2019

INVESTOR PRESENTATION:
4 MARCH 2019

RESULTS FOR THE SIX MONTHS ENDED DECEMBER 2018

MILES DALLY

CHIEF EXECUTIVE OFFICER

HEADLINES – RESULTS FOR THE SIX MONTHS ENDED DECEMBER 2018

PERFORMANCE HEADLINES

Revenue up 3.5% driven by volume growth amidst a softened pricing environment

EBITDA down 9.9% due to pressures experienced in the cyclical agricultural categories i.e. Sugar, Chicken and Animal Feed

- Groceries delivers consistent growth
- Millbake turn-around progressing well
- Logistics margin eroded by cost pressures
- **EBITDA excluding Sugar up 2.9%**

HEPS down 26.4% as it excludes once-off profits realised on sale of chicken farms

Cash generated by operations up to R697m, driven by an improved working capital position

REVENUE	R13.3bn	**3.5%**	↑
EBITDA	R1.08bn	**9.9%**	↓
EBITDA Ex-Sugar	R1.02bn	**2.9%**	↑
HEPS	54.8c	**26.4%**	↓
CASH GENERATED	R697m	**>100%**	↑

FOCUS ON SUSTAINABLE QUALITY OF EARNINGS

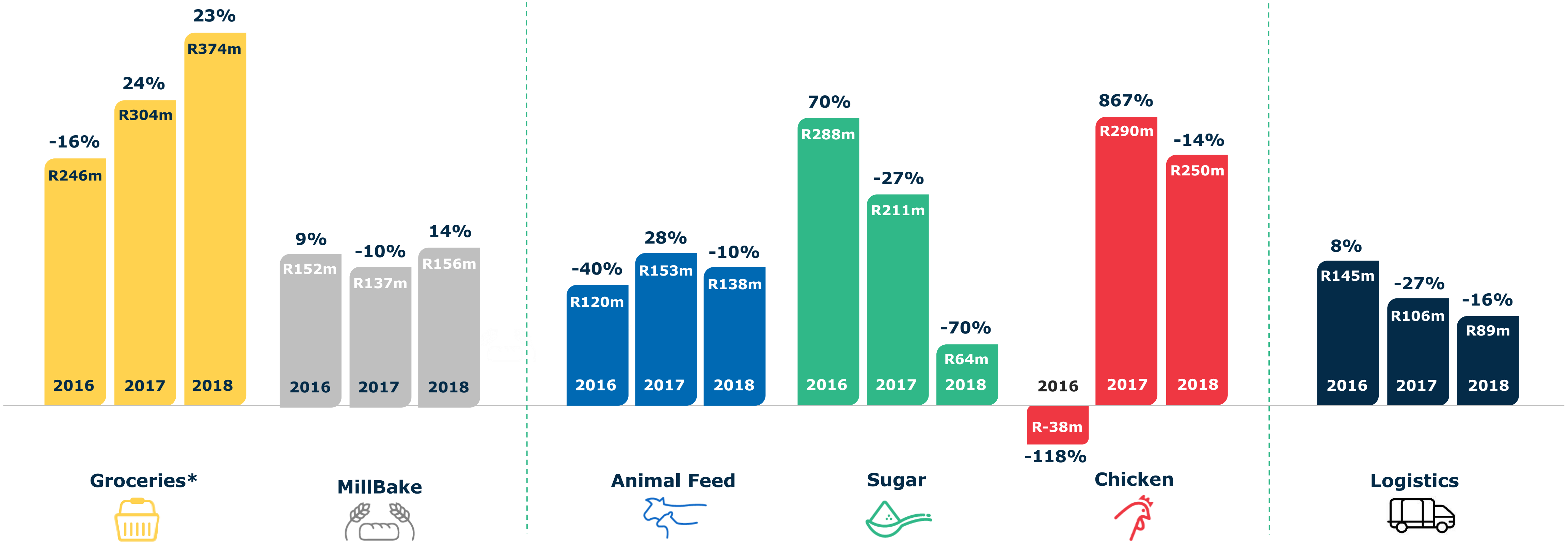
Double digit growth in Groceries and MillBake offset by pressures experienced in the agricultural categories

EBITDA & GROWTH PER CATEGORY CLUSTER AS AT DECEMBER

***Market share growth** in key categories drives continued growth in Groceries whilst **MillBake turn-around** progresses well*

***Agricultural categories under pressure** Sugar and Chicken competing with cheap dumped imports. Animal feed impacted by cyclical rising input costs*

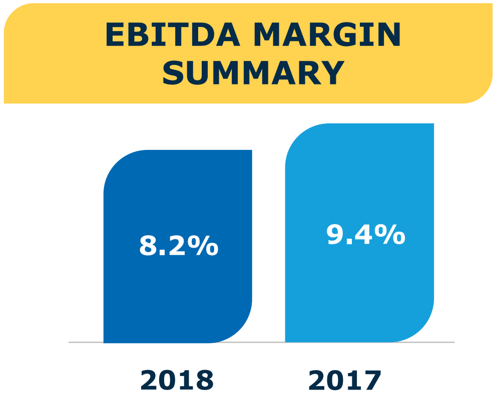
Logistics** result impacted by **cost pressures

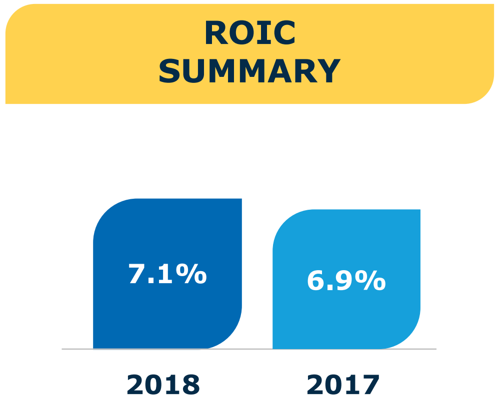


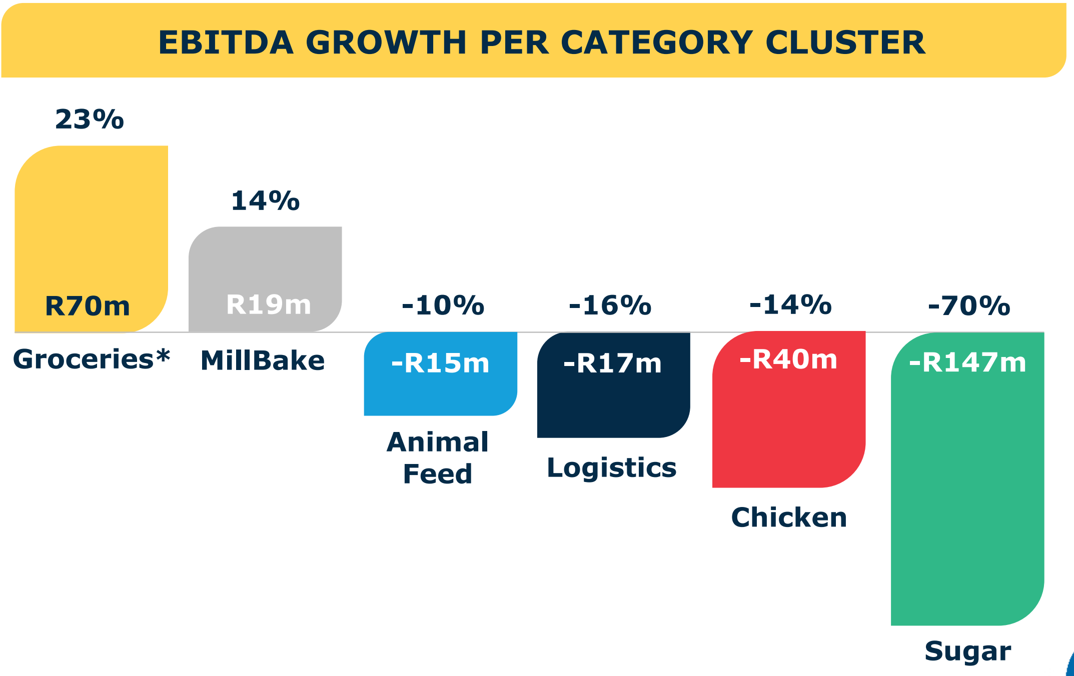
* The Groceries category cluster includes Grocery, Speciality, Beverages and Pies business units

