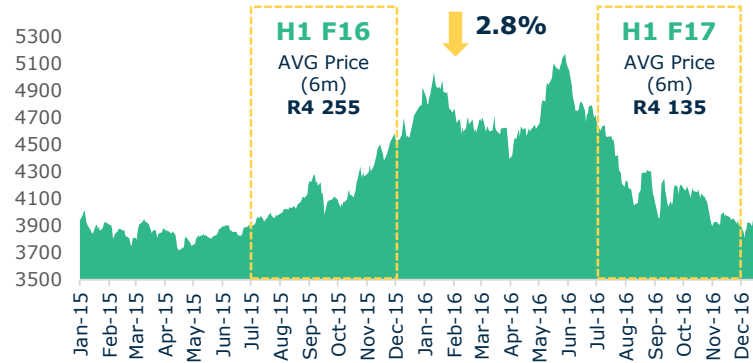


- Cumulative tons imported from 1 April 2015 and 2016 (start of industry year).
- A total of 108, 943 tons have been imported for the 9 months ended 31 December 2016 (Dec '15: 55,007 tons)
- Duties decreased from R2 395 to R319 per ton from July to December 2016
- Imports have risen following the decrease in duties

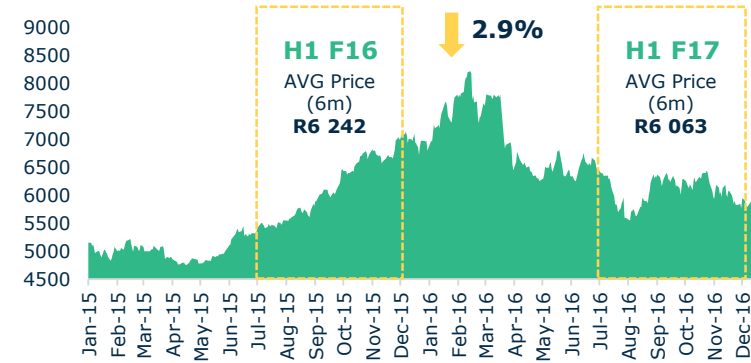
Source: Import duty is published by Customs in the Government Gazette
Source: Import data is obtained by SASA

