Unaudited group results for the six months ended 31 March 2018

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Disclaimer

Forward-looking statement

This document contains forward looking statements that, unless otherwise indicated, reflect the company's expectations as at 24 May 2018. Actual results may differ materially from the company's expectations if known and unknown risks or uncertainties affect the business, or if estimates or assumptions prove to be inaccurate. The company cannot guarantee that any forward looking statement will materialise and, accordingly, readers are cautioned not to place undue reliance on these forward looking statements. The company disclaims any intention and assumes no obligation to update or revise any forward looking statement even if new information becomes available as a result of future events or for any other reason, save as required to do so by legislation and/or regulation.

Lawrence Mac Dougall –
Chief Executive Officer

Listeria update

No compromise on product & consumer safety

Initial events	Immediate response	Ongoing actions
Department of Health's (DoH) press conference NCC's recall instruction for 3 products No detailed test results	Immediately recalled all product & suspended operations at all sites Extensive investigation to determine source & cause Procured services of leading local & global scientists Opened lines of communication with relevant Government institutions	Destruction of recalled product by incineration – safest method Proactively facilitating a multi-stakeholder forum for a sustainable solution Taking a systematic approach to re-opening facilities

Listeria update

Adhered to all relevant food safety standards

Stringent health & safety standards

- Rigorous monitoring & testing
- At VAMP, fully certified food safety management system, certified by an external independent certification body

Quality standards within industry best practice standards

- SANS 885 guideline allows for <100 CFU's (colony forming units) per gram in finished products
- Regular tests showed we were well within best practice
- These levels do not equate to contamination

Not required nor part of SANS 885 to test specifically for the presence of ST6

ST6 sequence type highlights a need for new industry-wide standards

Listeria update

TIGER BRANDS

Additional quality control measures implemented across VAMP sites

Improved environmental standards facilitated by international food safety specialist with extensive Listeria management experience	Partnering with academia to remain at the forefront of scientific developments and trends	Refresher training on food safety and quality	Engaging Government for standards relevant to South Africa’s unique context

Listeria update

Tiger Brands will do the right thing

Approaching legal issues sensitively & responsibly Application for certification of Classes in progress	Lawyers trying to reach agreement on as many aspects as possible Timing & outcome dependent on discussions Appropriate insurance cover	We will consider and address any valid claims Respond with integrity, honesty & care Resolute in rebuilding trust & addressing reputational consequences

Listeria update

Initiatives towards re-entering the category

Systematic approach to facilities & category re-entry

Extensive deep cleaning underway

- Structural upgrades
- R50 million capex

Enterprise brand’s rehabilitation strategy

- Grounded in deep consumer insight
- Understanding the category as a whole
- Impact on reputation of our brands

Clear guidelines from the DoH awaited

TIGER BRANDS

Results overview

Lawrence Mac Dougall – Chief Executive Officer

First half 2018

Disappointing performance

From continuing operations	Change vs. prior period	H1 2018	H1 2017
Revenue	(4%) ▼	R15.7bn	R16.4bn
Price	(2.7%) ▼		
Volume	(1.6%) ▼		
Gross margin	80bps ▲	33.3%	32.5%
Operating income	(8%) ▼	R2.0bn	R2.2bn
Operating margin	(60bps) ▼	13.0%	13.6%
HEPS (cents)	(16%) ▼	868	1 036

Group operating income from continuing operations before asset impairments, abnormal items & IFRS 2 charges

First half 2018

Specific challenges in HPC, LAF & VAMP significantly impact overall performance

From continuing operations	H1 2018 (A)	Excl. VAMP	Excl. VAMP, LAF & HPC
Revenue	4% ▼	4% ▼	2% ▼
Price	2.7% ▼	3.1% ▼	3.5% ▼
Volume	1.6% ▼	0.9% ▼	1.4% ▲
Gross margin	80bps to 33.3% ▲	100bps to 34.1% ▲	200bps to 34.8% ▲
Operating income	8% ▼	6% ▼	4% ▲
Operating margin	60bps to 13.0% ▼	30bps to 13.8% ▼	90bps to 14.8% ▲
HEPS	16% ▼	1% ▲	12% ▲