6 MONTHS TO DECEMBER 2018 RESULTS

- **Groceries*: Continued growth** driven by market share gains in key categories, improved volumes and gross margins
- **MillBake: Turn-around progressing** with good growth in Baking volumes and improved operational efficiency
- **Animal Feed:** Adversely impacted by **higher commodity** input costs (especially molasses) not recovered from the market
- **Logistics: Take-on of PnP** on track to **assist mitigation plan** post the Chicken restructure. Results impacted by costs for Pick n Pay enablement and higher fuel costs
- **Chicken:** Profitability hampered by softened pricing in an oversupplied market competing with **excessive dumped imports** amidst a rising feed cost cycle
- **Sugar:** Industry distressed by **dumped imports displacing local market sales**, leading to an adverse sales mix. Tariff increase implemented in August 2018 provides partial relief going forward







* The Groceries category cluster includes the Grocery, Speciality, Beverages and Pies business units

KEY DELIVERABLES: SUSTAINABLE QUALITY OF EARNINGS

- Continue with volume and market share growth in Groceries
- Conclude service agreements for Remgro's Spreads business
- Continue Logistics recovery with new business and cost initiatives
- Drive operational efficiencies and cost reduction in Sugar, whilst continuing to work with stakeholders on a sustainable future model
- Entrench new business model for Chicken and recover from Listeria impact
- Entrench MillBake turn-around – improve Baking volumes and forward integrate
- Drive growth in new territories in Animal Feed
- Continue with delivery of Energy and Water Roadmaps - Rustenburg waste-to-value project by F20
- Drive transformation across agriculture value chain

ROB FIELD

CHIEF FINANCIAL OFFICER

FINANCIAL SUMMARY

EBITDA down 9.9%. HEADLINE EARNINGS down 26.3%. Cash generated by operations up R797.2m

INCOME STATEMENT		DEC 2018	DEC 2017	% VAR
Revenue*	Rm	**13 265.4**	12 817.3	3.5
EBITDA	Rm	**1 082.2**	1 201.0	(9.9)
EBITDA margin	%	**8.2**	9.4	(1.2)
Net finance costs	Rm	**139.1**	143.1	(2.8)
Share of profits of JV's & associates	Rm	**154.5**	142.4	8.5
Effective tax rate (excl. JV's & associates)	%	**29.1**	28.1	1.0
Headline earnings	Rm	**475.1**	644.7	(26.3)
Headline earnings per share	cents	**54.8**	74.5	(26.4)
BALANCE SHEET & RATIOS				
Net working capital	Rm	**3 212.0**	3 878.3	(17.2)
Interest-bearing debt	Rm	**2 770.5**	3 250.8	(14.8)
Cash generated by operations	Rm	**697.5**	(99.7)	799.6
Capex spend (inc. intangibles)	Rm	**534.0**	317.8	68.0
Return on invested capital**	%	**7.1**	6.9	0.2
Return on invested capital (excl. acquisition adjustments)***	%	**11.0**	10.7	0.3
Interim dividend	cents	**15.0**	15.0	-
NAV per share	cents	**1 331.9**	1 266.8	5.1

*December 2017 revenue restated due to the implementation of IFRS 15 | **Calculated as net operating profit after tax, divided by invested capital | ***Excludes Foodcorp acquisition purchase price allocation for intangible assets, PPE balances and related amortisation and depreciation

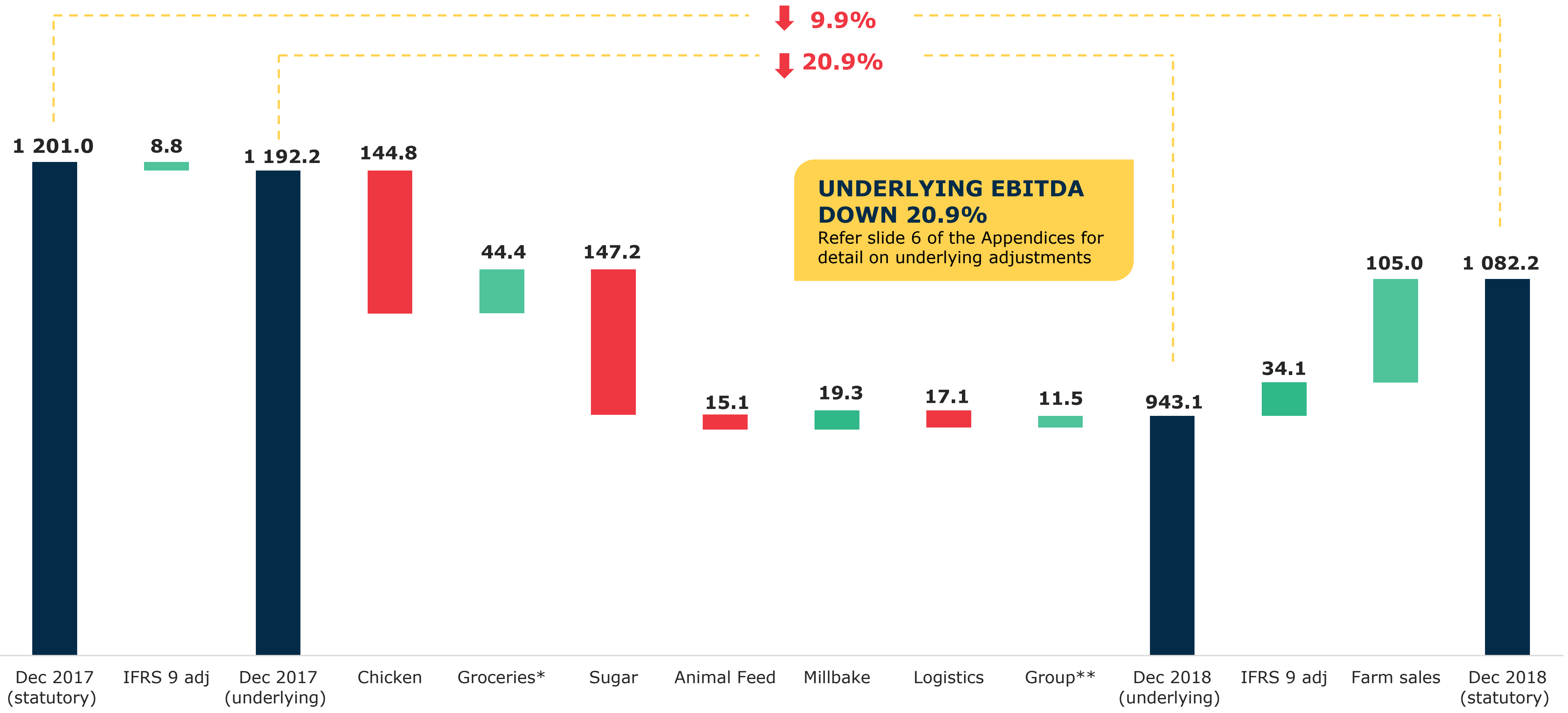
OPERATING ENVIRONMENT

- **Oversupplied chicken and sugar markets** due to the impact of **imports**
- **Record high fuel prices** and a **0.25% increase in interest rates** placed **pressure** on consumers' **disposable income**
- Despite this, **the consumer market** reported **volume growth** of **4.3%* (3.4% excluding staples)** for the 6 months to December 2018
- Average **food inflation declined from 5.6% to 3.6%,** over the corresponding 6 month period, although **rising commodity prices** have placed pressure on margins

*Source: Ask'd – an independent company that specialises in providing benchmarks that measure industry growth and trends, company performance and consumer dynamics for a defined group, which represents the majority of food manufacturers

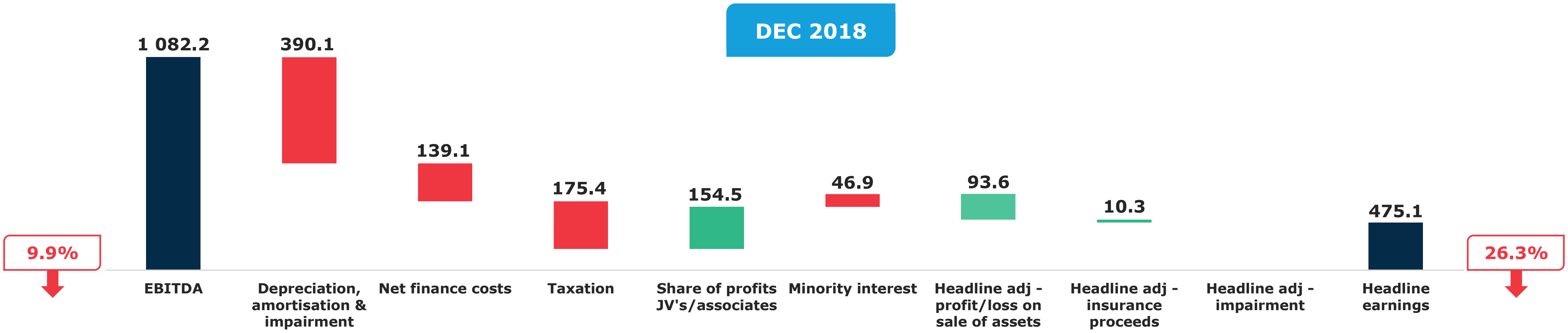
OPERATING RESULTS SUMMARY (Rm)