COMMODITY PRICES

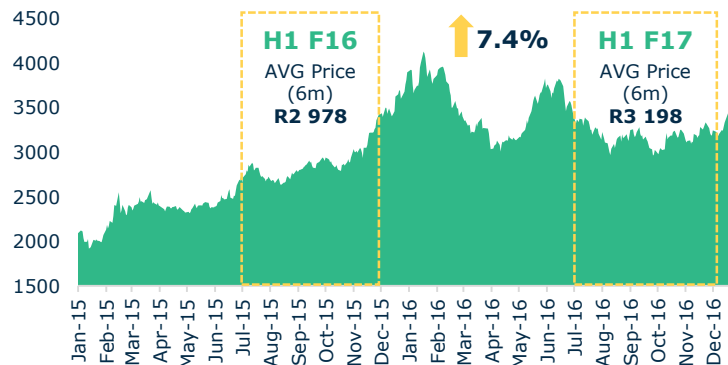
SAFEX WHEAT PRICE



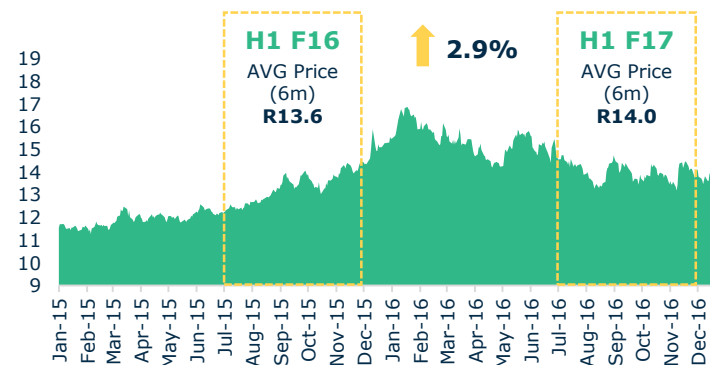
SAFEX SUNFLOWER SEED PRICE



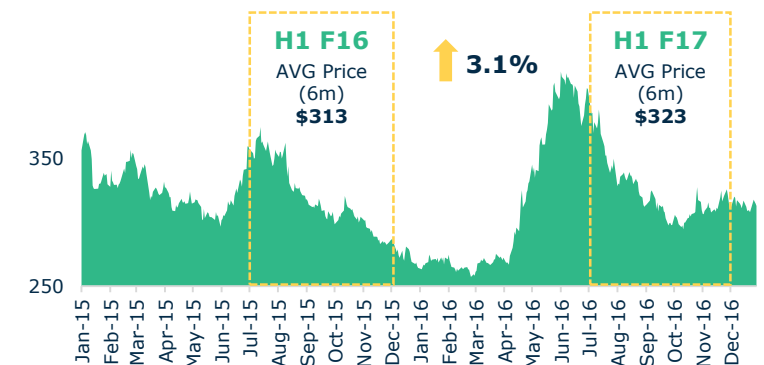
YELLOW MAIZE PRICE



RAND/USD

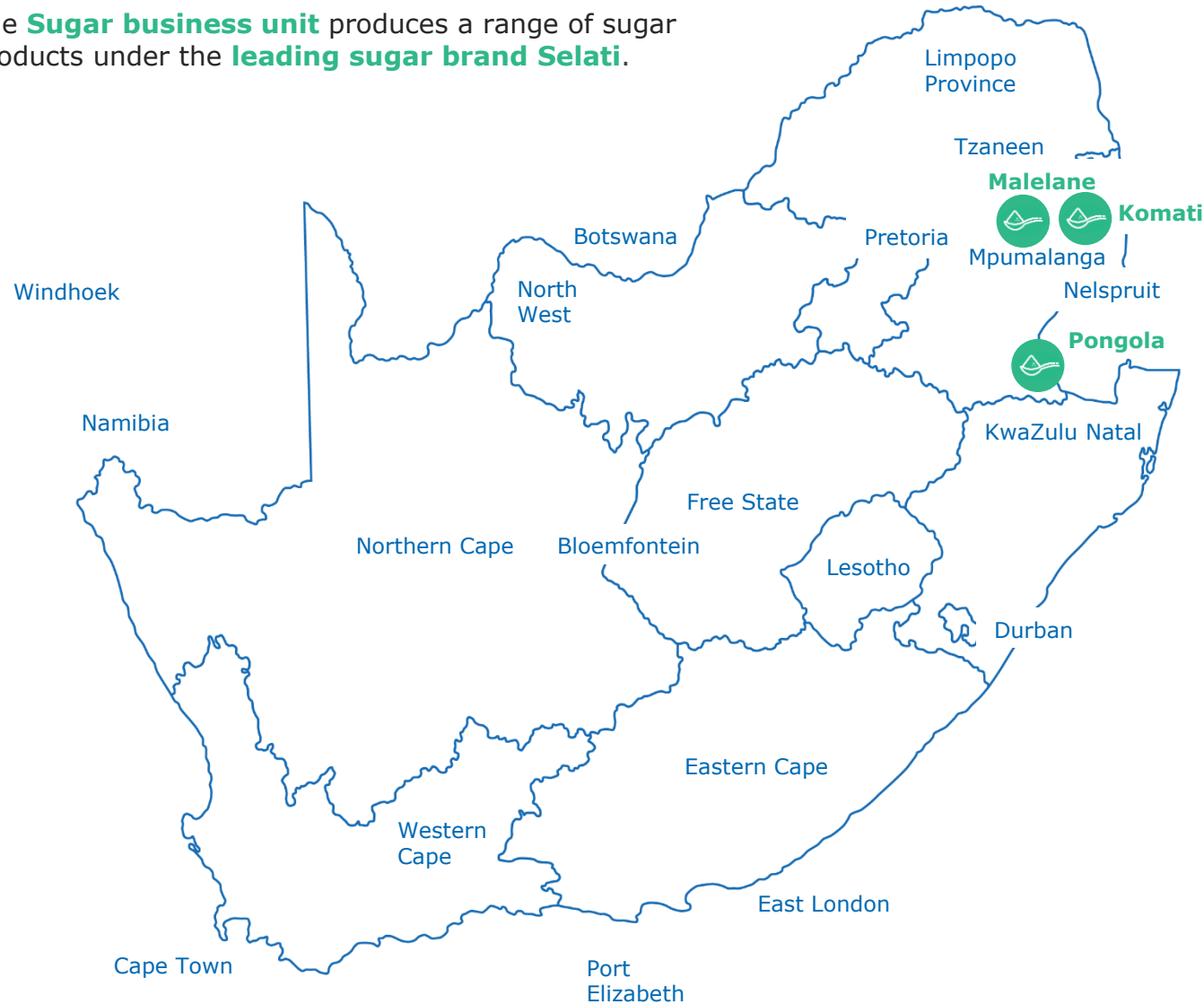


CME SOYABEAN MEAL PRICE



SUGAR & MILLING: SUGAR

The **Sugar business unit** produces a range of sugar products under the **leading sugar brand Selati**.