Group operating income from continuing operations before asset impairments, abnormal items & IFRS 2 charges

Results reflect a clear topline challenge while cost management continues to progress

Tailwinds

- Most categories reflect return to modest growth
- Improved contribution from associates
- Gross margins maintained
- Progress on cost control & continuous improvement initiatives
- Sustained investment in support of core brands

Headwinds

- Rand strength
  - Negatively impacting exports & associates
  - Providing platform for private label growth in certain categories
- Pace of growth initiatives slower than expected
- Maize deflation
- Competitive environment restricts pricing opportunities

TIGER BRANDS

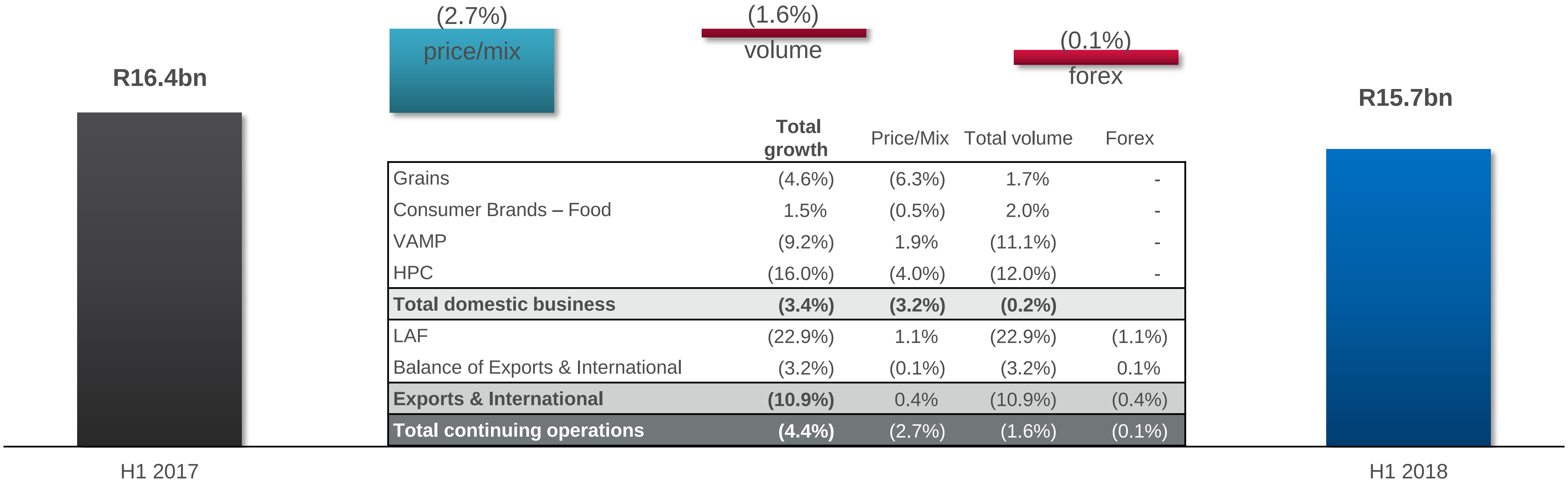
Financial & operational performance

Noel Doyle
Chief Financial Officer

Topline performance erodes benefits of gross margin expansion & sound cost control

Continuing operations – Rm	H1 2018	H2 2017	% change
Revenue	**15 685**	16 394	(4%)
Cost of sales	**(10 468)**	(11 067)	5%
Gross profit	**5 217**	5 327	(2%)
Gross profit margin	**33.3%**	32.5%	
Sales and distribution expenses	**(1 905)**	(1 840)	(4%)
Marketing expenses	**(502)**	(471)	(7%)
Other operating expenses	**(769)**	(793)	3%
Operating income before IFRS 2 charges	**2 041**	2 223	(8%)
IFRS 2 charges	**(43)**	(54)	20%
Operating income before impairments and abnormal items	**1 998**	2 169	(8%)
Operating margin before IFRS 2 charges	**13.0%**	13.6%	