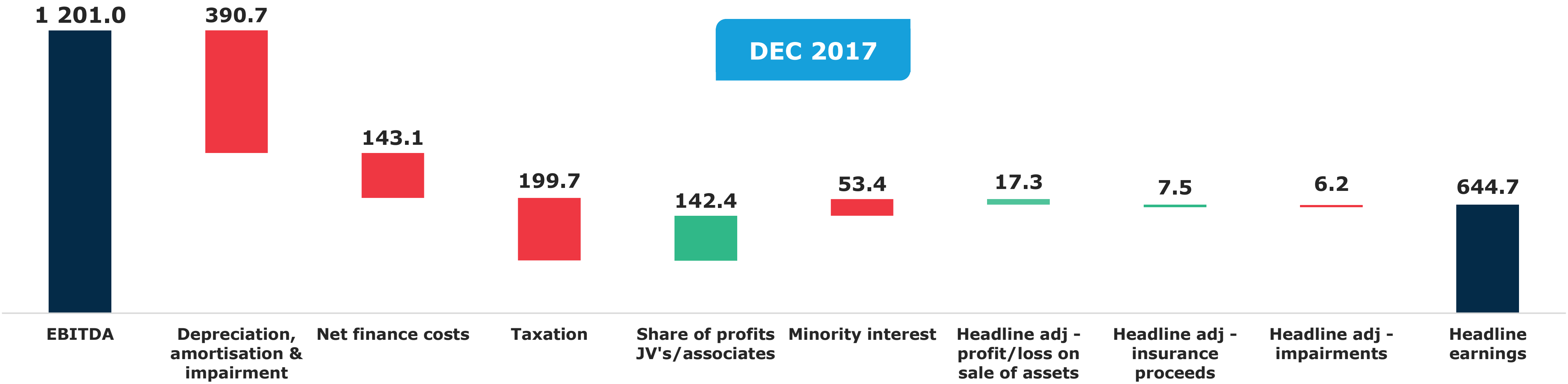
EBITDA DOWN 9.9% DUE TO DECLINES IN CHICKEN & SUGAR



* The Groceries category cluster includes the Grocery, Speciality, Beverages and Pies business units | ** Includes the profits of Matzonox (waste-to-value operation)

HEADLINE EARNINGS WATERFALL (Rm)





OPERATING RESULTS SUMMARY

SEGMENTAL ANALYSIS – REVENUE AND EBITDA

REVENUE (Rm)	DEC 2018	DEC 2017*	% VAR
Consumer	**6 738.3**	6 687.6	0.8
Sugar & Milling	**7 548.2**	7 062.1	6.9
Logistics	**1 076.5**	1 006.5	7.0
Sales between segments			
Consumer to Sugar & Milling	(110.8)	(57.7)	92.0
Sugar & Milling to Consumer	(1 482.7)	(1 369.8)	8.2
Logistics to Consumer	(487.0)	(496.7)	(2.0)
Logistics to Sugar & Milling	(17.1)	(14.7)	16.3
Total	**13 265.4**	12 817.3	3.5

EBITDA (Rm)	DEC 2018	DEC 2017	% VAR
Consumer	**624.1**	594.2	5.0
Sugar & Milling	**358.0**	501.0	(28.5)
Logistics	**88.5**	105.7	(16.3)
Group	11.6	0.1	NM
Total	**1 082.2**	1 201.0	(9.9)

EBITDA MARGIN (%)	DEC 2018	DEC 2017	% VAR
Consumer	**9.3**	8.9	0.4
Sugar & Milling	**4.7**	7.1	(2.4)
Logistics	**8.2**	10.5	(2.3)
Total	**8.2**	9.4	(1.2)

*December 2017 revenue restated due to the implementation of IFRS 15

OPERATING RESULTS SUMMARY – ex Sugar

Sugar result severely impacted by market conditions. Group EBITDA ex Sugar up 2.9%.

EBITDA		DEC 2018	DEC 2017	% VAR
Consumer	Rm	**624.1**	594.2	5.0
Sugar & Milling (Ex Sugar)	Rm	**294.5**	290.3	1.4
Logistics	Rm	**88.5**	105.7	(16.3)
Group	Rm	11.6	0.1	NM
Total ex Sugar	**Rm**	**1 018.7**	**990.3**	**2.9**
Sugar	Rm	63.5	210.7	(69.9)
Total	**Rm**	**1 082.2**	**1 201.0**	**(9.9)**
EBITDA margin	**%**	**8.2**	9.4	(1.2)
EBITDA margin ex Sugar	**%**	**9.9**	10.1	(0.2)

CASH FLOW SUMMARY

CASH UP R494.0m (344.3%) DESPITE R502m DEBT REPAYMENT, DRIVEN BY LOWER WORKING CAPITAL REQUIREMENTS

CASH CONVERSION RATIO IMPROVES TO 64% FROM -8% IN PRIOR YEAR DUE TO WORKING CAPITAL IMPACT

Rm	DEC 2018	DEC 2017	% VAR
Opening balance*	**1 263.4**	1 053.8	19.9
Operating profit adjusted for non-cash flow items	**827.0**	1 044.5	(20.8)
Working capital changes	**(129.6)**	(1 144.2)	(88.7)
Net finance costs paid	**(141.8)**	(142.8)	(0.7)
Tax paid**	**(1.0)**	(123.0)	(99.2)
Dividends paid	**(218.1)**	(174.6)	24.9
Dividends received	**23.2**	32.0	(27.5)
Capital expenditure (including intangibles)	**(534.0)**	(317.8)	68.0
Proceeds on disposal of non-current assets (mainly farm sales)	**121.0**	30.1	302.0
Acquisitions (Dec 2018: Driehoek, Dec 2017: Matzonox)	**(60.9)**	(56.3)	8.2
Investment in associate (Dec 2018: L&A, Dec 2017: RSSC)	**(40.6)**	(26.4)	53.8
Term-funded debt repayment	**(502.0)**		
Other interest-bearing liabilities	**23.8**	(54.4)	143.8
Other	**7.1**	22.6	(68.6)
Closing balance*	**637.5**	143.5	344.3

*Net of overdrafts | ** Lower tax paid in current period due to provisional tax payments made on 31 December 2018, post period end cut-off

WORKING CAPITAL

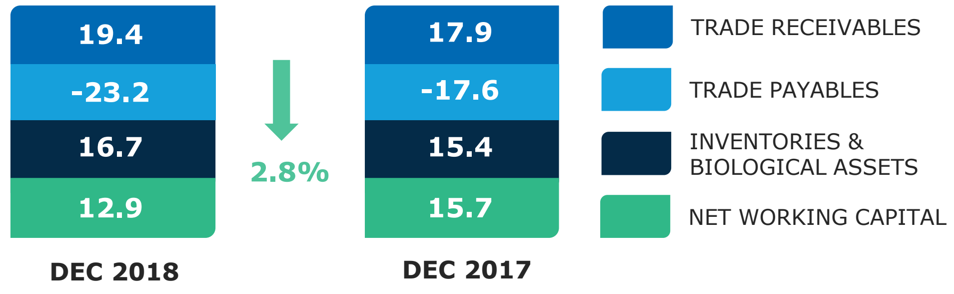
SOUND MANAGEMENT OF DEBTORS AND HIGHER CREDITORS AT PERIOD END DRIVE IMPROVED WORKING CAPITAL POSITION

WORKING CAPITAL (Rm)	DEC 2018	DEC 2017	% VAR
Trade and other receivables	**4 834.1**	4 429.3	9.1
Inventories	**3 478.4**	3 185.2	9.2
Biological assets	**697.4**	618.7	12.7
Trade and other payables	**(5 797.9)**	(4 354.9)	33.1
Net	**3 212.0**	3 878.3	(17.2)

WORKING CAPITAL DAYS	DEC 2018	DEC 2017	VAR (days)
Receivables days	**71**	65	6
Stock days	**81**	74	7
Payables days	**(113)**	(84)	(29)
Net	**39**	55	(16)
*Adjusted debtors days**	***44***	*42*	*2*

*Trade and other receivables include other receivables and prepayments of R942.4m (Dec 2017: R656.6m). Adjusted debtors days calculates the days off trade debtors only, and is based on the gross sales value made by Vector instead of the net revenue disclosed for accounting purposes.

