

RESULTS FOR THE SIX
MONTHS ENDED 31
DECEMBER 2015

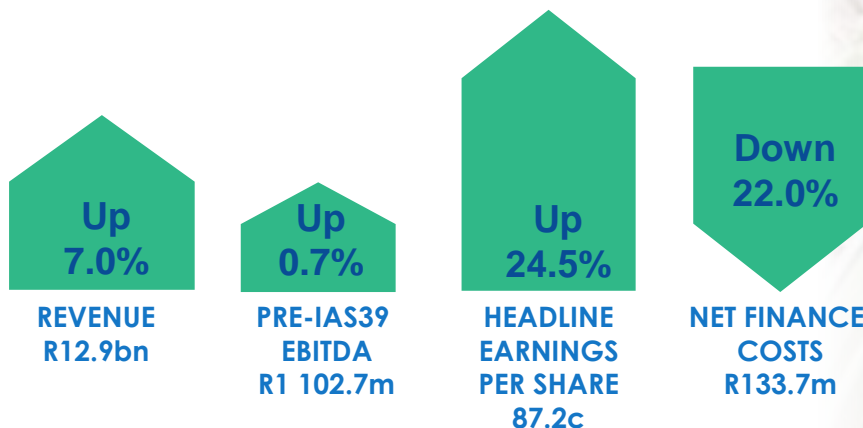
INVESTOR PRESENTATION:
24 FEBRUARY 2016





HIGHLIGHTS – SIX MONTHS ENDED 31 DECEMBER 2015

Financial Highlights

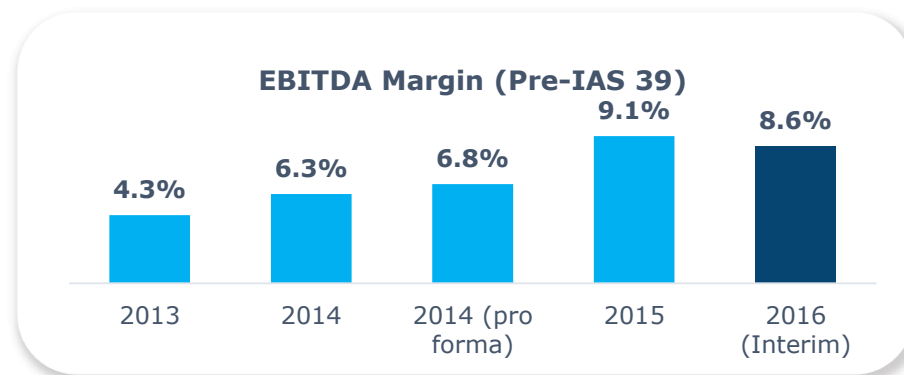
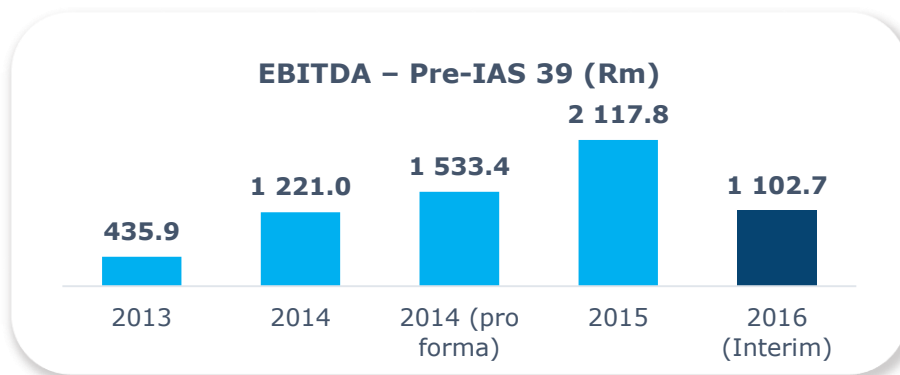
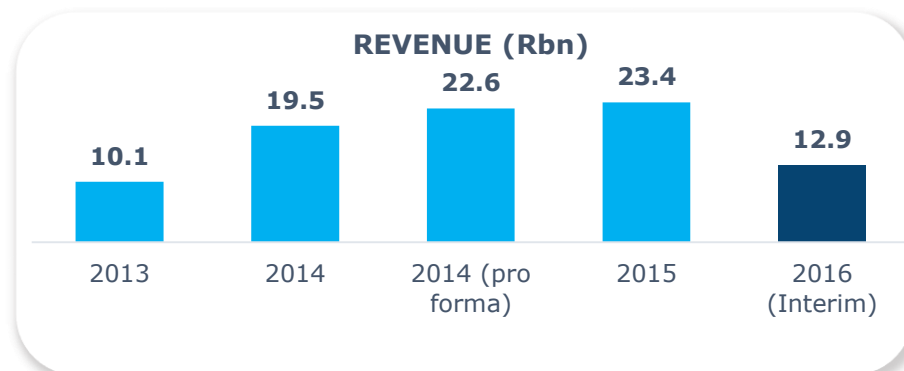


Key Features

- ▶ First period **reporting on new segments**
- ▶ **Strong growth in Consumer division** for all business units except Chicken
- ▶ Sugar & Milling division **results depressed**
- ▶ Logistics division results **improved**
- ▶ **Results include a release of R163.3m** for uncertain tax positions

Strong focus on our transformation agenda continues - identifying growth opportunities, achieving savings and extracting synergies across the business.

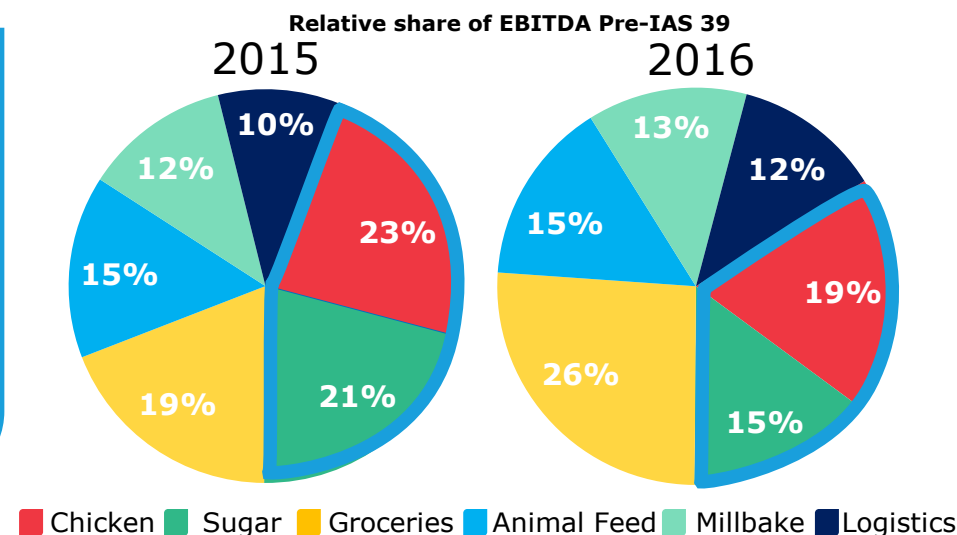
PLATFORM FOR GROWTH



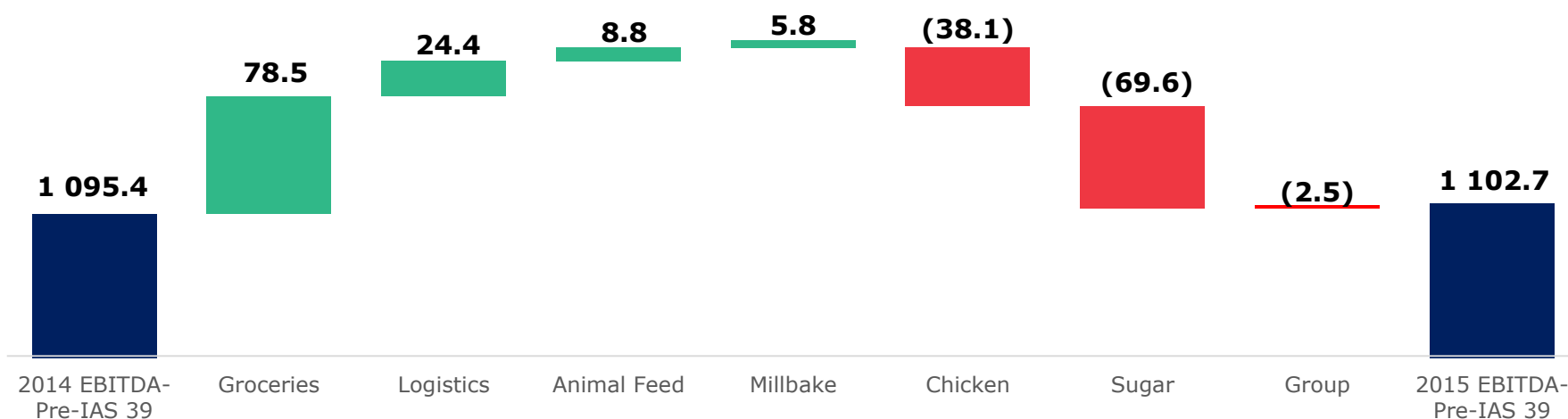
MOVING TOWARDS A MORE BALANCED PORTFOLIO

Our recent acquisitions and restructuring of the business have led to **a stronger, more diversified business** that is geared for growth.

- We are less dependent on cyclical sugar and chicken businesses.
- The balance of our portfolio gives us the opportunity to protect EBITDA even in difficult times.



Category Clusters Contribution to EBITDA Pre-IAS 39



5 Note: Groceries category includes the Beverage, Grocery, Pie and Speciality business units

MAIN PERFORMANCE DRIVERS

GROCERIES Leading the Growth

6MMA 2015

18.4%

(2.0%)

ask'd Food Basket growth

RCL Foods Groceries growth

No. 1
Market Leader



STRONG

Operational Performance and

30% higher
investment in brands

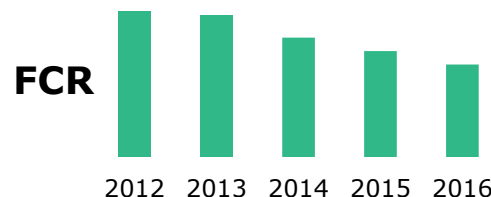
CHICKEN Under Pressure

Market
Over Supplied

Effectively hedged increase in feed raw material prices

STRONG

Agricultural Performance



SUGAR Affected by drought

Extreme drought
has adversely impacted Sugar
Production and Cane Valuation

Use of irrigation
shielded Sugar
versus the rest of the
industry

STRONG

Market Share Performance

No. 1
Market Leader



PROGRESS AGAINST 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 MillBake●, 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 (incl. Africa)	●

FINANCIAL SUMMARY

SIX MONTHS ENDED 31 DECEMBER 2015

Statutory		Actual 31 Dec '15	Actual 31 Dec '14	% var
Revenue	Rm	12 875.3	12 029.3	7.0
EBITDA	Rm	1 145.8	1 206.1	(5.0)
EBITDA margin	%	8.9	10.0	(1.1)
EBIT	Rm	782.4	866.1	(9.7)
Effective tax rate (excluding JV's & associates) *	%	27.6	30.6	3.0
Headline earnings - continuing operations	Rm	751.8	601.6	25.0
Cash generated by operations	Rm	373.0	616.7	(39.5)
Net cash and investment in money market	Rm	213.0	1 353.0	(84.3)
Headline earnings per share - continuing operations	cents	87.2	70.0	24.6
Capex spend	Rm	532.3	345.5	(54.1)
Dividend declared	cents	15.0	15.0	0.0
NAV per share	cents	1 234.6	1 152.6	7.1
Pre-IAS 39				
Statutory EBITDA	Rm	1 145.8	1 206.1	(5.0)
IAS 39 adjustment	Rm	(43.1)	(110.7)	(61.0)
EBITDA – Pre-IAS 39	Rm	1 102.7	1 095.4	0.7
EBITDA – Pre-IAS 39 margin	%	8.6	9.1	(0.5)