Revenue declines 4% significantly impacted by Grains & poor pest season



	Total growth	Price/Mix	Total volume	Forex
Grains	(4.6%)	(6.3%)	1.7%	-
Consumer Brands – Food	1.5%	(0.5%)	2.0%	-
VAMP	(9.2%)	1.9%	(11.1%)	-
HPC	(16.0%)	(4.0%)	(12.0%)	-
Total domestic business	**(3.4%)**	**(3.2%)**	**(0.2%)**	
LAF	(22.9%)	1.1%	(22.9%)	(1.1%)
Balance of Exports & International	(3.2%)	(0.1%)	(3.2%)	0.1%
Exports & International	**(10.9%)**	0.4%	(10.9%)	(0.4%)
Total continuing operations	**(4.4%)**	(2.7%)	(1.6%)	(0.1%)

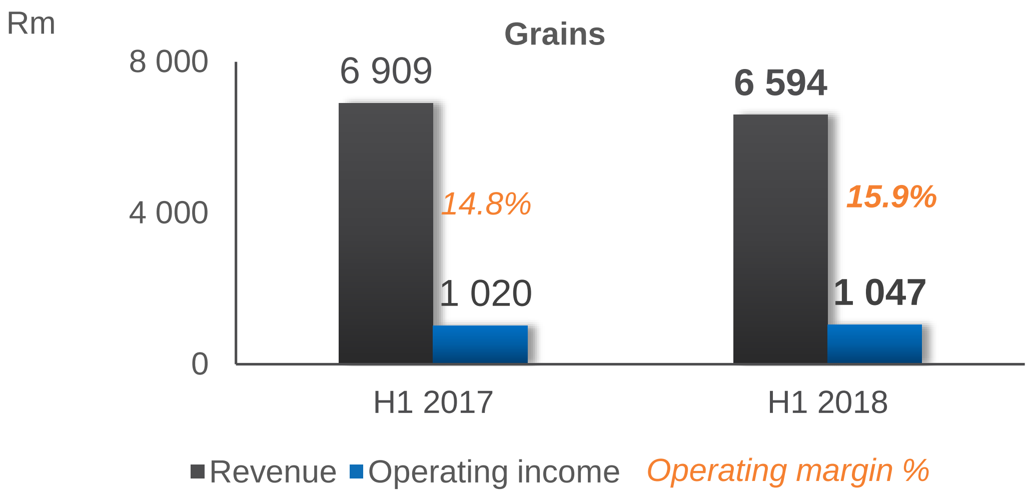
Core businesses deliver steady performance

	Grains	Consumer Brands Food+ (excl. VAMP)	Exports & International (excl. LAF)	VAMP	HPC	LAF	Group*
Volume	1.7% ▲	2.0% ▲	3.2% ▼	11.1% ▼	12.0% ▼	22.9% ▼	1.6% ▼
Revenue	R6.6bn 5% ▼	R5.3bn 2% ▲	R1.4bn 4% ▼	R1.0bn 9% ▼	R0.8bn 16% ▼	R0.6bn 23% ▼	R15.7bn 4% ▼
Operating income*	R1.0bn 3% ▲	R0.8bn 7% ▲	R157m 4% ▼	R13m 78% ▼	R133m 46% ▼	(R72m) 337% ▼	R2.0bn 8% ▼
Operating margin*	15.9% 1.1% ▲	14.3% 0.6% ▲	11.2% -	1.3% 4.0% ▼	16.0% 9.0% ▼	(11.2%) 14.8% ▼	13.0% 0.6% ▼

+ Including Baby care * Group operating income from continuing operations before asset impairments, abnormal items & IFRS 2 charges