NET WORKING CAPITAL AS A % OF REVENUE



Net working capital has decreased R666.3m and by 2.8% of revenue over the prior year

The timing of the period end cut-off had a significant impact on receipts and payments, resulting in inflated trade receivables and payables at December 2018. Trade receivables increased R404.8m, whilst trade payables increased R1 443.0m, resulting in a net R1 038.2m decrease to trade receivables/payables.

The decline was mainly due to:

- R324.1 million in early payments from customers in December 2018;
- Higher sugar creditors due to short-term funding from SASA (R182.0m impact) and resulting from higher production volumes (R140.0m impact); and
- Higher trade creditors as a result of month-end creditors' payments falling due post the period end cut-off.

The benefit from lower net trade receivables/payables of R1 038.2m was partially offset by a R293.2m increase in inventory, mainly due to higher sugar production volumes, and a R78.7m increase in biological assets, resulting from higher breeding bird volumes and feed prices.

Net working capital days reduced by 16 days largely due to higher payables.

CAPITAL EXPENDITURE

TOTAL CAPEX UP R216.2m

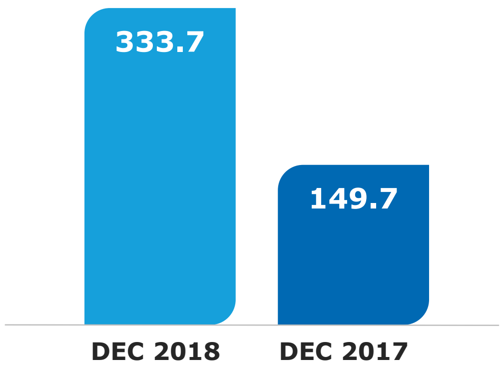
Capital expenditure (including intangibles) was **R534.0m** (Dec 2017: R317.8m)

Major spend items in the current period included:
- Construction of the Rustenburg waste-to-value plant (R51.0m);
- Logistics fleet and infrastructure to build our frozen and super-frozen capabilities (R48.6m);
- Spend to move the remaining Bronkhorstspruit operations to other Speciality sites (R34.4m); and
- Investments behind high-pressure processing equipment for vienna's (R22.5m)

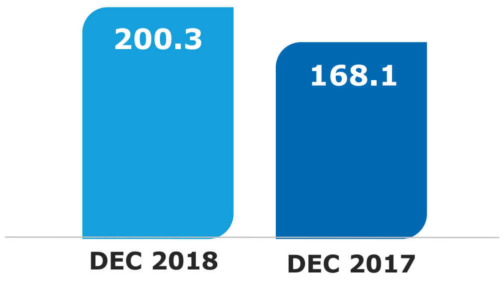
Capital commitments of **R829.9m** (Dec 2017: R677.0m)

Major items included in these amounts relate to:
- Completion of the Rustenburg waste-to-value plant (R249.0m);
- ERP implementations across RCL FOODS (R30.8m); and
- Expansion of the Pies production lines (R25.1m)

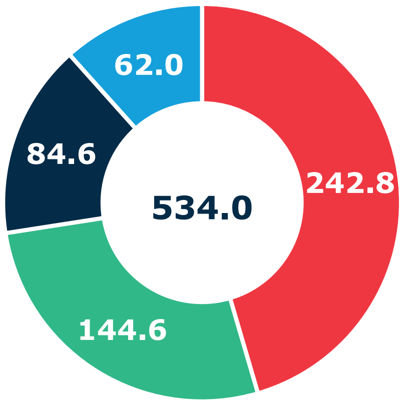
EXPANSION (Rm)



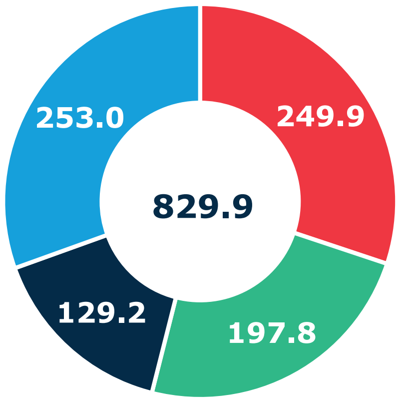
REPLACEMENT (Rm)



CAPITAL EXPENDITURE BY DIVISION (Rm)



CAPITAL COMMITMENTS BY DIVISION (Rm)



Consumer Sugar & Milling Group Logistics

DEBT PACKAGE

DEBT PACKAGE RESTRUCTURED IN DECEMBER 2018 AT LOWER INTEREST RATES

INTEREST RATE OF 3M JIBAR + MARGIN OF 1.5% TO 1.55% OVER 5 YEAR TERM

TERM	VALUE (Rm)	YEAR 1 (DEC 19)*	YEAR 2 (DEC 20)	YEAR 3 (DEC 21)	YEAR 4 (DEC 22)**	YEAR 5 (DEC 23)
5 year	837.50					
	RCF: 837.50					
4 year	281.25					
	RCF: 281.25					
3 year	56.25					
	RCF: 56.25					
Total	**2 350**					
Hedged %		**75%**	**75%**	**75%**	**75%**	**0%**

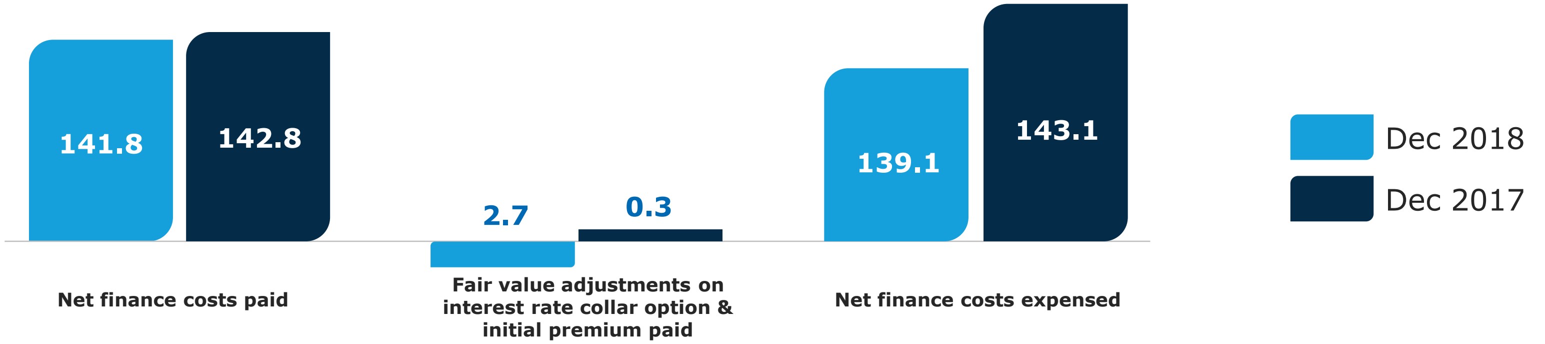
Hedged 3M JIBAR (collar with a 7.0% floor & 8.5% cap)

Unhedged

Partial hedge (50%)

* Hedge commences 1 April 2019
** Hedge ends 31 March 2022

NET FINANCE COSTS (Rm)



DEBT COVENANTS

RCL FOODS WELL WITHIN COVENANTS AT DECEMBER 2018

Required covenant ratios were revised on restructuring of the debt package in December 2018

COVENANT	REQUIRED	DEC 2018
Senior leverage ratio (Net senior debt*/pre-IFRS 9 HEBITDA)	<3.0	1.3
Senior interest cover ratio (pre-IFRS 9 HEBITDA/senior net finance charges**)	>3.5	6.6

Covenant met

Covenant breached

The restructured debt package has simplified compliance requirements and offers greater flexibility for borrowings

- Covenant requirements are fixed at 3.0 for the leverage ratio and 3.5 for the interest cover ratio over the entire 5-year term of the package. Covenants on the previous package escalated over the term

- The current package offers greater flexibility with respect to additional debt requirements. The Group has no restrictions or limits for taking on additional subordinated unsecured debt should it be required, subject to compliance with the covenants