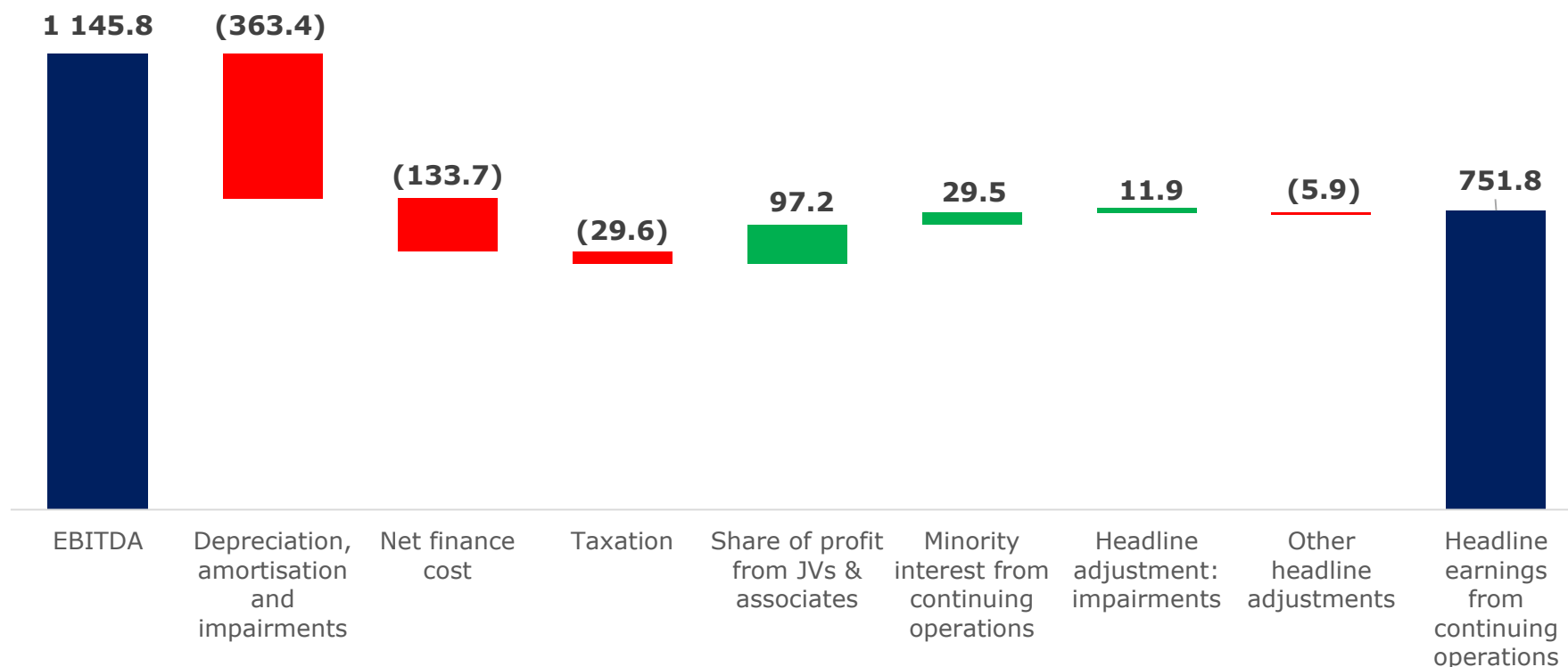
* Excludes the release of R163.3 million for uncertain tax positions raised as part of the Foodcorp acquisition

OPERATING ENVIRONMENT

- General economic environment in South Africa remains challenged
 - Severe drought impacted negatively on prices of soft commodities
 - High unemployment and rising interest rates are risks to growth objectives and economic stability
 - Depreciating currency (R/US\$ exchange rate depreciated 26% during the first six months of F16)
 - Pedestrian growth of the SA economy, negative consumer spending growth forecast
- All adding pressure on already stretched consumers
- Relief from reductions in fuel price were offset by the depreciation of the rand
- Oversupply in the local poultry industry

RESULTS WATERFALL

Reconciliation waterfall of Statutory EBITDA to headline earnings for the 6 months ended 31 December 2015 (Rm)



KEY FINANCIAL ISSUES

Segmental reporting

- RCL FOODS is reporting on its new segments of Consumer, Sugar & Milling and Logistics for the first time

Release of provision for uncertain tax positions

- Included in earnings for the period is the release of a R163.3m provision for uncertain tax positions raised on the Foodcorp acquisition
- This matter has now been finalised with SARS
- Released in the income tax line of the income statement
- Improved HEPS by 18.9 cents per share

Massingir

- A decision has been taken to not continue with the Massingir project in Mozambique (R13.0m final impairment)

KEY FINANCIAL ISSUES

Debt and hedging profile

Term	Value (Rm)	Year 1	Year 2	Year 3	Year 4
5 year	1 355				
	400				
4 year	847				
	250				
3 year – RCF	498				
Total	3 350				
Hedged %		77%	77%	53%	53%

- Hedged (fixed rate)
- Unhedged
- Partial hedge (collar) to the extent of R1.5bn
- Revolving credit facility (RCF) not hedged

KEY FINANCIAL ISSUES

Debt covenants

Covenant	Required	Status
Senior leverage ratio (Net senior debt* /pre-IAS39 HEBITDA)	<3.0	1.6
Repricing (a step-up margin of 0.25% is triggered if the senior leverage ratio breaches 2.7)	<2.7	1.6
Senior interest cover ratio (pre-IAS39 HEBITDA/senior net finance charges) **	>3.0	7.6

 Covenant met

 Covenant breached

*Net senior debt: Total unsubordinated debt less cash and cash equivalents

** Senior net finance charges: Finance charges on unsubordinated debt less interest income

OPERATING RESULTS SUMMARY

Segmental analysis – Revenue (Rm)

	Actual 31 Dec '15	Restated 31 Dec '14	% var
Consumer	6 708.6	6 157.3	9.0
Sugar & Milling	7 612.1	7 329.1	3.9
Logistics	994.5	986.7	0.8
Sales between segments			
Consumer to Sugar & Milling	(100.9)	(111.3)	(9.3)
Sugar & Milling to Consumer	(1 790.6)	(1 849.3)	(3.2)
Logistics to Consumer	(535.1)	(475.8)	12.5
Logistics to Sugar & Milling	(13.3)	(7.4)	79.7
Total	12 875.3	12 029.3	7.0

* Transfers between Animal Feed and Chicken are done at a market related price

OPERATING RESULTS SUMMARY

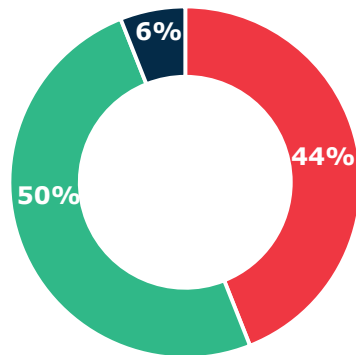
Segmental analysis – EBITDA

EBITDA (Rm) – Pre-IAS 39	Actual 31 Dec '15	Restated 31 Dec '14	% var
Consumer	501.6	461.2	8.8
Sugar & Milling	472.9	527.9	(10.4)
Logistics	134.9	110.5	22.0
Unallocated group costs	(6.7)	(4.1)	63.4
Total	1 102.7	1095.4	0.7
EBITDA Margin – Pre-IAS 39			
Consumer	7.5%	7.5%	0.0
Sugar & Milling	6.2%	7.2%	(1.0)
Logistics	13.6%	11.2%	2.4
Total	8.6%	9.1%	(0.5)
Statutory			
EBITDA (Rm)	1 145.8	1 206.1	(5.0)
EBITDA margin	8.9%	10.0%	(1.1)

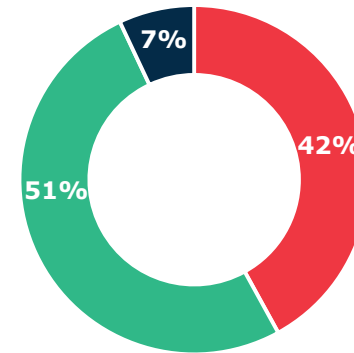
OPERATING RESULTS SUMMARY

Segmental contribution to Revenue

Dec '15

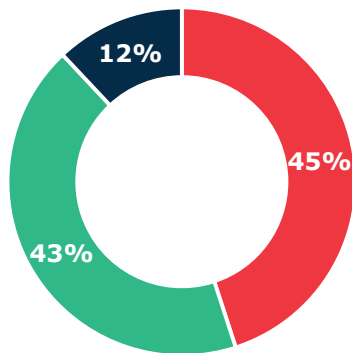


Dec '14

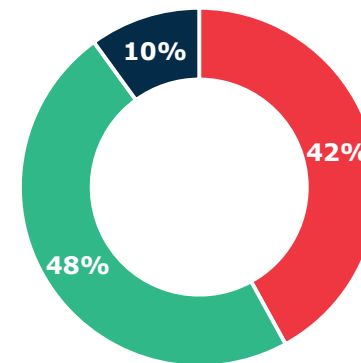


Segmental contribution to EBITDA

Dec '15



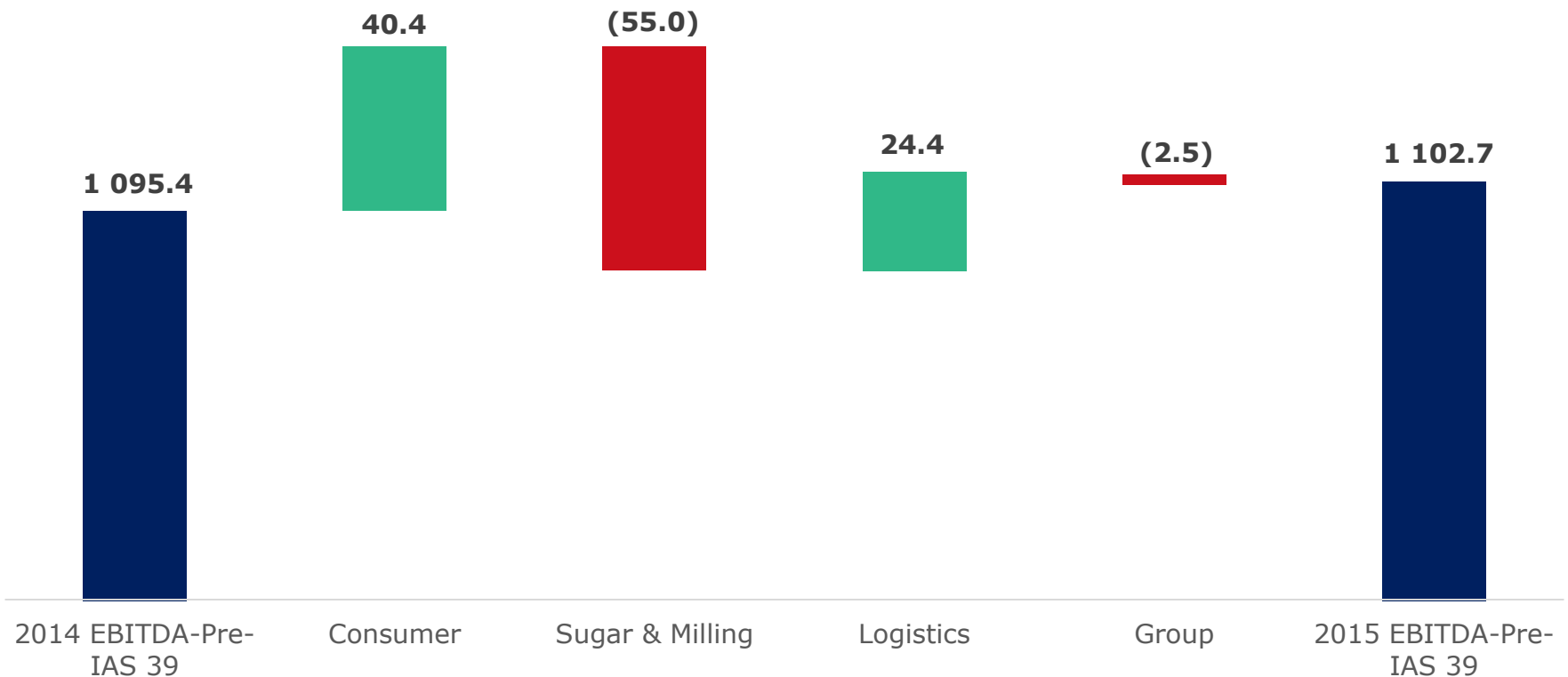
Dec '14



■ Consumer ■ Sugar & Milling ■ Logistics

OPERATING RESULTS SUMMARY

Segmental contribution to EBITDA – Pre IAS 39 improvement (Rm)



CASH FLOW SUMMARY

Rm	Actual 31 Dec '15	Actual 31 Dec '14
Opening balance (including money market investment and net of overdraft)	870.5	1 472.7
Operating profit adjusted for non-cash flow items	1 174.6	1 311.7
Working capital movement	(801.8)	(695.0)
Net finance cost paid	(161.6)	(164.4)
Tax paid	(181.0)	(105.1)
Capital expenditure (including intangibles)	(532.3)	(345.5)
Investment in joint venture	(61.5)	(45.8)
Loan to joint venture	(30.9)	-
Proceeds on disposal of PP&E	20.5	15.3
Interest-bearing liabilities	(15.3)	(28.9)
Dividends received	33.3	21.9
Dividends paid	(190.5)	(172.6)
Issue of shares	31.0	2.6
Discontinued operation - net cash inflows	(0.1)	86.1
Proceeds from disposal of assets held for sale	58.1	-
Closing balance *	213.0	1 353.0

WORKING CAPITAL MOVEMENT

Rm	Actual 31 Dec '15	Actual 31 Dec '14
Net	(801.8)	(695.0)
Trade payables	(126.0)	256.8
Inventory and biological assets	(59.4)	(620.7)
Trade receivables	(616.4)	(331.1)