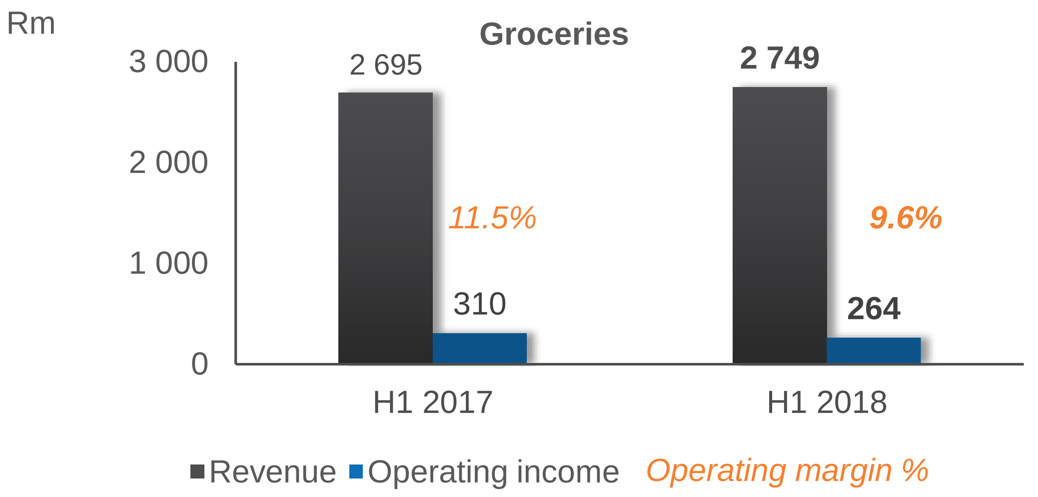
Grains – satisfactory performance in deflationary environment

- Market shares remain robust
- Milling & baking reflects positive operating performance in sorghum & maize
  - Wheat-to-bread value chain reflects steady performance in the face of aggressive price-led competition
  - Sorghum benefits from lower raw material costs
- Other Grains deliver strong volume growth of 10%
  - Rice reflects positive share growth in line with strategy to re-invest procurement savings



Consumer Brands – Groceries

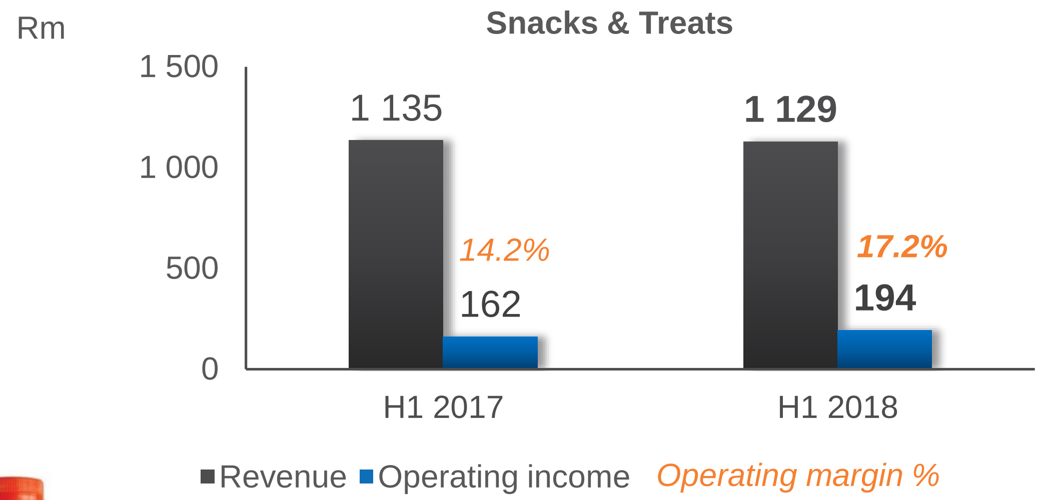
- Volumes increase 2%
- EBIT impacted by constrained pricing & adverse mix
- Key focus for FY18
  - Improve mix
    - Maintain momentum in informal trade
  - Focus on price/volume balance to preserve margins & drive share growth
  - Drive consumption through visibility, point of sale activation & innovation