*Net senior debt: Total unsubordinated debt less cash and cash equivalents | **Senior net finance charges: Finance charges on unsubordinated debt less interest income

RETURN ON INVESTED CAPITAL (ROIC) AT DECEMBER

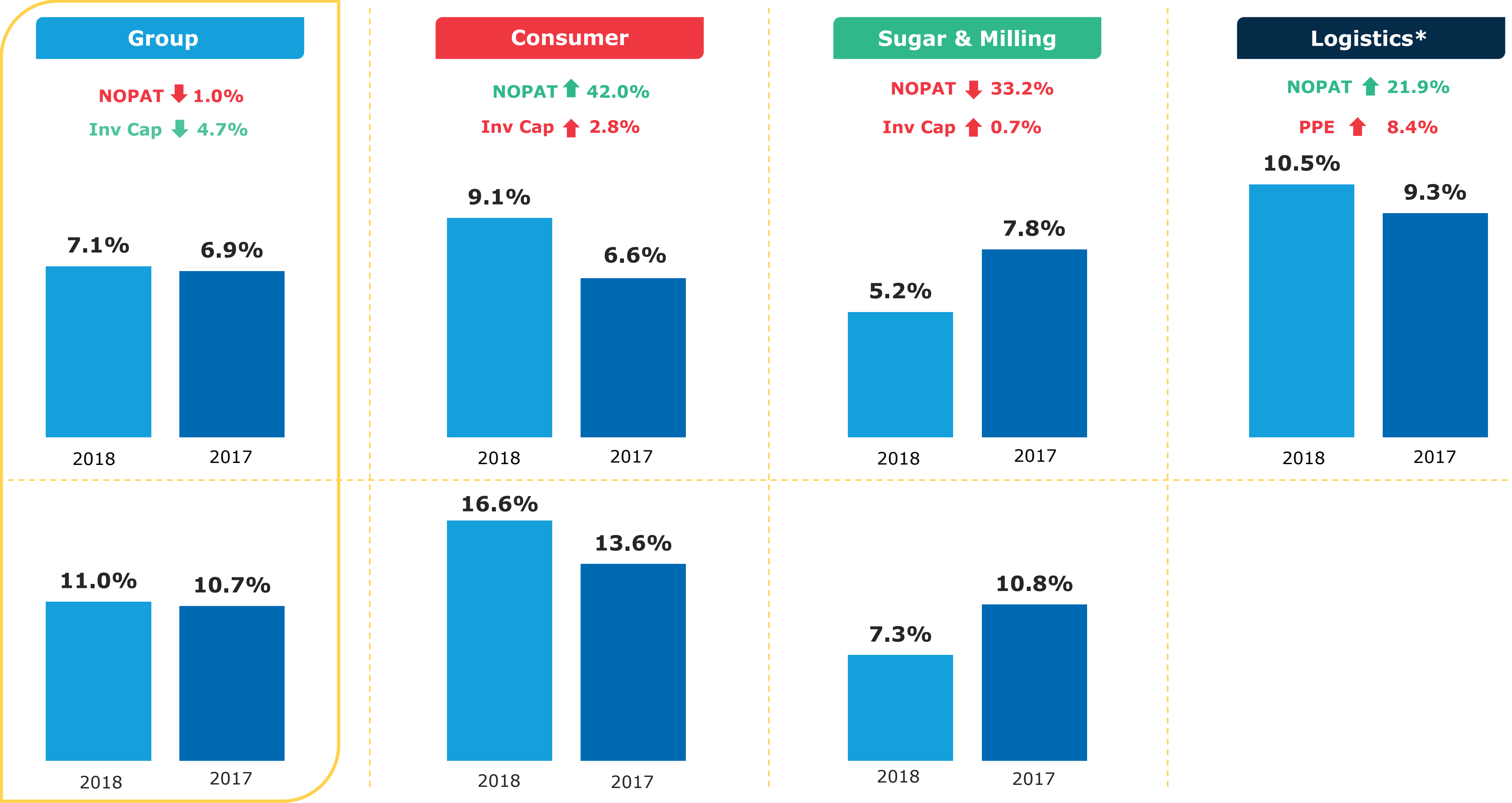
GROUP ROIC IMPROVES TO 7.1% DRIVEN BY LOWER WORKING CAPITAL

Reported

NOPAT calculated off a rolling 12-months to December

Adjusted**

Group ROIC improves to 11.0% after excluding intangibles impact



* Logistics ROIC calculated off PPE due to significant volatility in working capital which resulted in a negative invested capital for December 2018 | **Excludes Foodcorp acquisition purchase price allocation for intangible assets, PPE balances and related amortisation and depreciation

SCOTT PITMAN

MANAGING DIRECTOR
CONSUMER DIVISION

OPERATIONAL REVIEW: CONSUMER

Revenue up 0.8%, EBITDA result up 5.0%

REVENUE (Rm)	DEC 2018	DEC 2017*	% VAR
Consumer	**6 738.3**	6 687.6	0.8
Sugar & Milling	**7 548.2**	7 062.1	6.9
Logistics	**1 076.5**	1 006.5	7.0
Sales between segments	**(2 097.6)**	(1 938.9)	8.2
Total	**13 265.4**	12 817.3	3.5
EBITDA (Rm)			
Consumer	**624.1**	594.2	5.0
Sugar & Milling	**358.0**	501.0	(28.5)
Logistics	**88.5**	105.7	(16.3)
Group	11.6	0.1	NM
Total	**1 082.2**	1 201.0	(9.9)

*December 2017 revenue restated due to the implementation of IFRS 15

OPERATIONAL REVIEW: CONSUMER

Excellent performance from Groceries delivering consistent growth with market conditions challenging the Chicken business unit once again

REVENUE (Rm)	DEC 2018	DEC 2017	% VAR
Groceries[1]	**2 858.7**	2 692.9	6.2
Chicken	**3 432.5**	3 609.9	(4.9)
Sales between business units	**(14.7)**	(17.4)	(15.5)
Cost recoveries – Groceries[2]	**280.5**	251.7	11.4
Cost recoveries – Chicken[2]	**181.3**	150.5	20.5
Total	**6 738.3**	6 687.6	0.8
EBITDA (Rm)			
Groceries	**373.8**	304.1	22.9
Chicken	**250.3**	290.1	(13.7)
Total	**624.1**	594.2	5.0
EBITDA MARGIN (%)*			
Groceries	**13.1**	11.3	1.8
Chicken	**7.3**	8.0	(0.7)
Total	**9.3**	8.9	0.4

HEADLINES

- Groceries performed outstandingly again as a result of continued consistency in brand building with consumers and customers
- Groceries EBITDA grew at 22.9% off the back of good volume and market share growth, innovation and focused cost control
- After a period of relatively stable trading, the chicken market is again oversupplied, primarily as a result of dumped imports
- The decline in Chicken's EBITDA of 13.7% is due primarily to this oversupply, compounded by a marked increase in feed prices with no opportunity to recover increased cost

Notes:
1) Groceries category includes the Beverages, Grocery, Pies and Speciality business units
2) Revenue includes items which are considered revenue in terms of IFRS but cost recoveries for management reporting purposes (e.g. poultry by-products, sunflower-oil and cake)

*Margin calculated on revenue excluding cost recoveries

MATERIAL ADJUSTMENTS TO DERIVE UNDERLYING RESULT

Underlying EBITDA result of R485.0m, down 17.2% on prior year

GROCERIES (Rm)	DEC 2018	DEC 2017	% VAR
EBITDA	**373.8**	**304.1**	22.9
IFRS 9 Adjustment	(34.1)	(8.8)	
Underlying EBITDA	**339.7**	**295.3**	15.0
*Underlying EBITDA margin %**	***11.9***	*11.0*	0.9
CHICKEN (Rm)			
EBITDA	**250.3**	**290.1**	(13.7)
Farm Sales	(105.0)		
Underlying EBITDA	**145.3**	**290.1**	(49.9)
*Underlying EBITDA margin %**	***4.2***	***8.0***	3.8
CONSUMER (Rm)			
Underlying EBITDA	**485.0**	**585.4**	(17.2)
Underlying EBITDA margin %	***7.2***	*8.8*	*(1.6)*

HEADLINES

- Underlying EBITDA removes the impact of once-off material items and accounting adjustments
- Excluding the IFRS 9 fair value gain on commodity positions, Groceries underlying result is up 15.0%
- Included in Chicken's result is a profit on the sale of dormant farms of R105.0m following the decision in 2017 to reduce consequential chicken volumes which resulted in certain farms being closed
- The Consumer underlying EBITDA margin declines from 8.8% to 7.2% due to the decline in Chicken's performance

*Margin calculated on revenue excluding cost recoveries

OPERATIONAL REVIEW: GROCERIES

SHARE & MARGIN

- Groceries delivered another strong result with EBITDA up 22.9% to R373.8m on the back of continued volume and market share growth. Groceries has achieved average EBITDA growth of 19.0% since December 2014
- The expanding portfolio of number one ranked brands include Catmor, Canine Cuisine, Bobtail, Nola, Yum Yum and Ouma rusks, while newly launched Feline Cuisine has taken 8% of the premium cat food market
- Underlying EBITDA margins have expanded from 11.0% to 11.9%, aided by higher volumes, as well as focus on innovation and production cost efficiencies
- The Pies business unit saw strong volume growth again as a consequence of investment in innovation, quality and price, funded through various initiatives to drive out cost
- A solid Beverage result off a compromised base was driven by a recovery in volumes
- The Speciality business unit delivered an acceptable performance despite lower Woolworths volumes and a strike at the Centurion facility

food24

Africa's biggest food website.