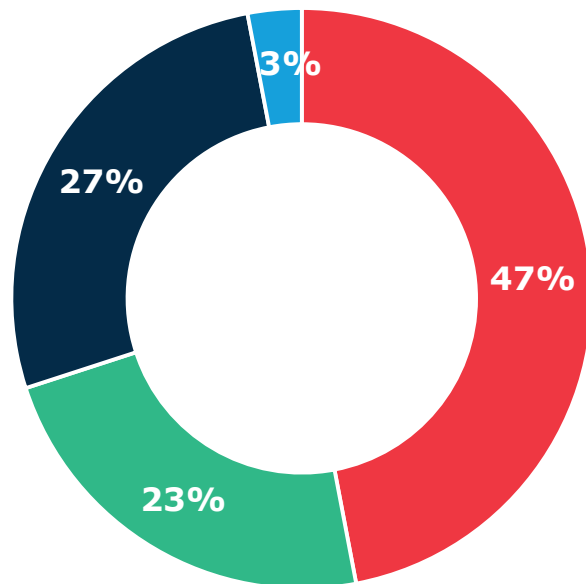
Net working capital as a % of revenue



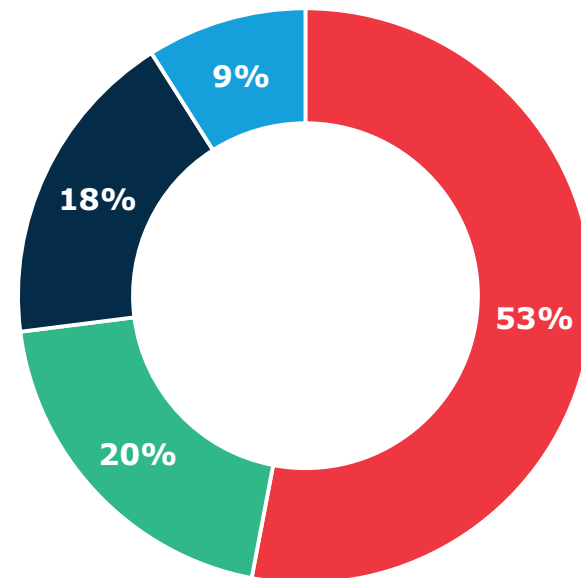
- Although working capital as a % of revenue has increased, we remain below the market average for our competitors

CAPITAL EXPENDITURE

Capital expenditure by segment



Capital commitments by segment



■ Consumer ■ Sugar & Milling ■ Logistics ■ Group

- Capital expenditure (excluding intangibles) was R530.0m (2014: R342.8m)
- Significant spend includes the UHT project at the Beverage business unit, upgrade to the pet food plant in Grocery and expansion at Logistics' Peninsula and Thekwini sites
- Capital commitments relate mainly to continued investments in the above projects



CONSUMER

OPERATIONAL REVIEW: CONSUMER

Revenue (Rm)	Actual 31 Dec '15	Restated 31 Dec '14	% var
Consumer	6 708.6	6 157.3	9.0
Sugar & Milling	7 612.1	7 329.1	3.9
Logistics	994.5	986.7	0.8
Sales between segments	(2 440.0)	(2 443.8)	(0.2)
Total	12 875.3	12 029.3	7.0

EBITDA (Rm) – Pre-IAS 39			
Consumer	501.6	461.2	8.8
Sugar & Milling	472.9	527.9	(10.4)
Logistics	134.9	110.5	22.0
Unallocated group costs	(6.7)	(4.1)	63.4
Total	1 102.7	1 095.4	0.7

Salient features

- Increased investment and innovation in existing brands and categories
- Focus on value-added products and strategic customers driving an improved mix



OPERATIONAL REVIEW: CONSUMER

Revenue (Rm)	Actual 31 Dec '15	Restated 31 Dec '14	% var
Chicken	3 990.0	3 877.6	2.9
Groceries	2 323.1	1 915.9	21.3
Sales between business units	(35.2)	(48.5)	(27.2)
Cost recoveries – Chicken	139.1	158.6	(12.3)
Cost recoveries - Groceries	291.6	253.7	14.9
Total	6 708.6	6 157.3	9.0

EBITDA (Rm)			
Chicken	210.9	249.0	(15.3)
Groceries	290.7	212.2	37.0
Total	501.6	461.2	8.8

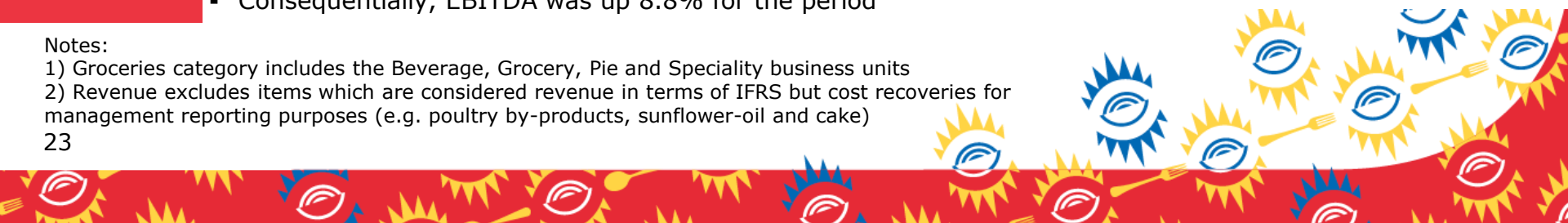
EBITDA margin			
Chicken	5.3%	6.4%	(1.1)
Groceries	12.5%	11.1%	1.4
Total	8.0%	8.0%	0.0

Salient features

- Despite a strong turndown in prices of chicken from July, due to oversupply, Chicken delivered a stoic performance, only down by 15.3% EBITDA
- However, Groceries performed outstandingly, with powerful volume, market share and EBITDA growth of 37.0% (reminder regarding comparative period- R20m strike cost at Speciality business unit)
- Consequently, EBITDA was up 8.8% for the period

Notes:

- Groceries category includes the Beverage, Grocery, Pie and Speciality business units
- Revenue excludes 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)



OPERATIONAL REVIEW: CHICKEN

Chicken

Birds slaughtered per week (000's)

Dec '15
4 515

Dec '14
4 623

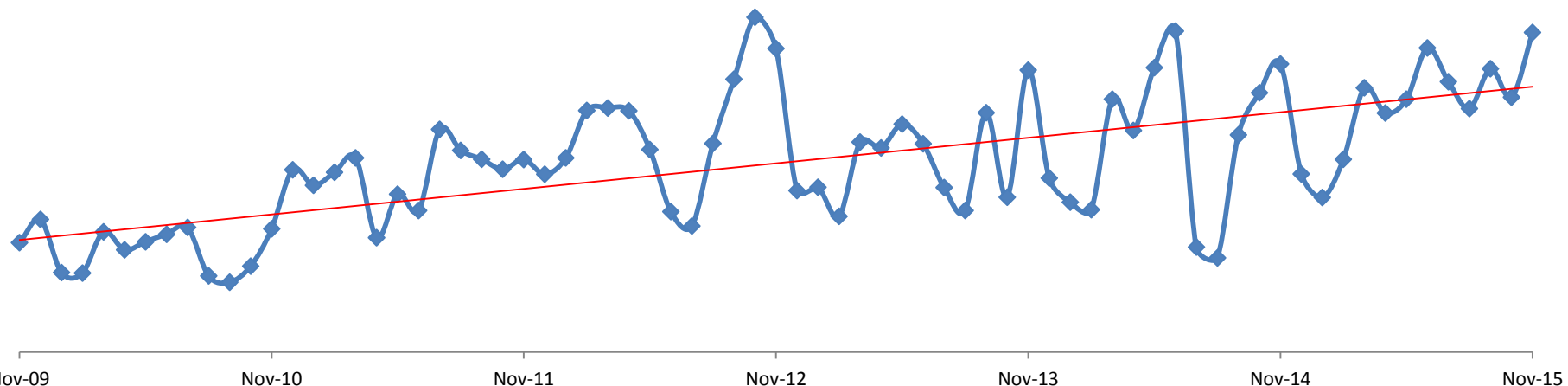
- The market is once again heavily oversupplied, through record high dumped imports
- Chicken responded by further down-placement and increased QSR share of the bell curve to reduce loss-making commodity lines
- Strong cost control and reduction was once again a feature of this period, assisted by very good agriculture results
- The sharp increase in the price of maize and other soft commodities used in poultry feed was largely hedged for in the period, but will affect feed costs going forward
- Innovation was successful, with Rainbow Simply Chicken mini lunchbox viennas, 4-pack and Cheesies all getting good market traction



OPERATIONAL REVIEW: CHICKEN

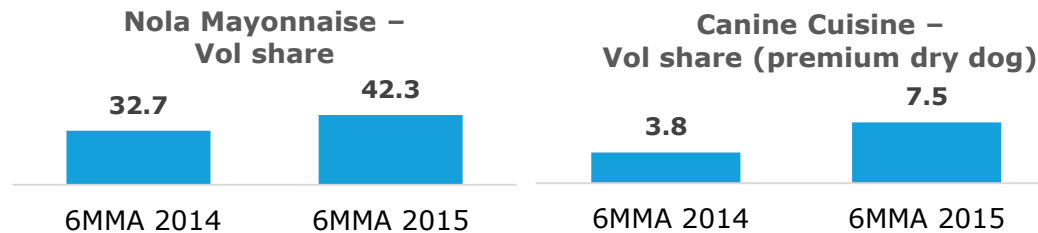
- The poultry industry remains exposed to two critical issues, those being imports and dumping of leg quarters and the brining cap proposed by government
 - Impact of AGOA – The negotiations around AGOA has culminated in an agreement to allow the importation, free of anti-dumping duty, of 65 000 tons of chicken from the United States which exacerbates the already substantial dumped product
 - RCL FOODS continues to support the concept of a brining cap as well as the introduction of new legislation as proposed by DAFF. These initiatives should assist in ensuring a level playing field that will ultimately protect the consumers and the future of the South African poultry industry

Imports - Leg Quarters (Tons per month)



OPERATIONAL REVIEW: GROCERIES

Grocery

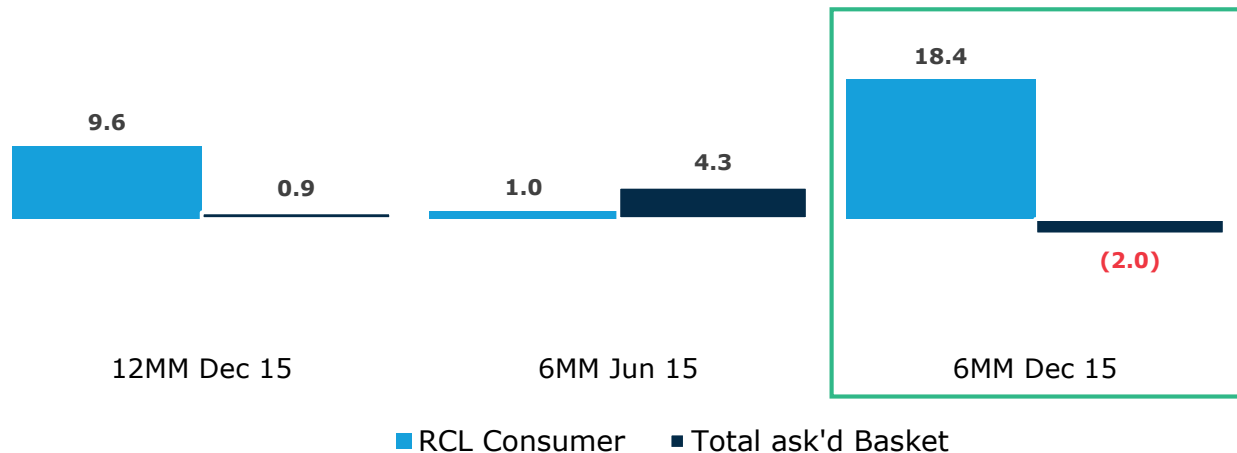


*Pet Food volume growth **6.6%** up on PY*

- Canine Cuisine growth = 63%

- The 6 months under review delivered outstanding results, well ahead of the market

Volume growth vs Total ask'd basket

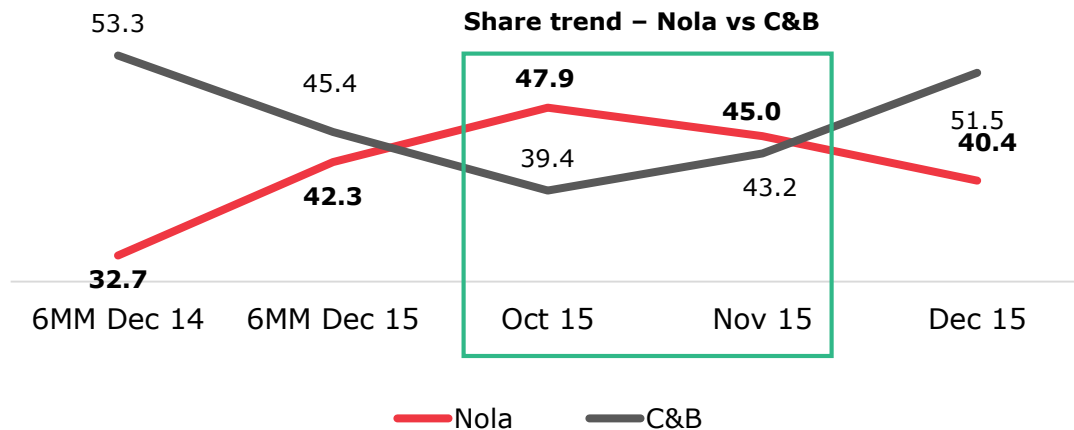


Note: Groceries category includes the Beverage, Grocery, Pie and Speciality business units
Source: Aztec, ask'd