Consumer Brands – Snacks, Treats & Beverages

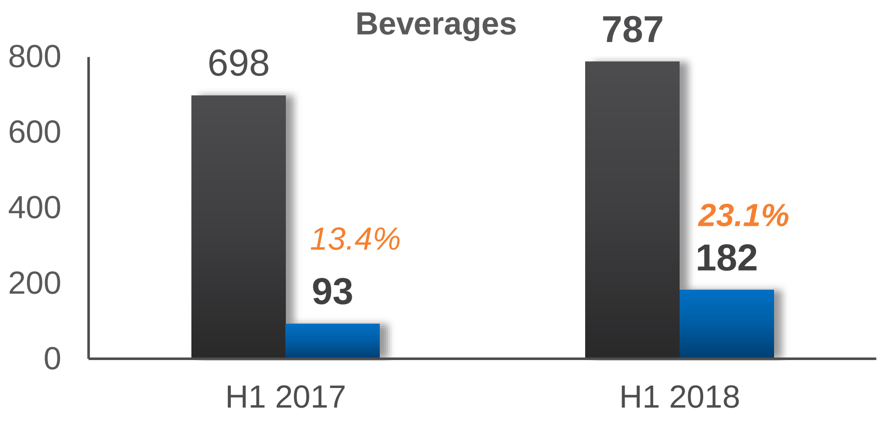
Snacks & Treats– strong performance

- Revenue flat
- EBIT up 20% to R194m
- Driven by factory efficiencies & aggressive cost control
- Heavenly aerated chocolate innovation
  - Gaining traction
  - Steady value share growth
- H2 focus on innovation & growth



Beverages delivers a strong recovery

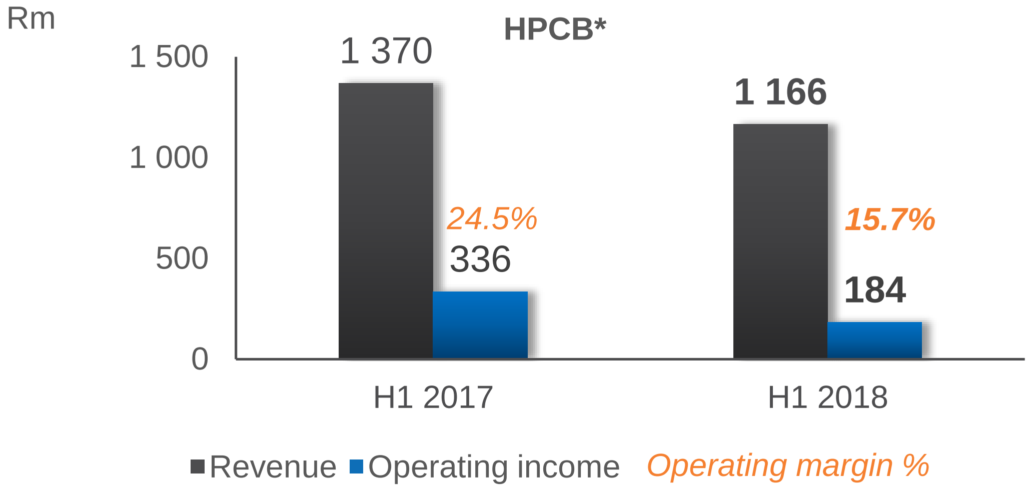
- Volume growth of 13%
- Driven by Oros share gains
- Operating income improves on successful implementation of cost initiatives



Home, Personal & Baby Care (HPCB)*

Impacted by Home & Personal Care performance

- Home Care
  - Poor pest season resulted in significant market decline
  - Brand strength evident in market share growth
- Personal Care
  - Good volume & share growth
  - EBIT impacted by challenging pricing dynamics due to increasing competitiveness
  - H2 focus on Ingram’s winter campaign & Status relaunch
- Baby Care
  - Continued pouch volume growth offset by pressure in jarred baby food volumes
  - H2 drivers of growth
    - New pouch capex coming on stream
    - Supports pouch innovation
    - Re-launch of cereals