"Yum Yum Original smooth "We could become best friends"

"Ok, so there are no surprises here at 1st place. Two tasters who regularly buy Yum Yum also were able to correctly identify it, which is amazing really"

RCL FOODS Volume Share of Category

Category	Brands	12 Months to Dec 2018	12 Months to Dec 2017
Dog	Bobtail, Canine Cuisine	29.1%	27.4%
Cat	catmor, Feline Cuisine	27.5%	23.2%
Peanut Butter	Yum Yum	32.9%	30.3%
Mayonnaise	Nola	49.3%	41.9%
Rusks	Ouma	47.9%	46.6%
Mageu	Mageu Number 1 Smooth	69.9%	71.2%

Source: Aztec

OPERATIONAL REVIEW: GROCERIES

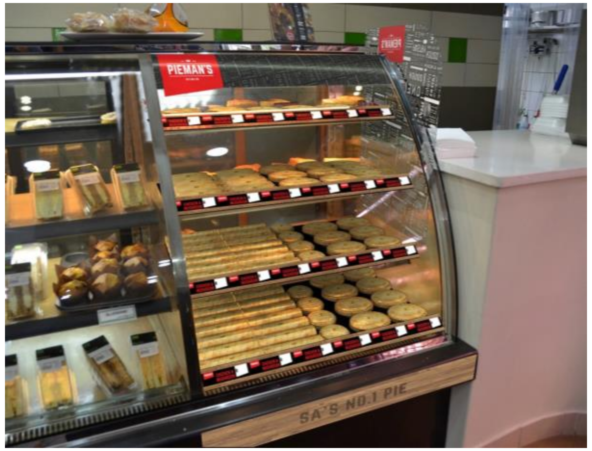
INNOVATION

- Consumers have responded favourably to new ranges launched in the Pet Food category although competitors have responded aggressively through price
- We will continue to build on the differentiation made possible through new technology in the Pet Food plant with special diets and focus on additional formats in the Vet channel
- Mini pies have exceeded initial expectations post launch and sausage roll volumes have grown tremendously
- The introduction of YogoBoost completes the tiered offering in our Beverages business unit with this quality launch being received well by the market
- Innovation remains a critical focus area for delivering volume growth in the Speciality business unit

OPERATIONAL REVIEW: GROCERIES

KEY INITIATIVES

- The Pies business unit has delivered strong volume growth off an already high base. Capacity investment has been approved which will enable further penetration and the delivery of innovation
- A fire at the Pies bakery has placed short-term pressure on customer demand for pre-baked pies. The rebuild of the bakery is expected to be completed by June 2019 and a number of measures have been introduced to close the short-term gap
- The restructure of the Speciality business unit, exit from the Prepared lines and finalisation of a "best in class" chilled cake facility is on track and expected to be delivered before the end of the financial year
- The Speciality focus on bakery excellence will stabilise profit and enable future growth in core categories
- The Beverage business unit continues to look for opportunities to drive costs down and improve capacity utilisation at its production facility



OPERATIONAL REVIEW: CHICKEN

ADDED-VALUE

FOODSOLUTIONS

- This channel represents the foundation of our Chicken business and remains key to the success of the revised business model
- The Quick Service Restaurant (QSR) market was relatively stable over the period, as was our market share. Although the sector is showing signs of growth, the business is committed to cost management in order to improve positioning in a competitive market

RETAIL

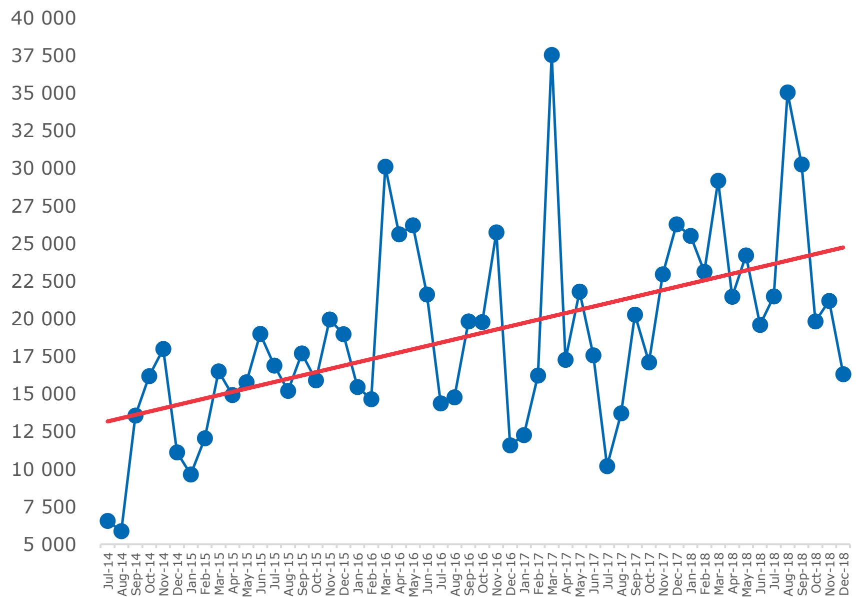
- After being drawn into the Listeriosis crisis despite no trace of the ST6 “outbreak strain” being found in our facilities, the damage to our brands and loss of higher-margin volume has been significant
- The introduction of a variety of initiatives to restore consumer confidence in the brand and category is yielding positive results with the successful relaunch of polony and imminent commissioning of high-pressure processing equipment to enable vienna production

OPERATIONAL REVIEW: CHICKEN

CHICKEN MAINSTREAM

- After nine months of relative stability, due mainly to a reduction in Rainbow's production, the market has returned to a position of oversupply
- Dumped imports, mainly from Brazil and America, continue to increase year-on-year and threaten the future viability of the industry
- The listeria issue, which Rainbow was dragged into despite having none of the outbreak strain, continues to negatively impact our results as our viennas are still not in trade and our polony only re-entered the market in October 2018
- Feed prices have increased significantly towards the end of the period under review and the business anticipates this position to worsen into H2 after limited rain in key maize producing areas over the festive season
- We remain comfortable that the revised Chicken business model (designed to operate off a higher profit base in a narrower band) has positioned the business to generate a result with far less reliance on the commodity cycle, resulting in better sustainability and consistency
- The industry, through SAPA, has a tariff application with government at present which we expect to be successful

IMPORTS – LEG QUARTERS – TONS PER MONTH



Source: SAPA

JOHN DU PLESSIS

MANAGING DIRECTOR
SUGAR & MILLING DIVISION

OPERATIONAL REVIEW: SUGAR & MILLING

Revenue up 6.9%, EBITDA result down 28.5%

REVENUE (Rm)	DEC 2018	DEC 2017*	% VAR
Consumer	**6 738.3**	6 687.6	0.8
Sugar & Milling	**7 548.2**	7 062.1	6.9
Logistics	**1 076.5**	1 006.5	7.0
Sales between segments	**(2 097.6)**	(1 938.9)	8.2
Total	**13 265.4**	12 817.3	3.5

EBITDA (Rm)	DEC 2018	DEC 2017*	% VAR
Consumer	**624.1**	594.2	5.0
Sugar & Milling	**358.0**	501.0	(28.5)
Logistics	**88.5**	105.7	(16.3)
Group	11.6	0.1	NM
Total	**1 082.2**	1 201.0	(9.9)