OPERATIONAL REVIEW: GROCERIES

Grocery

- Strong market share gains, with Nola taking market leadership from Crosse&Blackwell for the first time ever
- Pet Food, in particular the new and premium Canine Cuisine, establishing itself as a serious player in premium dog food
- Ouma rusks also set about restoring itself to its rightful leadership role



- In addition, new business was won in sauces and condiments of traditional Rainbow QSR customers, boosting the Grocery volumes
- Although brilliant basics were the primary focus for the 6 months, the next phase will be focused on innovation and communication of differentiated propositions

Note: Groceries category includes the Beverage, Grocery, Pie and Speciality business units
Source: Aztec



OPERATIONAL REVIEW: GROCERIES

Beverage

Mageu No 1
Mageu No 1 Smooth
Total Mageu



**Vol growth
6 months to
Dec '15**

6.8%
48.1%
10.1%

- Strong volume and profit growth was the result of increased focus and brilliant basics on the Number1 beverage brand, assisted by hotter weather than usual
- Number1 Smooth, the recent innovation showed excellent growth of 48% and strongly improved mix and hence profitability
- An exciting innovation pipeline is in place for this brand and category



*Smooth volume growth **48%** up on PY*

Note: Groceries category includes the Beverage, Grocery, Pie and Speciality business units

Source: Internal data



OPERATIONAL REVIEW: GROCERIES

Pies

- The Pieman's business is being re-established as the leading Pie brand in market share, thinking and innovation
- Innovation will be launched within two months, opening new territory for the brand
- Visibility and branding in-store is being step-changed, along with innovation and quality

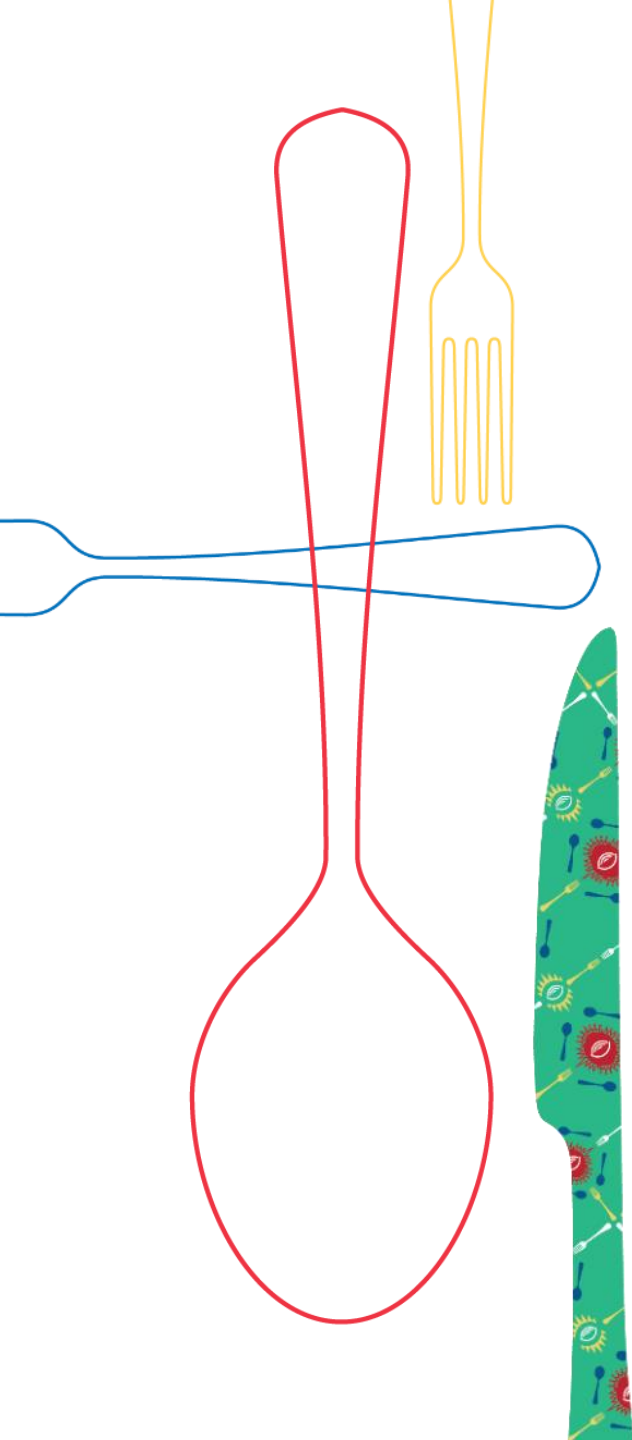


OPERATIONAL REVIEW: GROCERIES

Speciality

- RCL FOODS enjoys a strong relationship with Woolworths and seeks to be their “Most admired supplier”
- RCL FOODS is the largest supplier of food to Woolworths
- Woolworths performed strongly for the 6 months and RCL FOODS grew market share of their business
- In addition, the winning of QSR business and disciplined cost control, allowed the category to produce an improved result
- Innovation is key for Woolworths and recent new introductions have performed well, although the business unit aims to step-change this area further
- Margins, however, remain below acceptable levels





SUGAR & MILLING



OPERATIONAL REVIEW: SUGAR AND MILLING

Revenue (Rm)	Actual 31 Dec '15	Restated 31 Dec '14	% var
Consumer	6 708.6	6 157.3	9.0
Sugar & Milling	7 612.1	7 329.1	3.9
Logistics	994.5	986.7	0.8
Sales between segments	(2 440.0)	(2 443.8)	(0.2)
Total	12 875.3	12 029.3	7.0

EBITDA (Rm) – Pre-IAS 39			
Consumer	501.6	461.2	8.8
Sugar & Milling	472.9	527.9	(10.4)
Logistics	134.9	110.5	22.0
Unallocated group costs	(6.7)	(4.1)	63.4
Total	1 102.7	1 095.4	0.7

Salient features

- Increased realisation of Group synergies
- Potential to expand electricity exports to the Eskom grid
- Animal Feed now provides customers with an expanded product range



OPERATIONAL REVIEW: SUGAR AND MILLING

Revenue (Rm)	Actual 31 Dec '15	Restated 31 Dec '14	% var
Animal Feed	2 818.1	2 777.8	1.5
Millbake	1 832.7	1 705.8	7.4
Sugar	3 015.7	2 875.6	2.9
Sales between business units	(54.4)	(30.1)	80.7
Total	7 612.1	7 329.1	3.9
EBITDA (Rm)			
Animal Feed	169.9	161.1	5.5
Millbake	139.4	133.6	4.3
Sugar	163.6	233.2	(29.9)
Total	472.9	527.9	(10.4)
EBITDA margin			
Animal Feed	6.0%	5.8%	0.2
Millbake	7.6%	7.8%	(0.2)
Sugar	5.4%	8.1%	(2.7)
Total	6.2%	7.2%	(1.0)

Salient features

- Animal Feed benefitting from the amalgamation of Epol and Molatek
- Milling and rural bakeries performed well
- Gauteng bakeries turnaround plan in process of implementation
- Sugar results impacted by drought and resultant lower volumes

OPERATIONAL REVIEW: ANIMAL FEED

Animal Feed

Epol
Molatek

**Vol share
Dec '15**

**Vol share
Dec '14**

3.3

3.0

12.2

12.3

- EBITDA grew from R161.1m to R169.9m, an increase of 5.5%, with the associated margin improving from 5.8% to 6.0%
- Animal Feed has continued to grow margins by significantly reducing exposure to “pure commodity” segments of the market and increasing its focus on the higher margin horse and game sectors
- The combination of Epol and Molatek into one business unit with an integrated route to market strategy has created a large and successful feed company
- Animal Feed has become a resilient business with a diversified product range, customer profile and species spread



OPERATIONAL REVIEW: MILLBAKE

Millbake

Sunbake
Supreme

Vol share
6MMA
Dec '15

3.2

13.0

Vol Share
6MMA
Dec '14

3.7

13.1

- EBITDA grew from R133.6m to R139.4m, an improvement of 4.3%. The associated margin decreased from 7.8% to 7.6%
- The Milling and Baking businesses were combined during the previous financial year recognising their highly integrated nature
- Operating conditions have been tough and highly competitive with high commodity prices, aggressive pricing in the market and a financially stressed consumer
- The Gauteng operation is experiencing difficulties and remains the focus of significant management intervention
- The margin remains significantly below acceptable levels



OPERATIONAL REVIEW: SUGAR

Sugar	Vol share 6MMA Dec '15	Vol Share 6MMA Dec '14	Market growth
Selati	30.7	28.6	1.2%

- EBITDA of R163.6m was down 29.9% on the comparative period, with the associated margin dropping from 8.1% to 5.4%
- While the decline in sugar imports as a result of the increase in the sugar tariff boded well for sugar profits in South Africa, the ongoing drought has proven to be a significant challenge
- Consequently, sugar production (88 000 tons less than the comparable period) and cane valuations (negative R19.0m year on year impact) were affected
- Sugar was less affected than its competitors due to the ability to irrigate, however, the absence of rain in recent months significantly curtailed the irrigation resources available
- SASA costs are recovered on a R/ton basis from manufacturers and the decreased industry crop size combined with an increased manufacturers share, have resulted in the industry charge being higher than the comparable period



OPERATIONAL REVIEW: SUGAR

Sugar

Manufacturers share

Vol share
6MMA
Dec '15

51.1

Vol Share
6MMA
Dec '14

47.8

Market
growth

6.9%

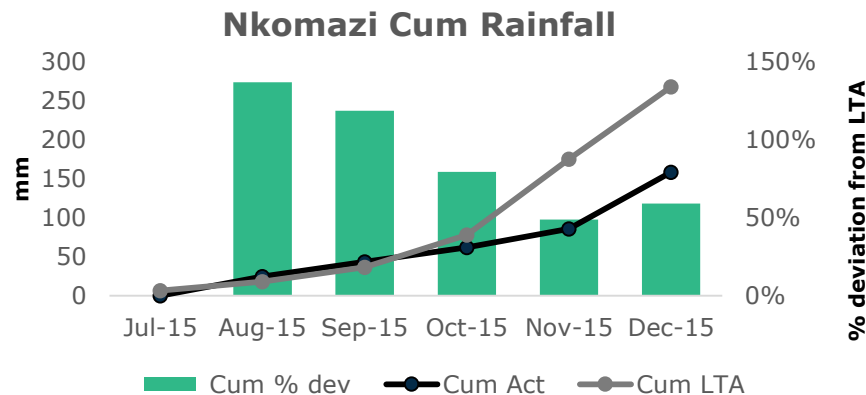
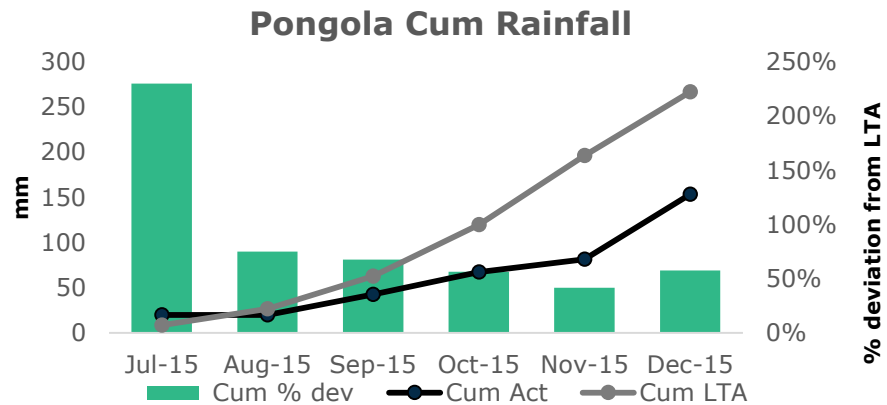
- Due to the outlook of limited sugar availability in the country, the Sugar industry reduced its exports in order to ensure sufficient sugar for the domestic market
- This exclusive focus on domestic market sales significantly changed the mix of retail, wholesale and industrial business for RCL FOODS Sugar, which put margins under pressure
- Pleasing market share gains were achieved

Massingir

- Based on current conditions, the Massingir project has been shelved and a final impairment of R13m has been recognised



OPERATIONAL REVIEW: SUGAR



Dam levels

Dam	Dec 2015	Dec 2014
Kwena	60.5%	78.6%
Driekoppies	56.8%	89.8%
Maguga	43.3%	76.7%
Bivane	11.5%	58.8%

Medium term forecast

Month	Rain forecast
January	Below normal
February	Below normal
March	Normal to below normal
April	Normal