3 Sugar Mills based in Malelane, Komati and Pongola, were established in 1968, 1993 and 1954 respectively and produce approximately 700 000 tons of sugar per year.



SUGAR & MILLING: MILLBAKE

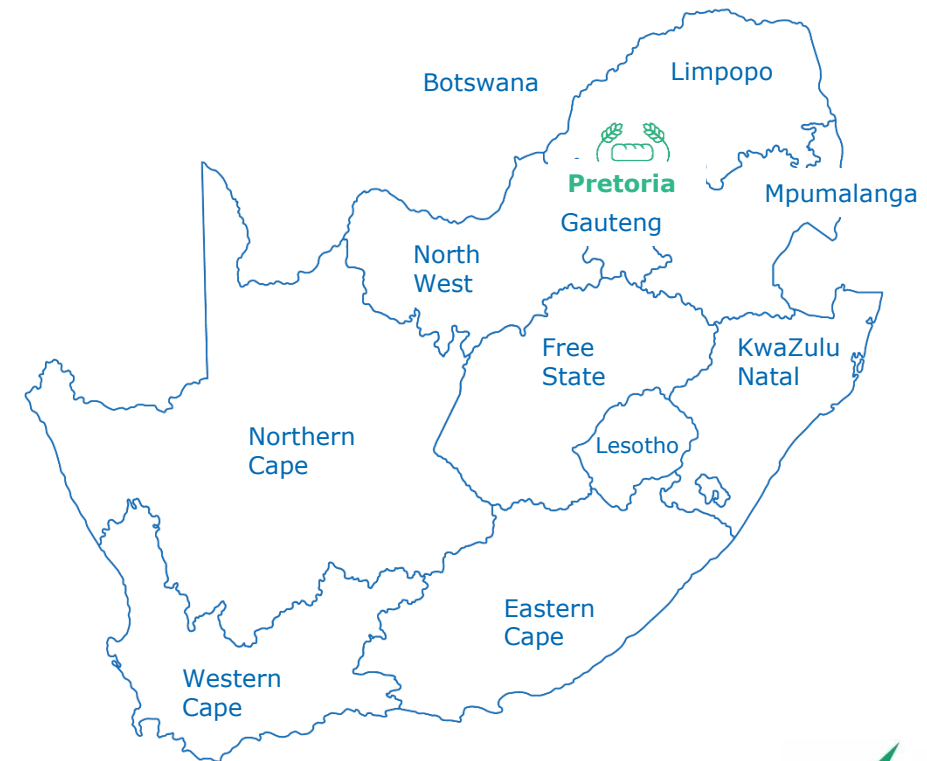
BAKING

The **Baking operations** produce a range of **bread products** under the **Sunbake** brand - the **fourth largest bread brand nationally**.