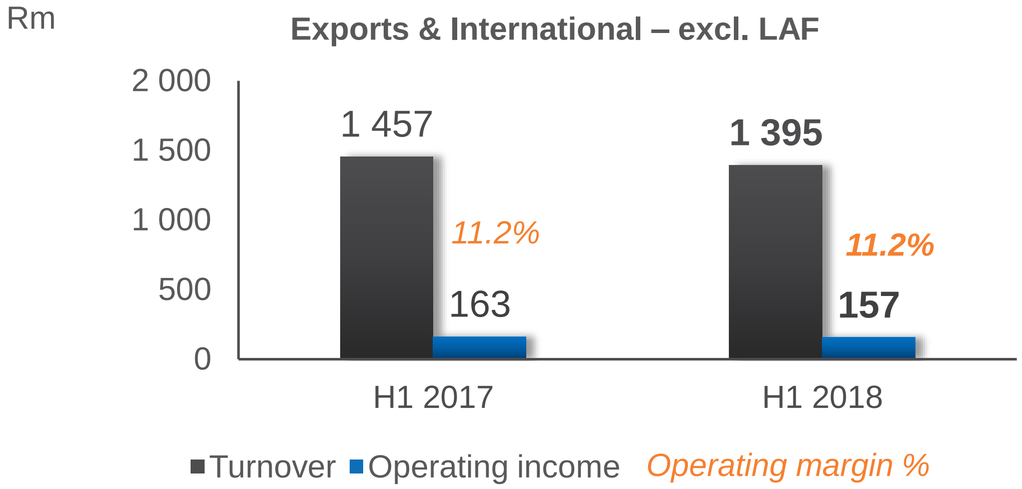


* Excludes stationery

Exports & International (excl. LAF)

Exports stabilise while Chococam delivers another consistent performance

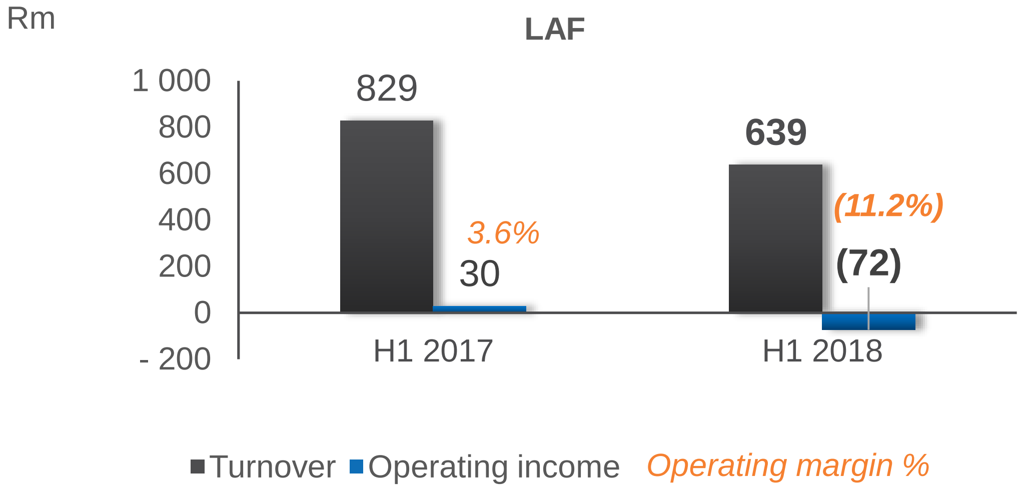
- Exports stabilised with strong volume performance from Davita
- Chococam – consistent performer
  - Operating income up 15% (11% in local currency)
  - Driven by tight cost management & higher volumes
- Deli Foods
  - Nigeria remains a challenging market to do business



Exports & International – LAF

Major contributor to underperformance

- Adversely affected by muted demand & global competitive pricing pressure
- Drought impacted fruit availability & quality for current season
- Lower volumes resulted in significant factory under-recoveries