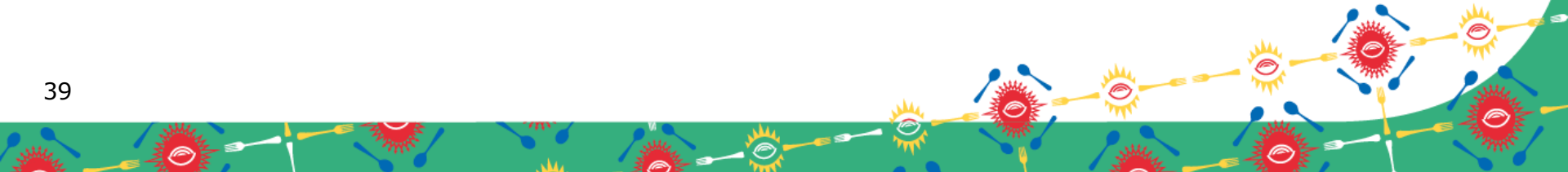
Water availability

- Extreme weather conditions – Low rain fall & high temperatures
- Severe irrigation restrictions imposed
- Production losses experienced
- Drought philosophy finalised & implemented

OPERATIONAL REVIEW: SUGAR

- Due to low dam levels higher restrictions are implemented
 - Currently 60% restriction in Nkomazi
 - From April/May restriction levels will go to 80% restriction if no rain
 - No irrigation currently at Pongola
- Crop water demand is normally 1 600mm for full season
- YTD December water deficit on average is 25% (rain & irrigation)
- Comparison in water available versus crop demand between 2014 & 2015 season from July to December (Based on actual weather data)

(mm water)	Malalane			Komati		
	Jul-Dec 15	Jul-Dec 14	Diff	Jul-Dec 15	Jul-Dec 14	Diff
Crop demand	879.0	881.6	(2.6)	954.4	829.4	125.0
Rain	154.3	336.7	(182.4)	139.7	400.2	(260.5)
Irrigation	460.4	596.6	(136.2)	618.6	596.6	22.0
Water balance	(264.3)	51.7	(316.0)	(196.1)	167.3	(363.5)
% deficit	(30%)	+6%		(20%)	+20%	





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LOGISTICS

OPERATIONAL REVIEW: LOGISTICS

Revenue (Rm)	Actual 31 Dec '15	Restated 31 Dec '14	% var
Consumer	6 708.6	6 157.3	9.0
Sugar & Milling	7 612.1	7 329.1	3.9
Logistics	994.5	986.7	0.8
Sales between segments	(2 440.0)	(2 443.8)	(0.2)
Total	12 875.3	12 029.3	7.0

EBITDA (Rm) – Pre-IAS 39

Consumer	501.6	461.2	8.8
Sugar & Milling	472.9	527.9	(10.4)
Logistics	134.9	110.5	22.0
Unallocated group costs	(6.7)	(4.1)	63.4
Total	1 102.7	1 095.4	0.7

Salient features

- Opportunity to leverage business model and skills into the outbound supply chain for the Group
- New capacity will come on stream shortly, facilitating the take-on of new business
- The base year includes the impact of industrial action (R20.0m costs incurred in an effort to maintain service levels)

OPERATIONAL REVIEW: LOGISTICS

- Subdued revenue growth due to staggered replacement of lost business in merchandising and primary transport structures
- Foodservice industry remains resilient
- Capital expansion projects on track
- Economic headwinds expected to impact food and retail sectors

Subdued growth in revenue due to customer changes



Foodservice volumes resilient

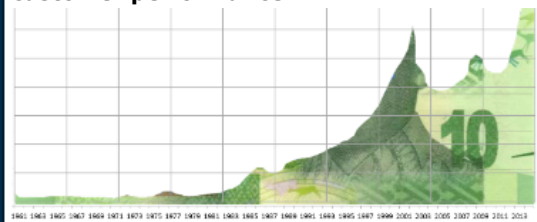


PE Coega commissioned in July 2015

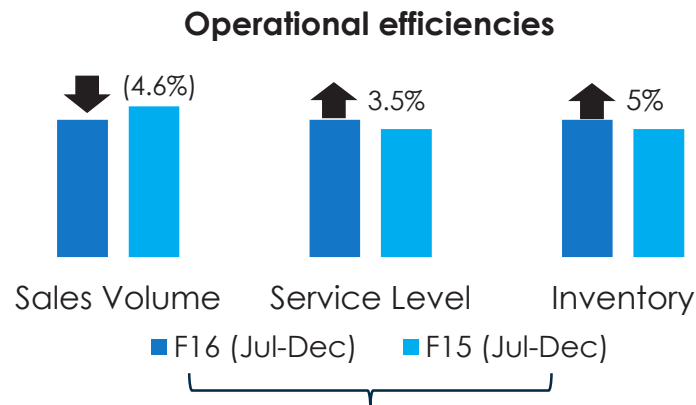


Economic uncertainty in 2016

Currency devaluation, inflationary pressures and poor economic climate expected to put pressure on volumes and customer performance



OPERATIONAL REVIEW: LOGISTICS



4.6% reduction in volumes

- Volumes reduced due to staggered take-on of new business along with Chicken's mix moving to value-add

3.5% improvement in service levels

- Significant improvement in service levels, up 3.5% due to the availability of key SKU's

5% increase in inventory levels

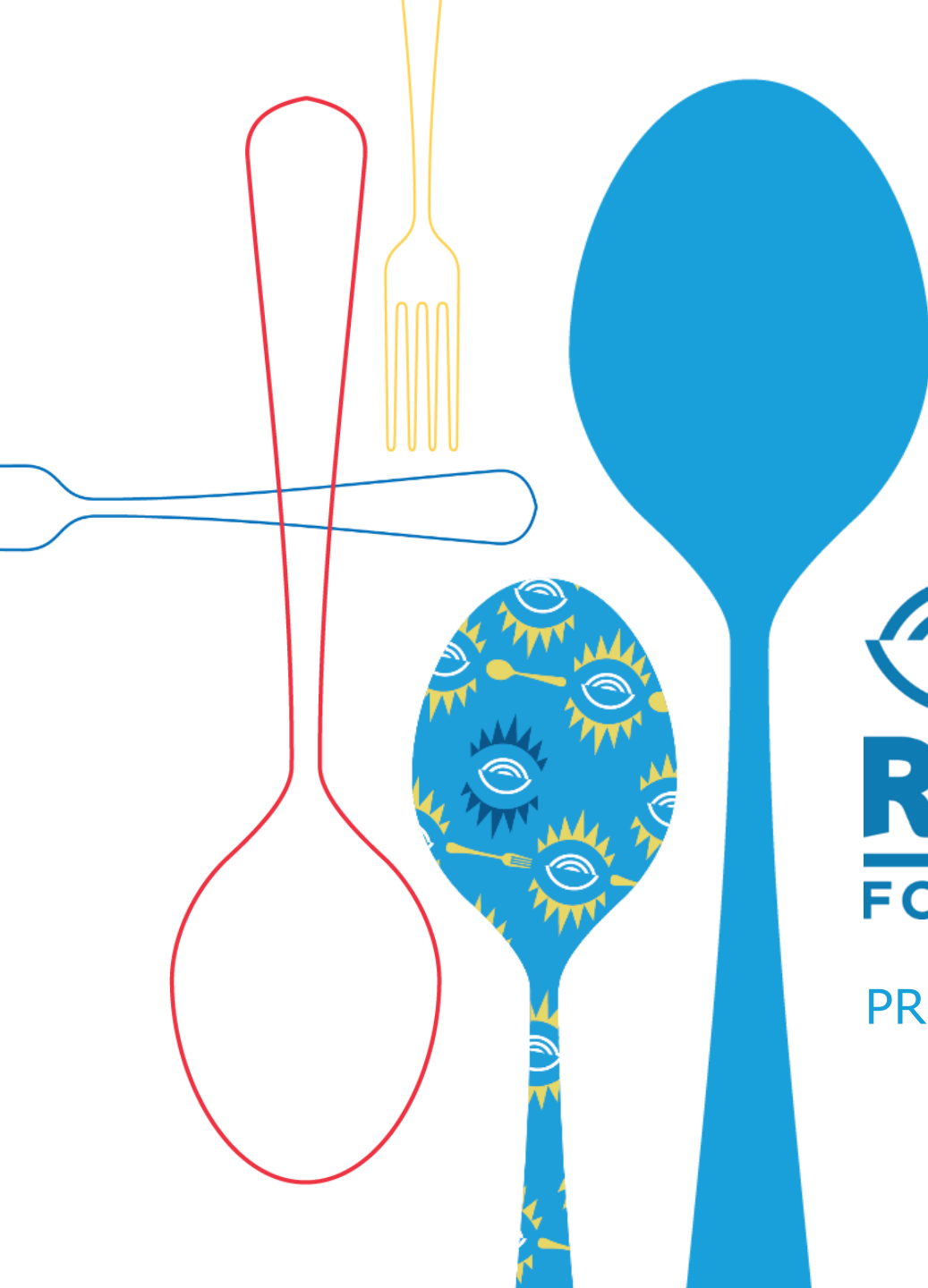
- Average inventory levels increased by 5%, largely driven by the increase in number of SKU's

Peninsula expansion on track for completion by March 2016



Thekwini expansion on track for completion by June 2016





PROSPECTS



PROSPECTS

- Key features for next period will be the pervasive impact of the drought as well as the impact of the weak rand on soft commodity prices
- These two issues are expected to drive food inflation and consequently challenge margins across most categories
- RCL FOODS is in the process of developing proactive pricing strategies designed to protect market share as far as possible, whilst still recovering cost pressure
- Negative growth in real consumer spending is expected over the next 12-18 months
- As a result, synergies, overhead savings and production efficiencies will continue to receive substantial focus in the next period
- In addition, innovation and export opportunities are being considered
- The Chicken business is contemplating a further reduction in production volumes
- A recovery in sugar production in the next period is dependent on a return to normal rainfall levels
- Logistics expects relatively stable growth going forward as its customer base settles