*December 2017 revenue restated due to the implementation of IFRS 15

OPERATIONAL REVIEW: SUGAR & MILLING

Sugar feels the brunt of industry and market turmoil

REVENUE (Rm)	DEC 2018	DEC 2017*	% VAR
Animal Feed	**2 734.1**	2 294.2	19.2
MillBake	**1 948.2**	1 849.6	5.3
Sugar	**2 934.0**	2 966.9	(1.1)
Sales between business units	**(68.1)**	(48.6)	40.1
Total	**7 548.2**	7 062.1	6.9
EBITDA (Rm)			
Animal Feed	**138.2**	153.3	(9.8)
MillBake	**156.3**	137.0	14.1
Sugar	**63.5**	210.7	(69.9)
Total	**358.0**	501.0	(28.5)
EBITDA MARGIN (%)			
Animal Feed	**5.1**	6.7	(1.6)
MillBake	**8.0**	7.4	0.6
Sugar	**2.2**	7.1	(4.9)
Total	**4.7**	7.1	(2.4)

HEADLINES

- Revised tariff controls dumped Sugar imports
- Health Promotion Levy leads to sugar consumption drop
- Sugar industry challenges
- MillBake strategy repositioning bears fruit in a competitive environment
- Fierce competition and rising raw material costs temper Animal Feed margins

*December 2017 revenue restated due to the implementation of IFRS 15

OPERATIONAL REVIEW: ANIMAL FEED

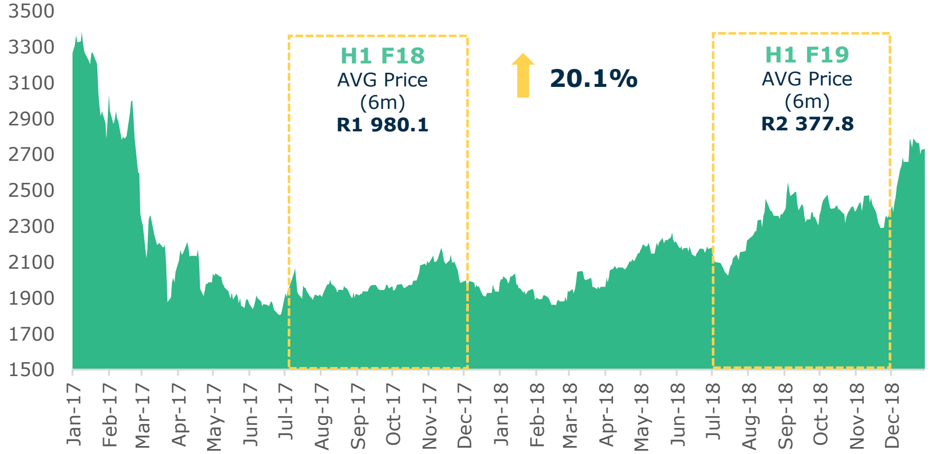
- Volumes recover as key customers return, although internal volumes remain relatively flat
- Competition in the market is fierce
- Rising raw material costs in a lacklustre economic environment limit margins
- Focus on product quality and technical support
- Internal efficiencies constantly sought
- Driehoek acquisition performing well

ANIMAL FEED MARKET SHARES

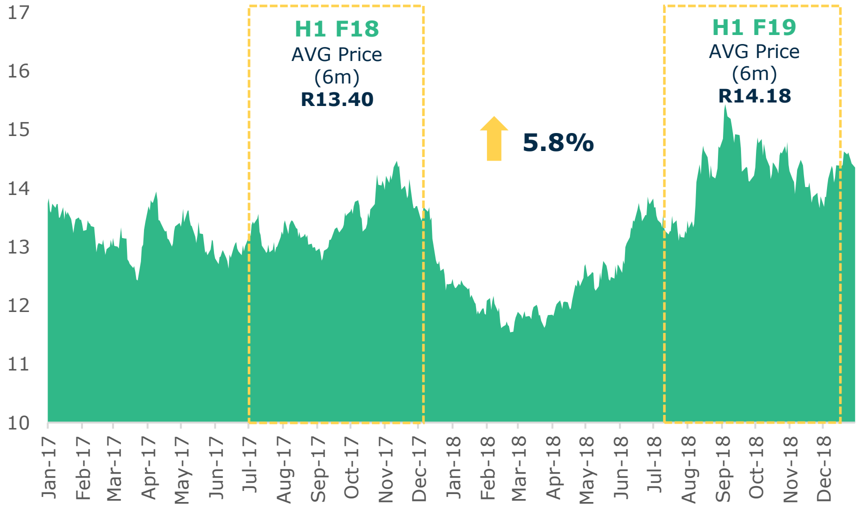
GAME	DAIRY	LAYERS	BROILERS	HORSE	RUMINANTS	OSTRICH	PIGS
56.4%	3.2%	4.3%	24.1%	93.2%	36.7%	12.9%	4.9%

Source: Internal estimate (share of AFMA – October 2018)

YELLOW MAIZE PRICE (R/ton)



RAND/USD

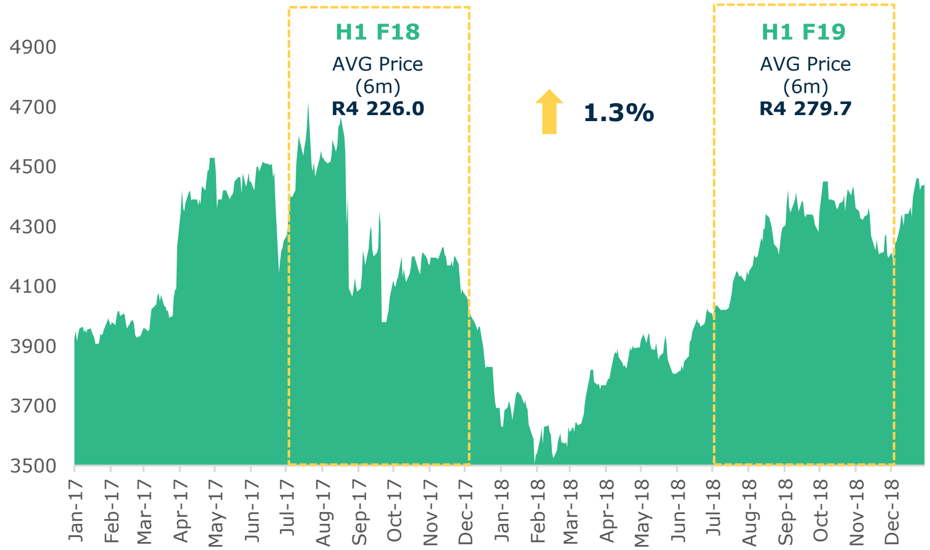


Source: Reuters

OPERATIONAL REVIEW: MILLBAKE

- Pleasing improvement in Baking performance as revised strategy is implemented
- Operating efficiency and volume improvements are yielding benefits
- Milling volumes have improved notwithstanding market oversupply
- Product quality and technical expertise provide a sound customer proposition
- Raw material, fuel and labour price increases present cost challenges
- Continued focus on cost efficiencies

SAFEX WHEAT PRICE (R/ton)

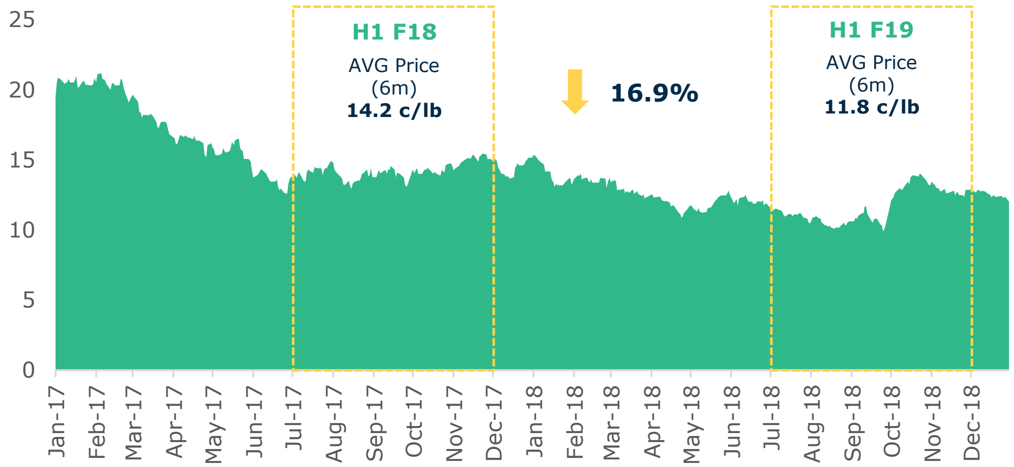


Source: Reuters

OPERATIONAL REVIEW: SUGAR

- An extremely challenging first half, driven by sales mix and industry dynamics
- Promulgated tariff is effective at combatting dumped imports
- Health Promotion Levy, depressed economic situation weigh on local market demand
- Significant recovery in sugar crop
- Focus on internal cost efficiencies and sustainability measures
- Industry and government engagement a key priority
- Diversification opportunities being explored