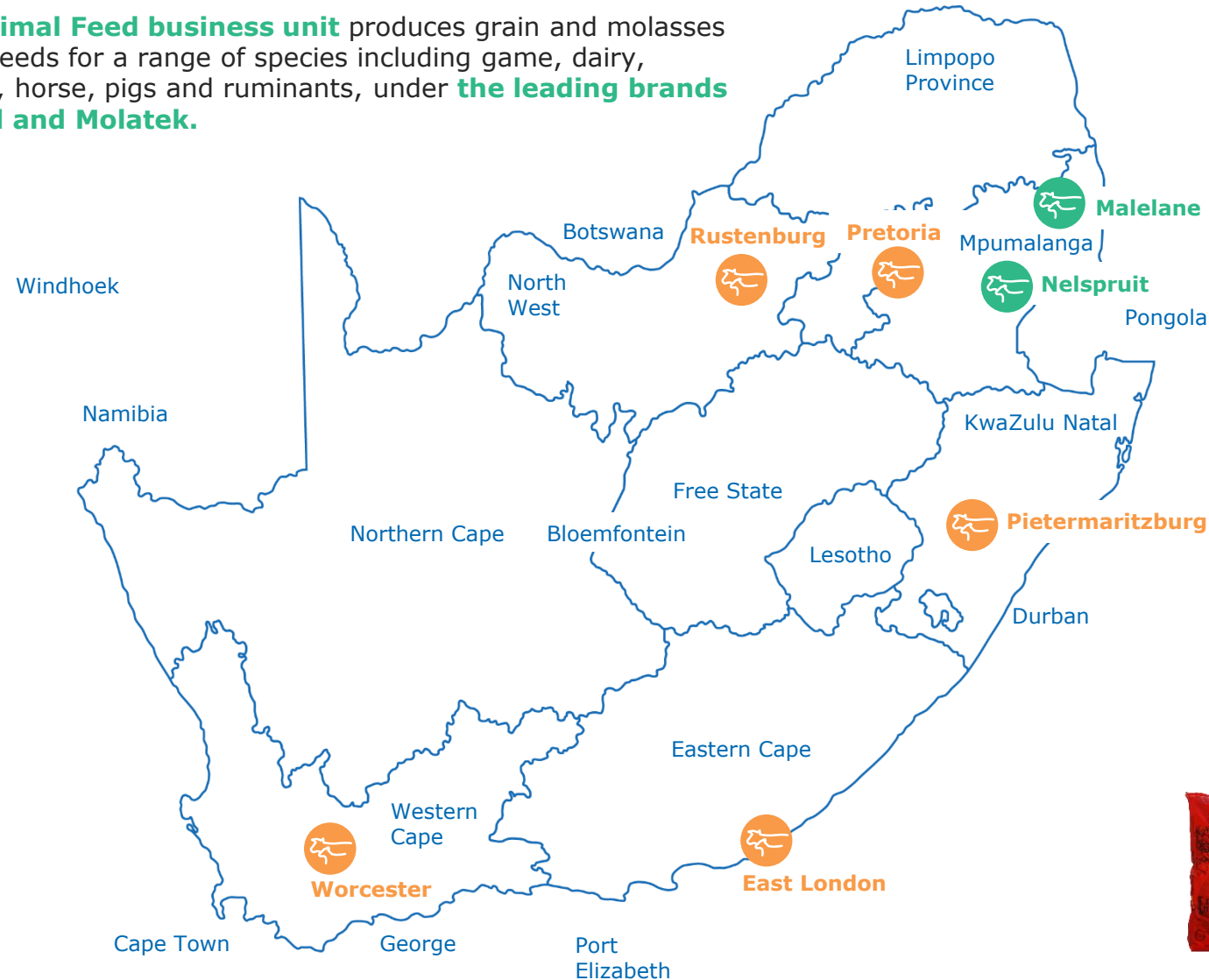
MILLING

The **Milling operations** produces **flour and a range of maize meal products** at its flour mill - **the largest single site flour mill in Southern Africa**.



SUGAR & MILLING: ANIMAL FEED

The **Animal Feed business unit** produces grain and molasses based feeds for a range of species including game, dairy, poultry, horse, pigs and ruminants, under **the leading brands of Epol and Molatek**.



2 molasses based feed mills producing almost 320 000 tons per year

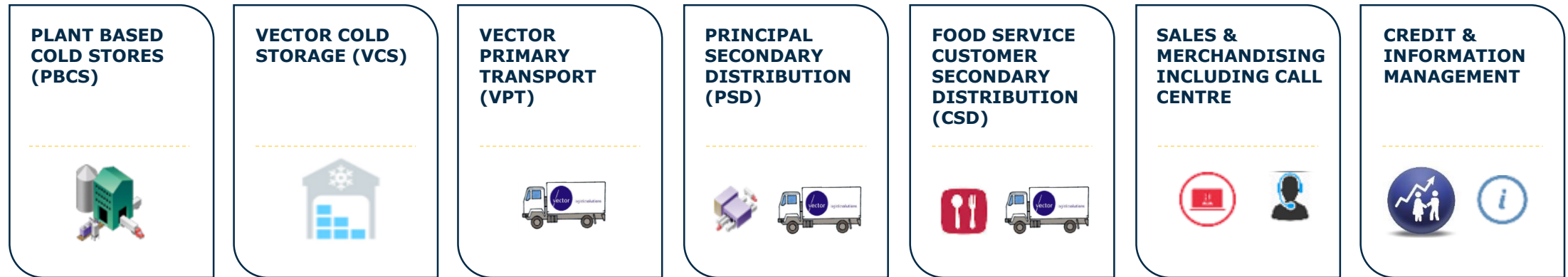


5 grain based feed mills producing almost 1.1m tons per year



OPERATIONAL REVIEW: LOGISTICS

Vector Logistics offers a **fully integrated and cost effective outbound supply chain** to customers and principals. The business is balanced and diversified with **service offerings** covering the **full outbound supply chain**.