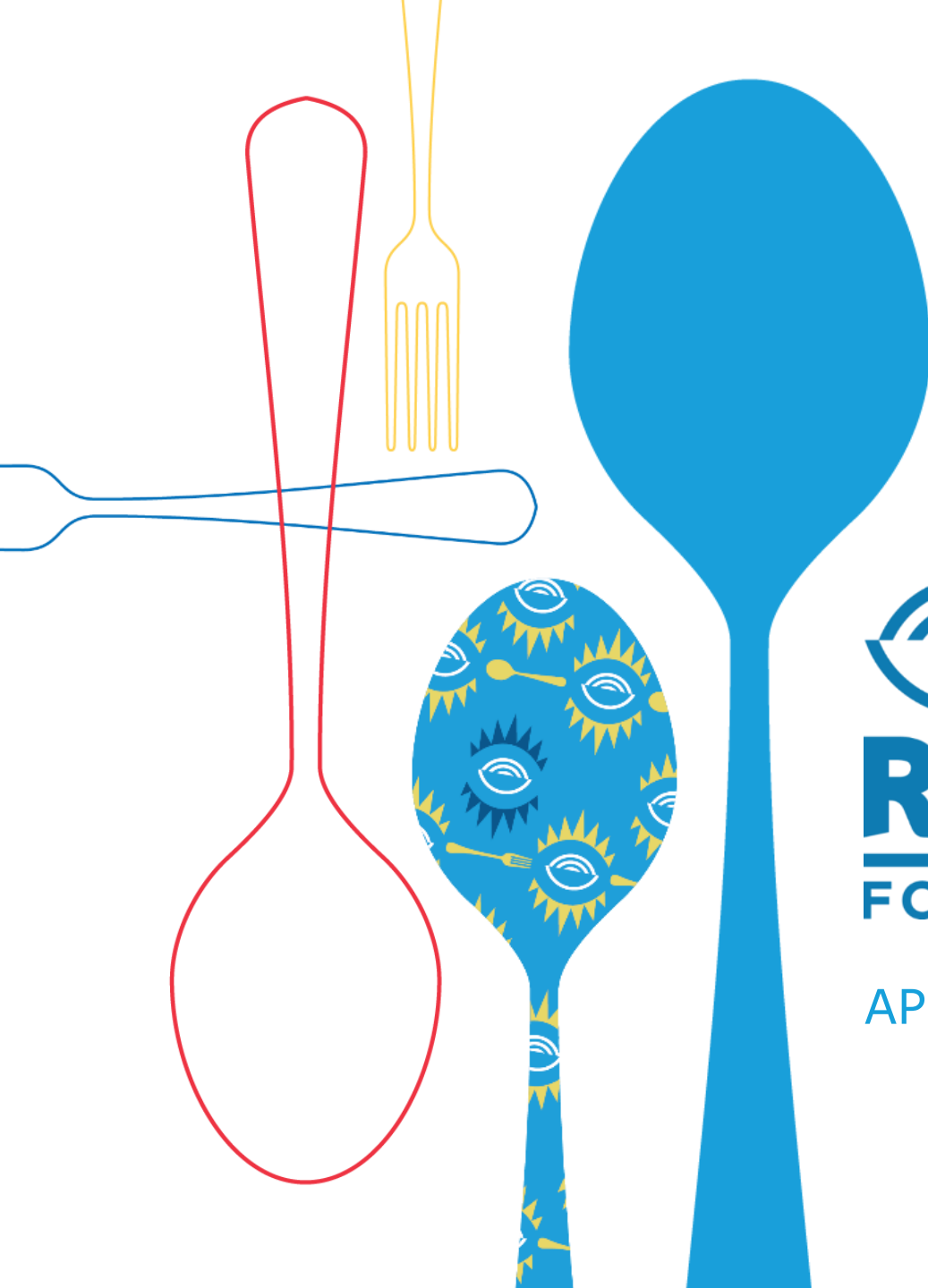
RAINBOW



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Thank you

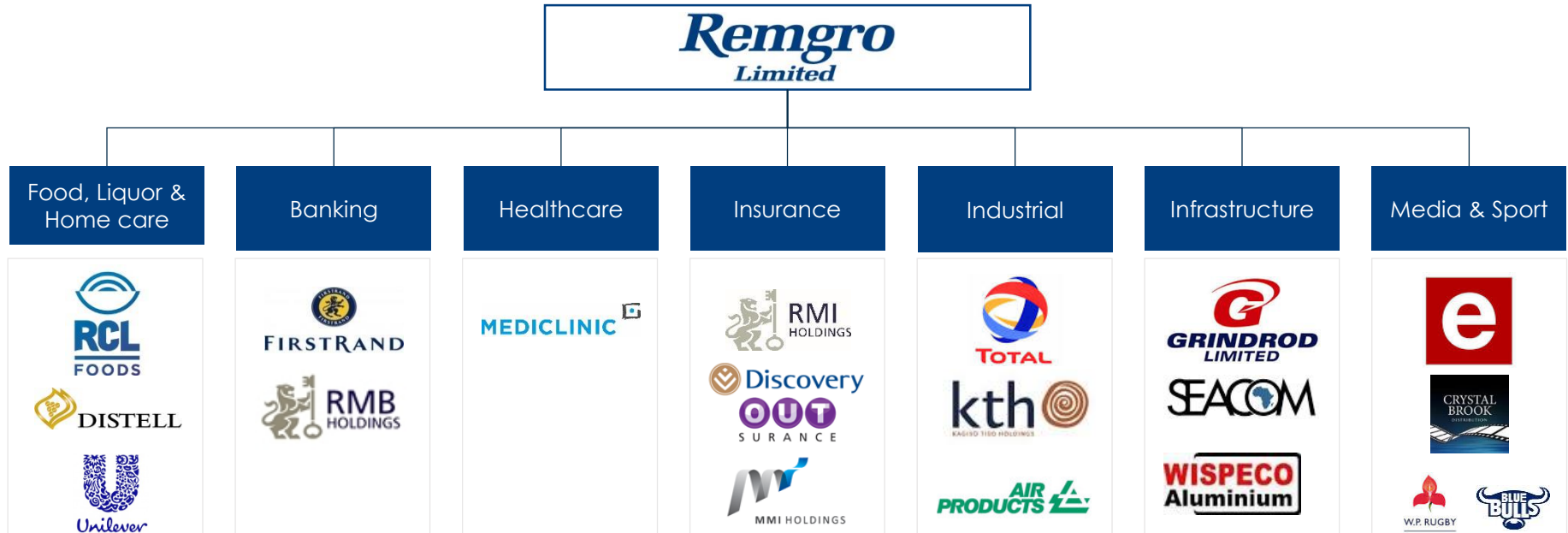


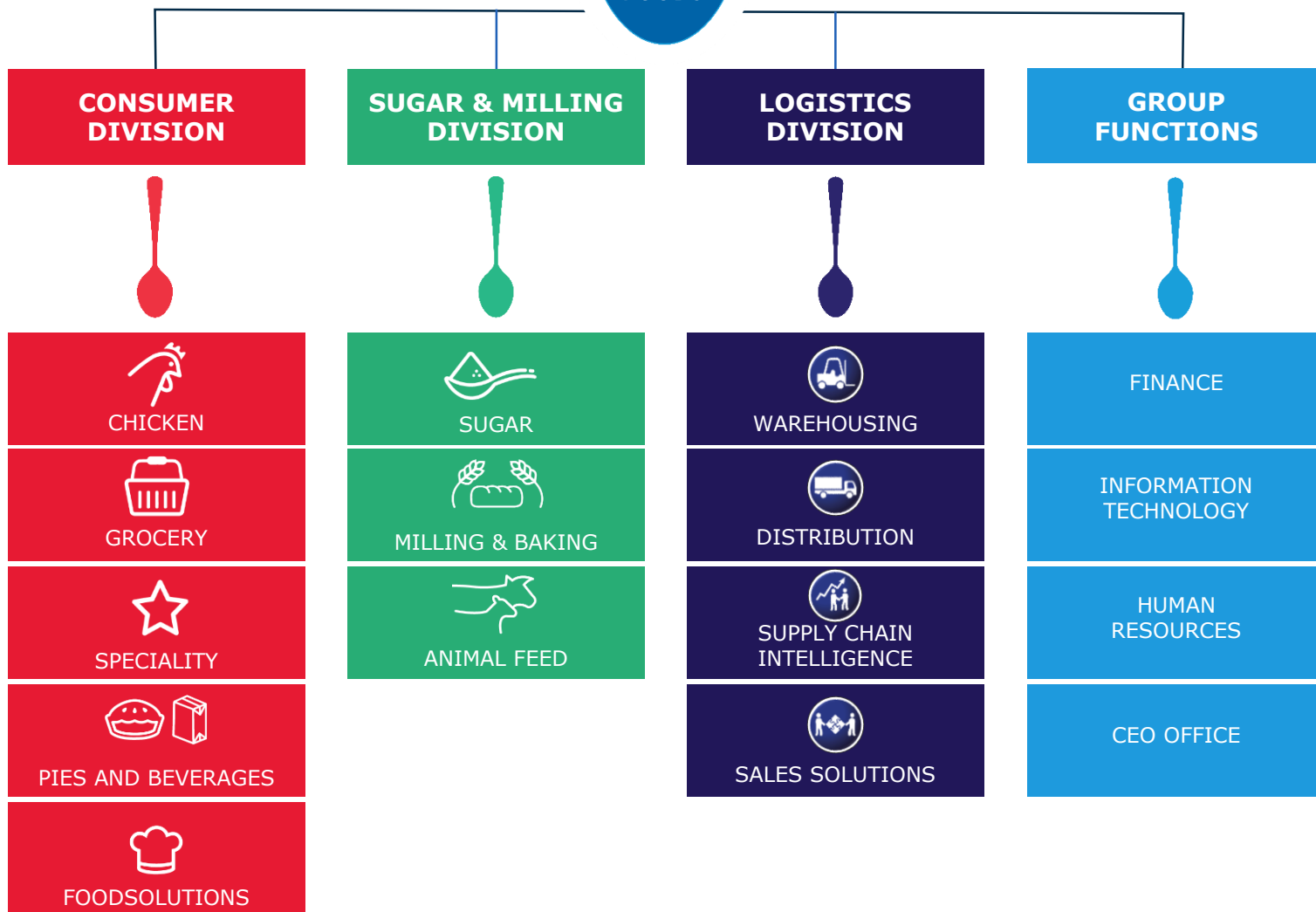


APPENDICES



RCL FOODS IN CONTEXT







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.



Deliver more nourishing food, better value and greater choice.

Make food choices available to all people.

Provide affordable food to everyone, every day, everywhere.



MORE FOOD

MORE PEOPLE

MORE OFTEN



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

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

Reach new consumer occasions through increased distribution and better penetration.

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

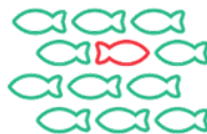
STRATEGIC THRUSTS

- 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

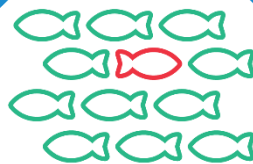


UNCOMPROMISING
INTEGRITY



ACT
RESPONSIBLY

OUR VALUES



SEEING & DOING THINGS DIFFERENTLY

We pride ourselves on **seeing & doing things differently**. 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, we embrace it.



RESPECT FOR PEOPLE

We have a **great respect** for **all people** and treat them with dignity and fairness. We believe in creating a diverse, inclusive and performance based culture, where people are inspired to be the best they can be.



UNCOMPROMISING INTEGRITY

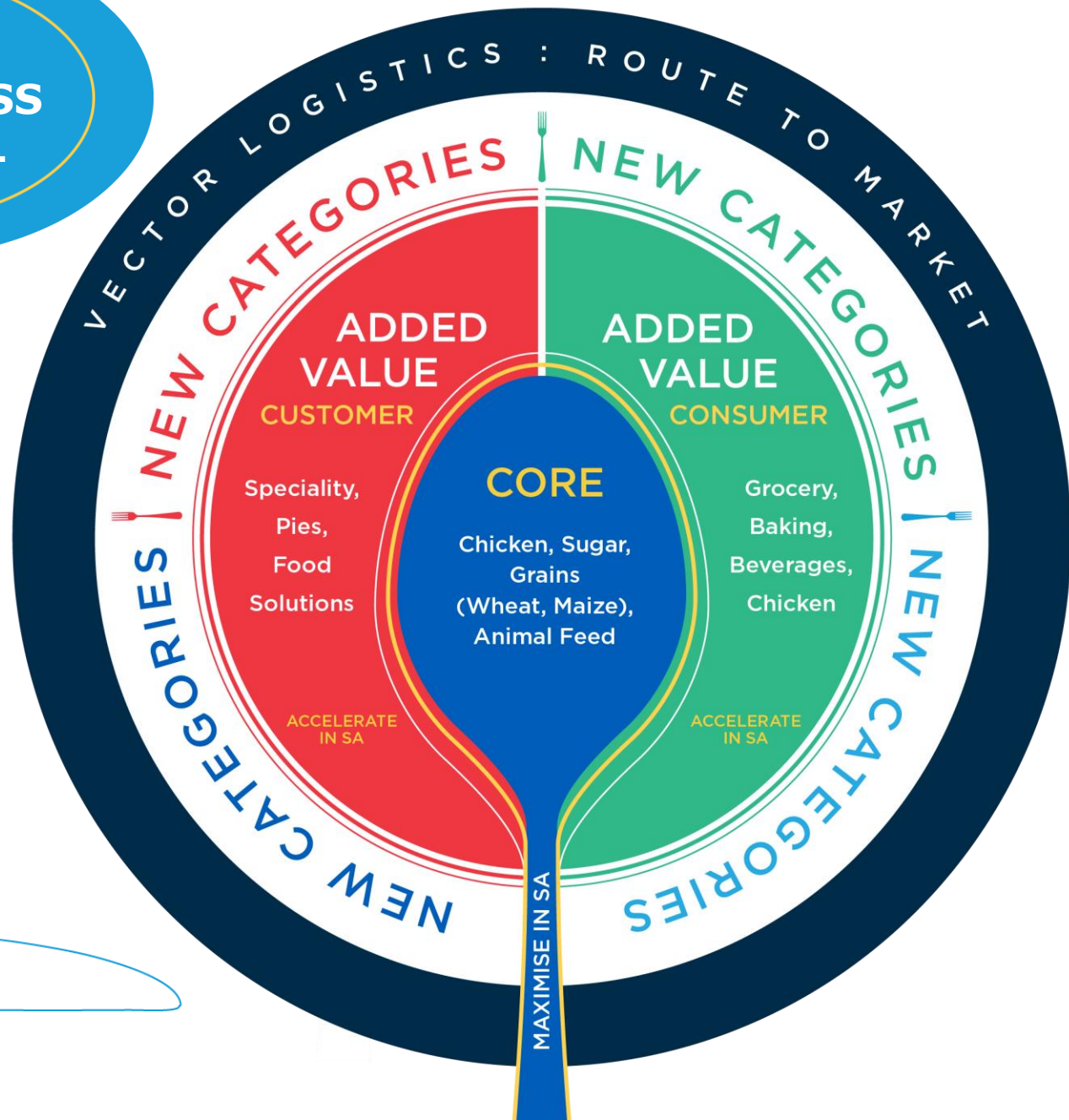
We are **uncompromising** in the manner in which we conduct ourselves. We believe in honesty and transparency in all our business relationships.



ACT RESPONSIBLY

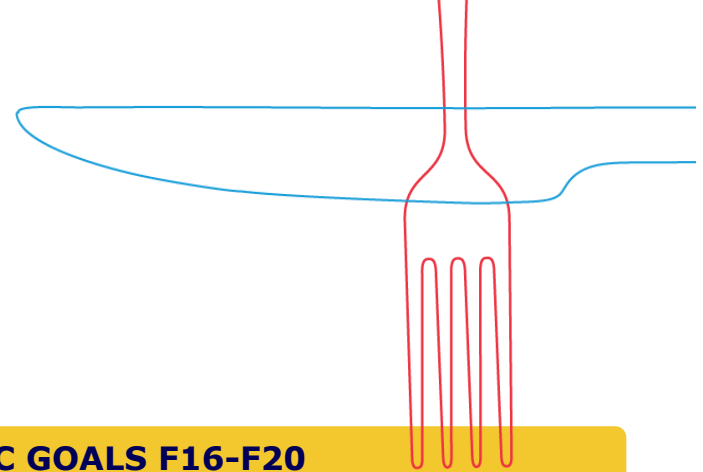
We believe we have both a **responsibility** and **accountability** for the protection of the environment and the wellbeing of the communities, in which we operate.