NO. 11 WORLD SUGAR PRICE (Raw Sugar)



Source: SASA

CHRIS CREED

MANAGING DIRECTOR
LOGISTICS DIVISION

OPERATIONAL REVIEW: LOGISTICS

Logistics margin eroded by cost pressures

REVENUE (Rm)	DEC 2018	DEC 2017*	% VAR
Consumer	**6 738.3**	6 687.6	0.8
Sugar & Milling	**7 548.2**	7 062.1	6.9
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Sales between segments	**(2 097.6)**	(1 938.9)	8.2
Total	**13 265.4**	12 817.3	3.5

EBITDA (Rm)			
Consumer	**624.1**	594.2	5.0
Sugar & Milling	**358.0**	501.0	(28.5)
Logistics	**88.5**	105.7	(16.3)
Unallocated group costs	11.6	0.1	NM
Total	**1 082.2**	1 201.0	(9.9)

HEADLINES

- Pleasing revenue performance in line with our mitigation strategy post the Chicken restructure
- Conclude the distribution contract for the Remgro Spreads business
- Acquisition of a 45% shareholding in L&A Logistics, a leading distributor of products in the Zambian market, including brands such as Cadbury's, Dentyne, Bavaria, Divella and Liberty Foods
- EBITDA margin declined to 8.2% (from 10.5%) largely due to the following cost headwinds faced:
  - Fuel prices reached record highs during the period under review
  - A forex loss incurred on the L&A Logistics acquisition
  - Enablement costs in respect of the Pick n Pay frozen basket take-on

*December 2017 revenue restated due to the implementation of IFRS 15

PLEASING REVENUE PERFORMANCE IN LINE WITH MITIGATION STRATEGY

- Good progress has been made on the mitigation strategy to offset the impact of the Chicken restructure, with revenue growing 7.0% on the prior year
- Foodservice revenue has grown across the majority of our customers
- Additional volumes from the Pick n Pay frozen basket take-on (including ice-cream) aided in offsetting the diminished retail volumes which were impacted by tough trading conditions
- Additional revenue from new business will further seek to enhance our position in the latter part of H2

ENCOURAGING FOODSERVICE PERFORMANCE

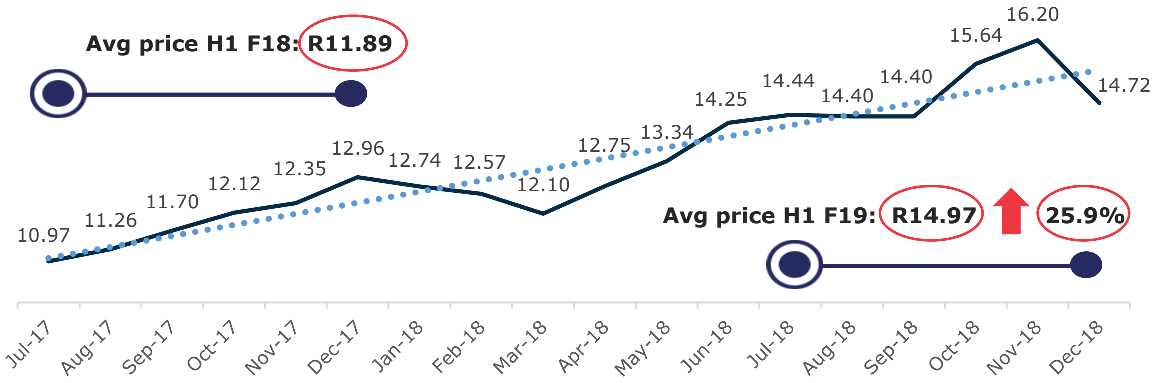
ACCEPTABLE RETAIL PERFORMANCE DRIVEN LARGELY BY THE PICK N PAY FROZEN (INCLUDING ICE-CREAM) BASKET TAKE-ON

COST PRESSURES ERODE LOGISTICS MARGIN

- EBITDA declined 16.3% as a result of the cost pressures faced during the period under review
- Fuel costs increased well above expected levels with a spate of price hikes driving the average year-on-year price for Inland diesel up 25.9%
- A forex loss was incurred on the acquisition of the 45.0% shareholding in L&A Logistics on the back of a significant devaluation of the ZMW close to the acquisition date
- Excluding the unanticipated fuel cost increases and forex loss, performance is in line with our expectations for H1
- In order to successfully enable the Pick n Pay frozen basket take-on, various start-up costs were incurred in the transport and warehousing areas with the commensurate revenue expected to materialise in the latter part of H2 and beyond

SIGNIFICANT FUEL PRICE INCREASES MATERIALLY IMPACT RESULTS

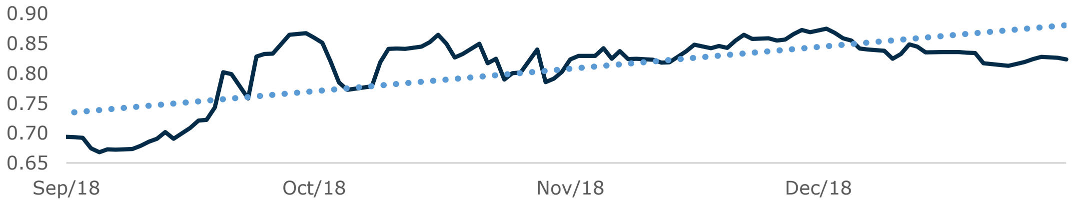
Inland diesel price/litre (ZAR)



Source: www.aa.co.za

ZMW DEVALUATION RESULTS IN FOREX LOSS

ZAR/ZMW



Source: www.exchange-rates.org

VECTOR GOING BEYOND

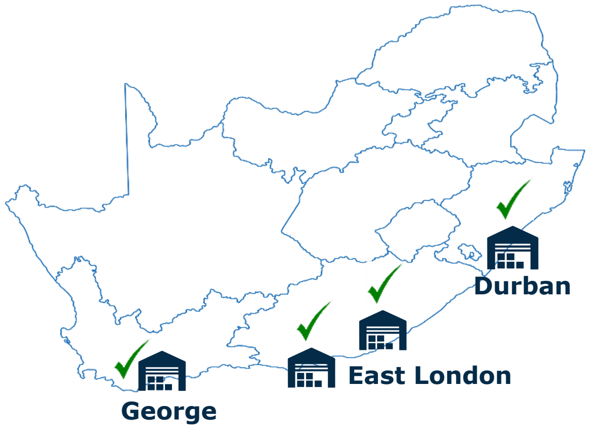
Logistics has recently repositioned its brand to "Vector Going Beyond". Leveraging our deep-rooted history as a respected logistics brand, "Going Beyond" speaks to who Vector is and who we aspire to be

A partial rollout of the new branding in respect of our fleet has been completed and "Going beyond" has been entrenched as the foundation of our identity, with **innovation** and **collaboration** being the key pillars

In keeping with this positioning, we are implementing an electronic proof of delivery (EPOD) platform which not only significantly reduces the administrative burden for us as well as the customer, but also provides the potential for improved turnaround times, driving more efficient utilisation of our fleet and an improved customer experience at the back door

FLEET BRANDING ROLLOUT

PHASED IMPLEMENTATION OF EPOD ON TRACK



PROSPECTS

PROSPECTS

- Trading conditions are expected to remain challenging due to South Africa's poor economic outlook, though we are well positioned due to our strong balance sheet and cash flow generation
- In a highly competitive Groceries market, we will continue to drive innovation, brand investment and efficiencies in order to optimise profitability
- Chicken will remain under pressure in the second half of the 2019 financial year due to an oversupplied poultry market and rising commodity input costs
- Sugar is expected to remain depressed due to an oversupplied local market and the negative impact of sugar tax on local market demand
- The good progress made in the first six months at MillBake is expected to continue
- Animal Feed will focus on regaining lost volume and margin
- Logistics is well positioned following recent capital investments made, and the focus in H2 will be on the successful take on of new business