CUSTOMER SECONDARY DISTRIBUTION (CSD)

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

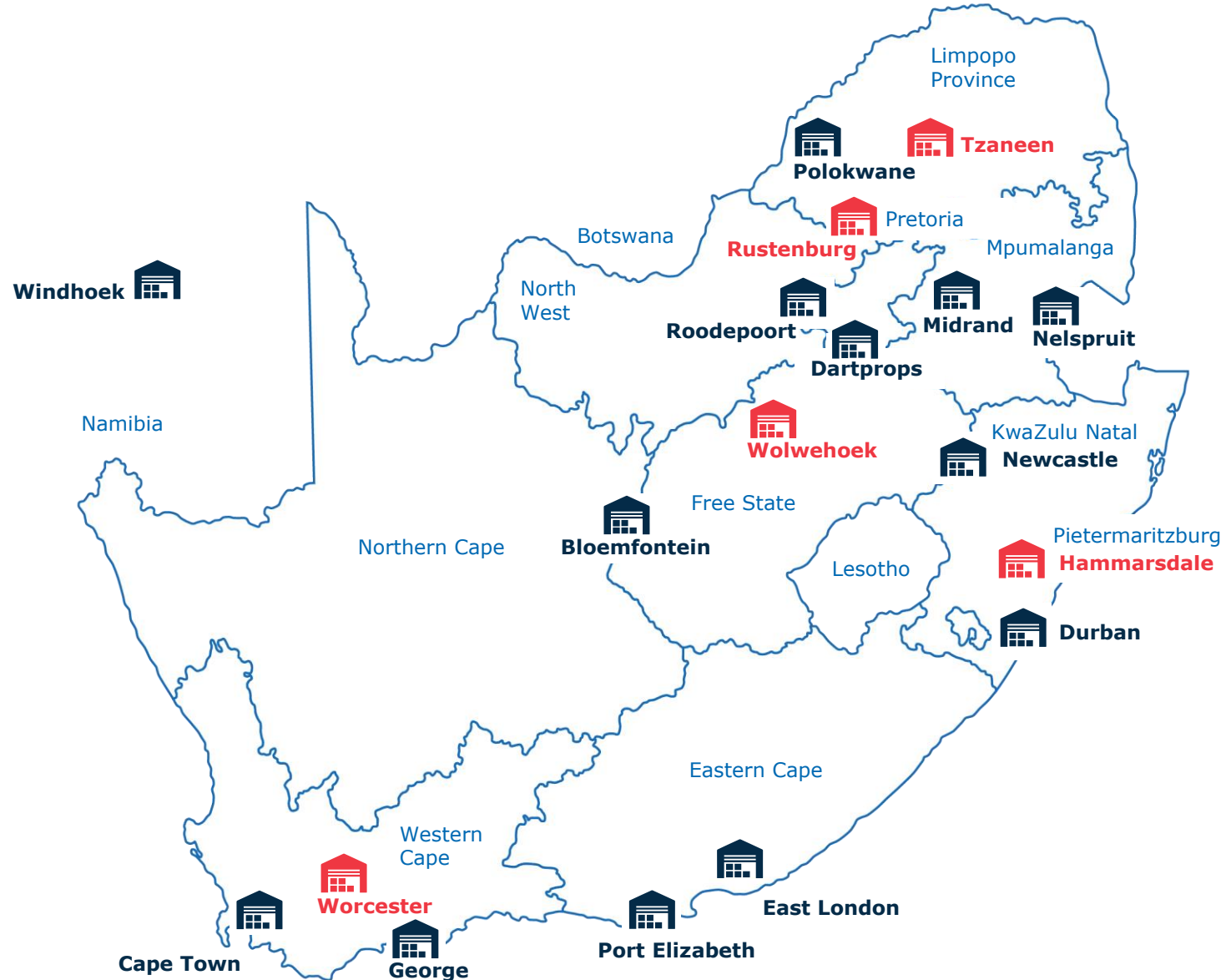


PRINCIPAL SECONDARY DISTRIBUTION (PSD)

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



OPERATIONAL REVIEW: LOGISTICS



National footprint including Windhoek:

- 5 plant-based cold stores
- 13 distribution sites
- Capacity 100 608 pallets
- Employees 3 906
- Customer drop points 6 708
- 224 313 cases delivered daily (58m cases pa)
- Tonnage 652 000 tons pa
- Fleet of 372 vehicles (primary 80/secondary 292)
- ISO 22 000 accreditation for all Warehouses
- ISO 14 001 and OHSAS 18 001 across Midrand, Thekwini and Roodepoort



Plant-based cold stores



Distribution sites