OUR BUSINESS MODEL





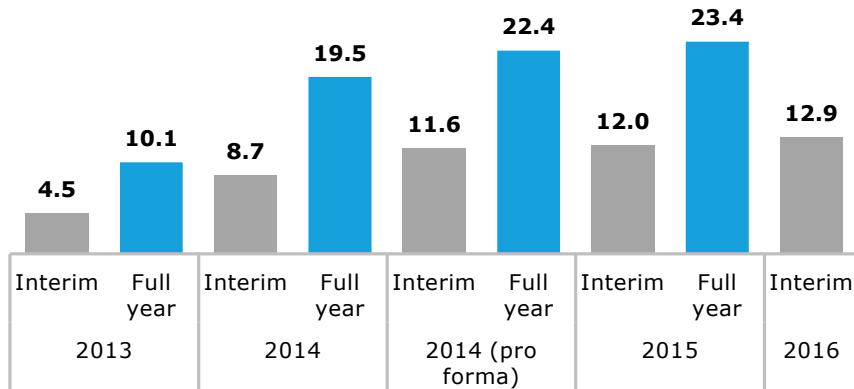
STRATEGIC THRUSTS



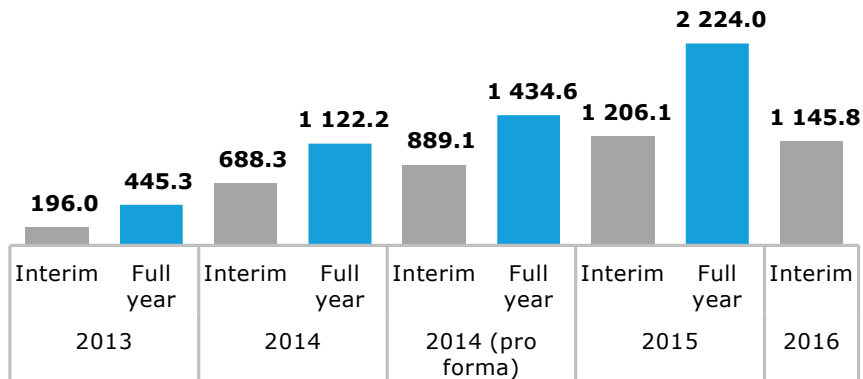
STRATEGIC THRUSTS	STRATEGIC GOALS F16-F20
GROW THROUGH STRONG BRANDS	<ul style="list-style-type: none"> Invest behind brands, grow key markets and our shares Accelerate added Value, maximise core categories in South Africa
PARTNER WITH STRATEGIC CUSTOMERS	<ul style="list-style-type: none"> Partner with strategic customers, driving common growth & profit ambitions
EXPAND INTO AFRICA	<ul style="list-style-type: none"> Build core and added value categories (priority 2) in rest of Africa
EXTEND OUR LEADING VALUE CHAIN	<ul style="list-style-type: none"> Optimise resources and costs Leverage our unique route to market capability with Vector Logistics Drive synergies and opportunities through implementation of integrated IT systems
INSPIRE GREAT PEOPLE	<ul style="list-style-type: none"> 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 SUSTAINABILITY BUSINESS	<ul style="list-style-type: none"> Drive responsible consumption and production Build brands that matter

PLATFORM FOR GROWTH

Revenue (Rbn)



EBITDA (Rm)



 OVER
20 000
EMPLOYEES

 MORE THAN
1 500
VEHICLES

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

 AROUND
700 000
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

BUSINESS UNITS

Chicken, Speciality,
Grocery, Pies & Beverages,
FoodSolutions



Sugar & Milling Division

BUSINESS UNITS

Sugar, Milling and Baking,
Animal Feed



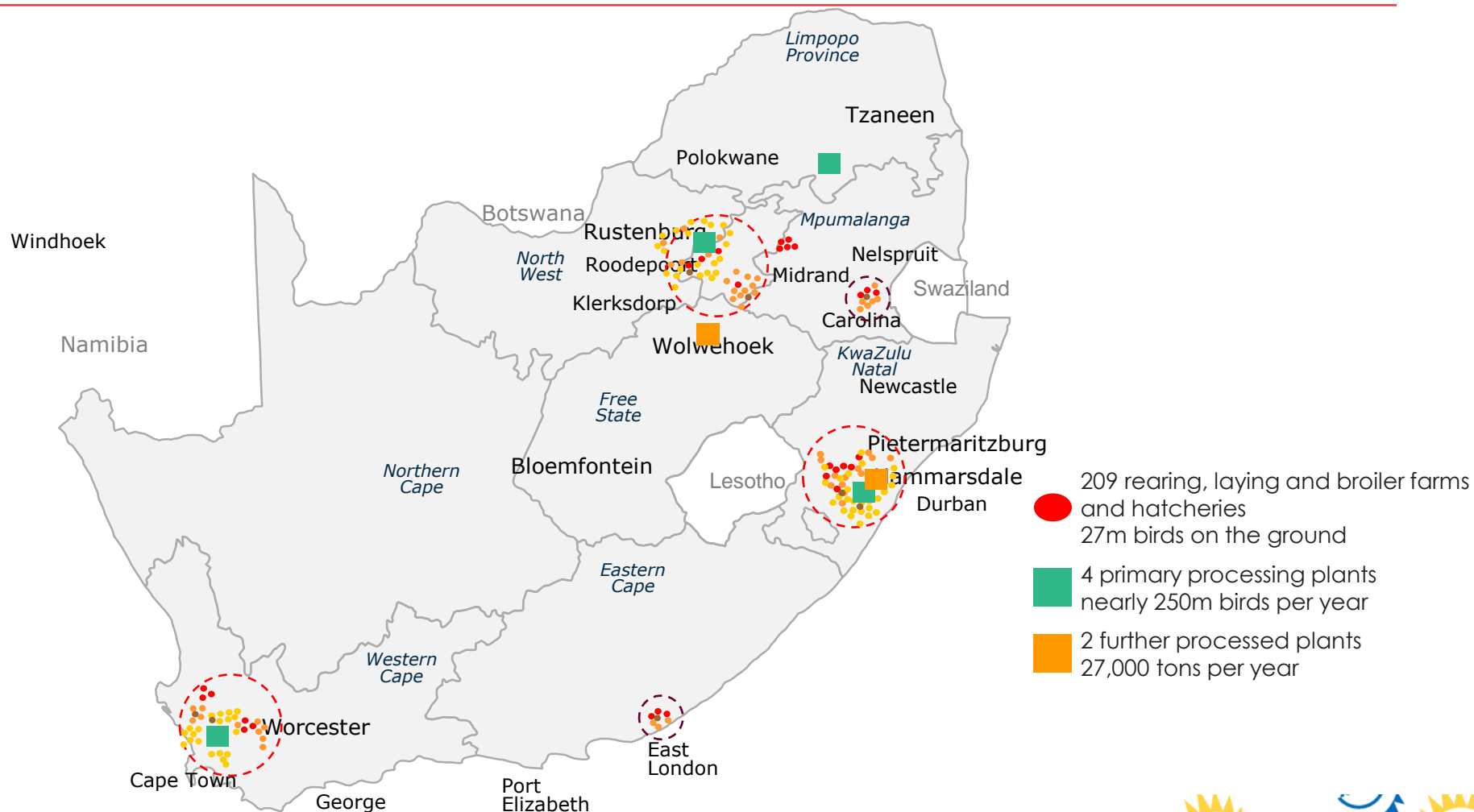
Logistics Division

BUSINESS UNITS

Logistics business
responsible for Group-wide
Route to Market



CONSUMER: CHICKEN



The diagram illustrates the Rainbow Chicken Value Chain, showing the flow from Grandparent chicks to Consumers. The chain is divided into several stages and supported by various supply and distribution partners.

Stages of the Value Chain:

- Grandparent chicks:** The starting point of the chain.
- GP operation:** Includes Grandparent farms (Rearing 21 weeks, Laying 40 weeks, Hatching 3 weeks) and Parent farms (Rearing 21 weeks, Laying 40 weeks, Hatching 3 weeks).
- Agriculture:** Includes Broiler farms (Growing 34 days).
- Processing:** Includes Processing (4 plants + 2 FP plants).

Support and Distribution:

- Feed supply:** A red bar indicating 5 feed mills producing 1.1m tons pa, with around 70% of production to Rainbow.
- Consumers:** The final destination of the chain, represented by an image of a family.
- Brands:** Includes RAINBOW Grade A Quality, Grade A Taste, and Farmer Brown.
- Customers:** Includes Foodservice (Nando's, Steers), Retail (Pick n Pay, Shoprite & Checkers, Spar, Score), and Wholesale (Metro, Makro, Massmart, BHW Wholesalers).
- Distribution:** Includes Vector logistics.

Additional Information:

- 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
- Epol logo: THE PERFECT BALANCE

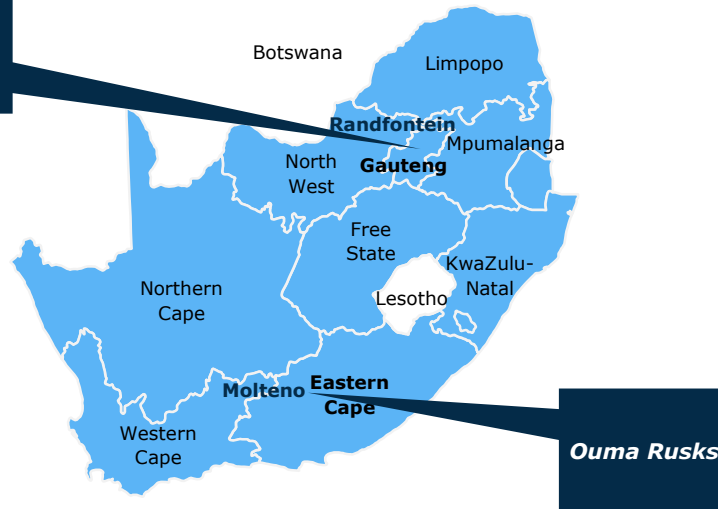
CONSUMER: GROCERIES

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

One mega site which includes 6 operations



Brands



Pie

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



Brands



CONSUMER: GROCERIES

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

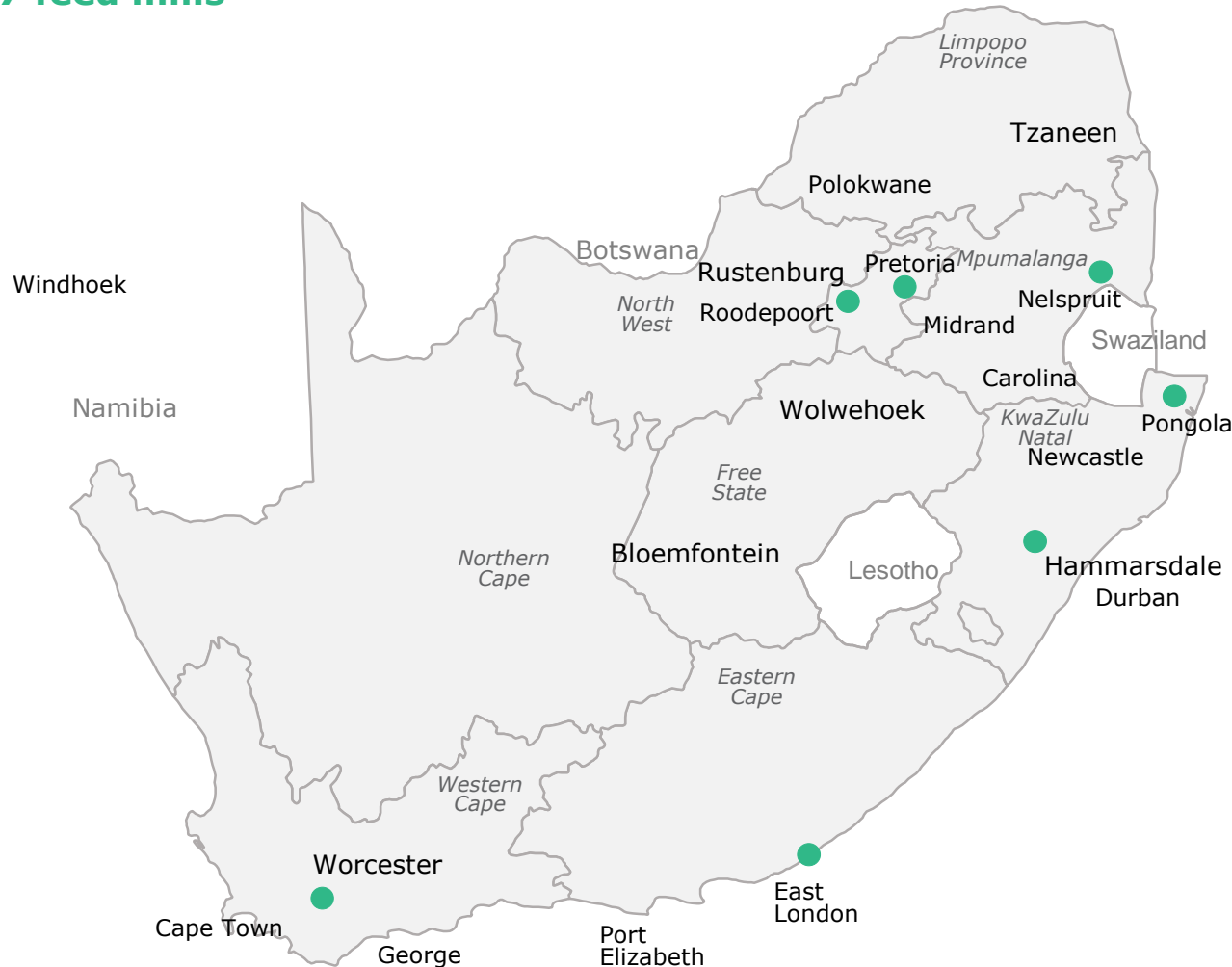


Brands



SUGAR & MILLING: ANIMAL FEED

7 feed mills



- 5 produce grain based feeds
- 2 produce molasses based feeds
- 1.4m tons of feed produced per year



SUGAR & MILLING: MILLBAKE

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

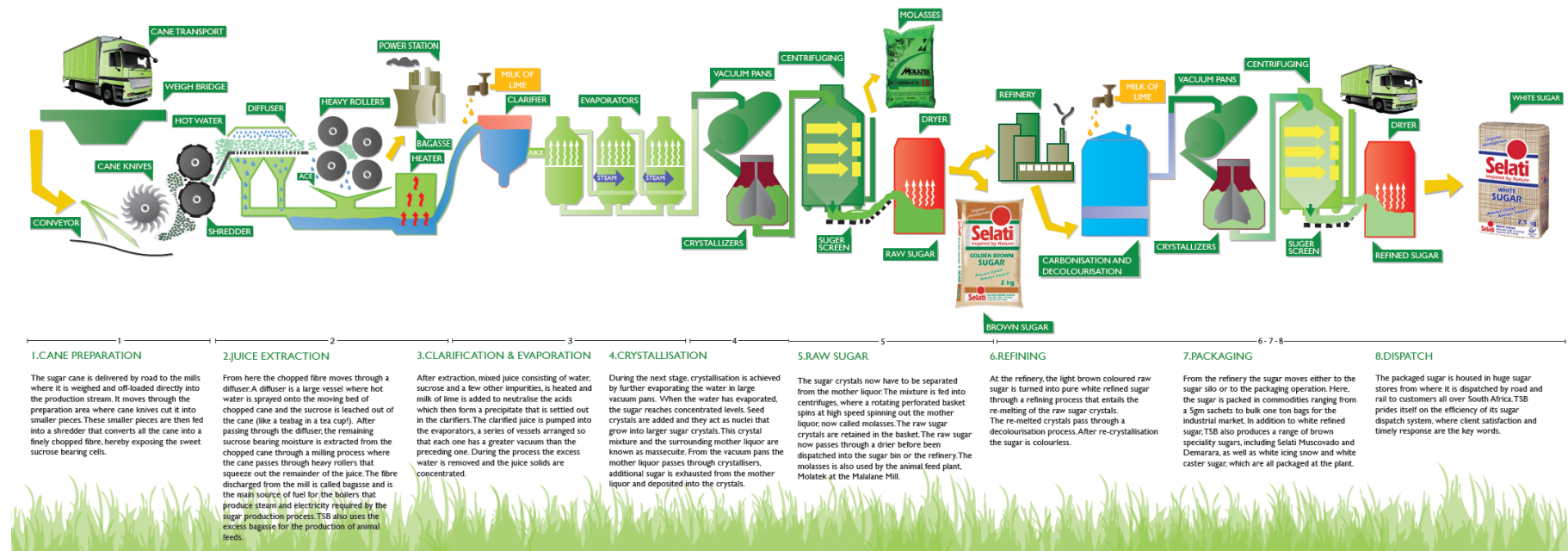


Brands



SUGAR & MILLING: SUGAR

HOW SELATI SUGAR IS MADE

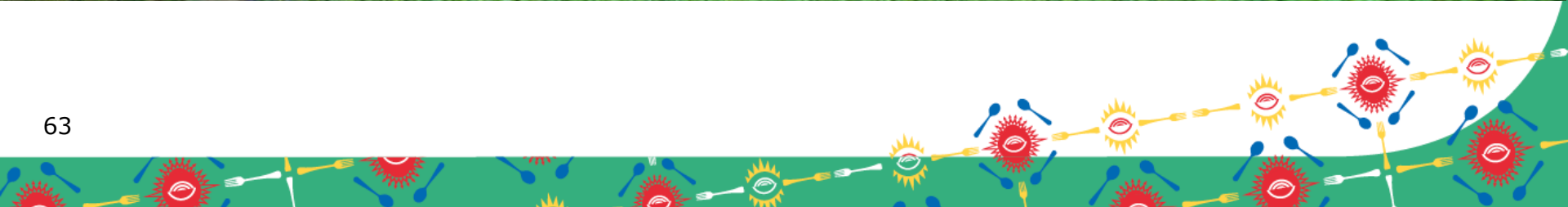


SUGAR & MILLING: SUGAR

Sugar Mills

Mill	Mill	Established	Notes
Nkomazi	Malalane	1968	Nkomazi produces approximately 560 000 tons of sugar per year
	Komati	1993	
Pongola	Pongola	1954	Pongola produces approximately 140 000 tons of sugar per year

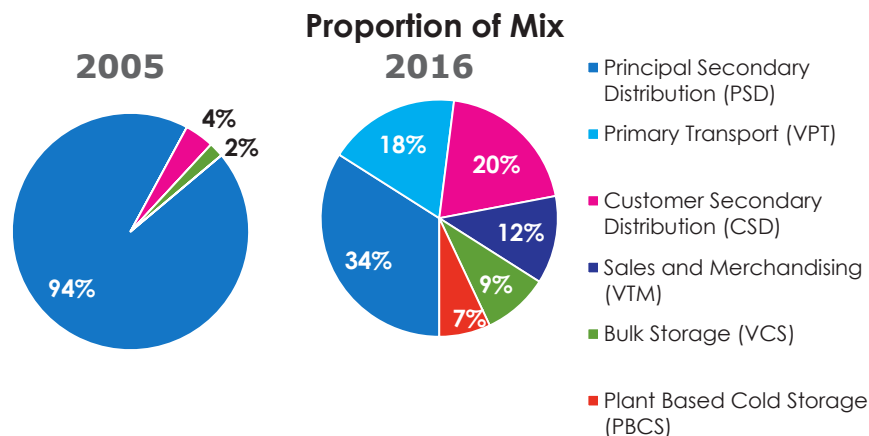
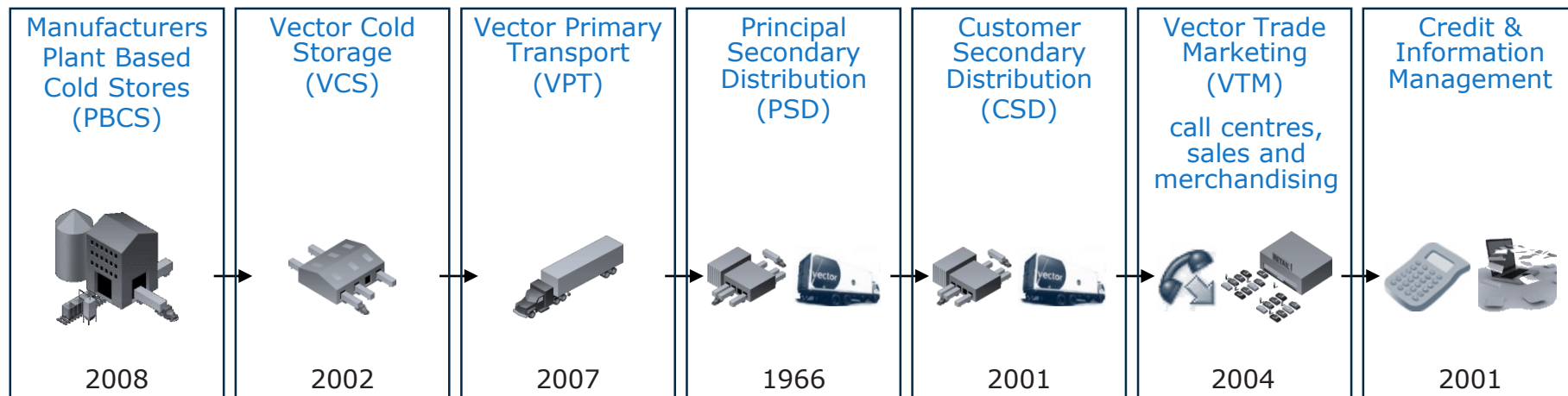
Malalane Mill





OPERATIONAL REVIEW: LOGISTICS

Services



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

Vector manages the entire RCL FOODS Consumer - Chicken Outbound Supply Chain and is expanding into other areas within the group

Vector 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



OPERATIONAL REVIEW: LOGISTICS

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





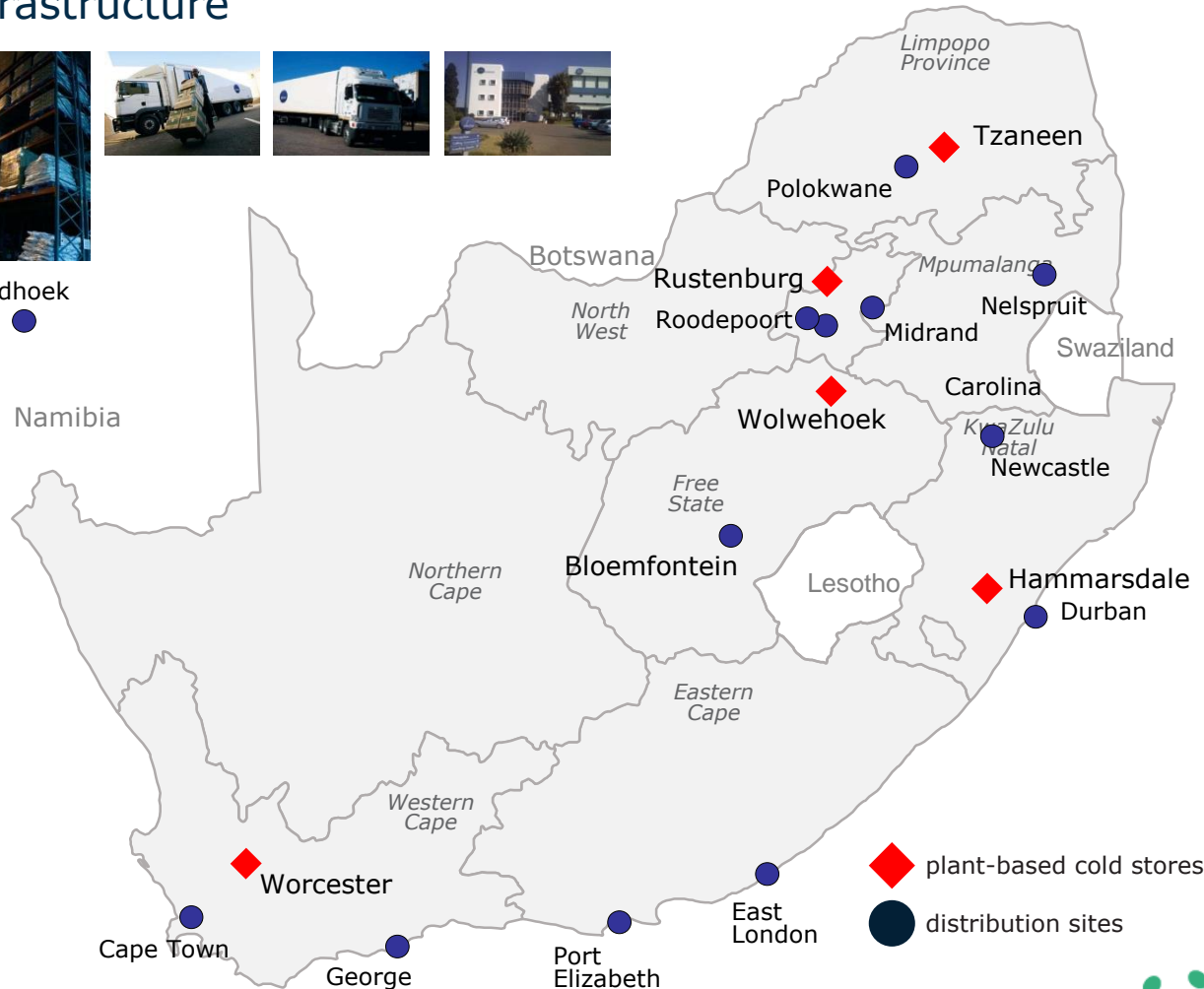
OPERATIONAL REVIEW: LOGISTICS

Infrastructure



Windhoek

Namibia



plant-based cold stores

distribution sites

Vector infrastructure

National footprint including Windhoek

- 5 plant-based cold stores
- 13 distribution sites
- Capacity 109 898 pallets
- Employees 4 676
- Customer Drop Points 7 041
- 233 000 cases delivered daily (60.7m cases pa)
- Tonnage 611 000 tons pa
- Fleet of 400 vehicles (primary 93 / secondary 307)
- ISO 22000 and ISO 22002 accreditation for all Warehouses
- ISO 14001 and OHSAS 18001 across Peninsula, Midrand, Thekwini and Roodepoort