EBIT performance deleverages significantly at HEPS level

Recall costs offset lower finance costs & improved associate performance

Continuing operations – Rm	H1 2018	H2 2017	% change
Operating income before impairments and abnormal items	**1 998**	2 169	-8%
Impairments	**(30)**	-	-
Abnormal items	**(363)**	23	-
Operating income after impairments and abnormal items	**1 606**	2 192	(27%)
Net finance costs	**(27)**	(108)	75%
Net foreign exchange losses	**(18)**	(10)	(80%)
Income from associated companies	**341**	239	43%
Profit before taxation	**1 902**	2 312	(18%)
Taxation	**(492)**	(614)	20%
Profit for the period from continuing operations	**1 410**	1 698	(17%)
Profit for the period from discontinued operations	**14**	(1)	-
Profit for the period	**1 424**	1 697	(16%)
Headline earnings per share (cents)	**870**	1 036	(16%)
– Continuing operations	**868**	1 036	(16%)
– Discontinued operations	**2**	-	-
Headline earning per share excl. VAMP (cents)	**1 023**	1 009	1%

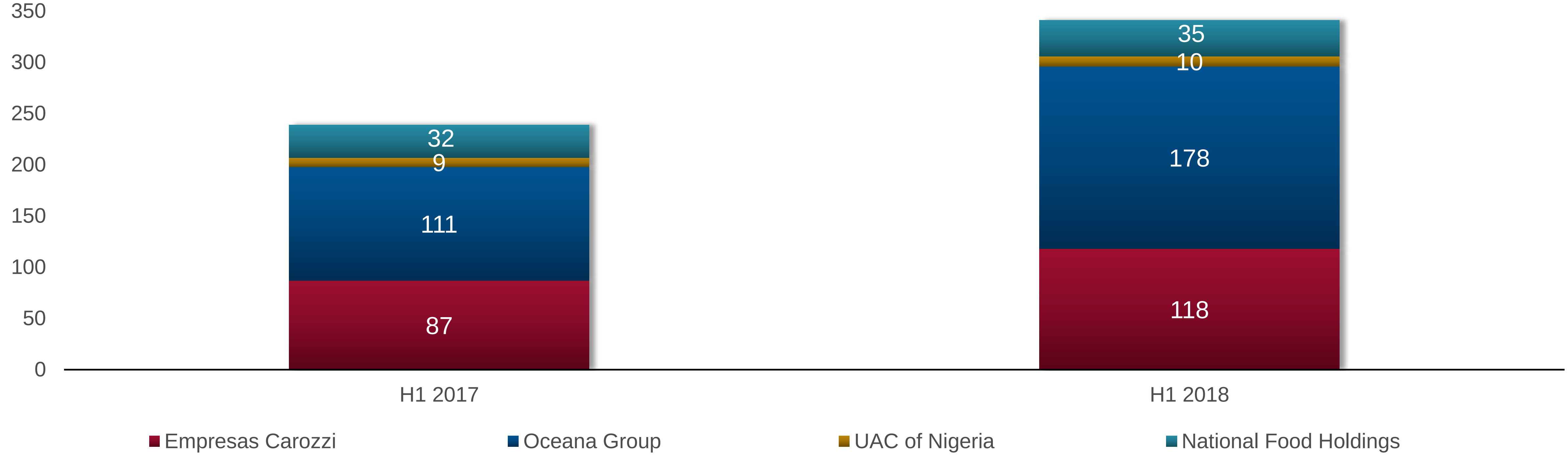
Abnormal items

Rm	H1 2018	H1 2017
Costs associated with VAMP product recall	**(415)**	-
Initial insurance claim	**50**	86
Profit on disposal of property	**2**	-
Proceeds from warranty claim settlement	**-**	28
Once-off consulting fees	**-**	(91)
	(363)	23

Income from associates driven primarily by Carozzi & Oceana

Oceana benefits from US tax rate adjustment

	H1 2017	H1 2018
Total income from associates (Rm)	**239**	**341**
Y-Y growth (%)	(36%)	43%



Cash from operations affected by net increase in working capital

Working capital reflects strategic raw material procurement decisions

Rm	**H1 2018**	H1 2017
Cash operating profit	**2 366**	**2 631**
Working capital changes	**(894)**	475
Cash generated from operations	**1 472**	**3 107**
Capital expenditure	**(297)**	(383)
Net debt	**(165)**	(1 143)
Interim dividend (cents)	**378**	378

- Debtors impacted by payments post weekend close & Enterprise suspension
- Stocks in Grains higher due to strategic procurement in certain categories
- Improved performance expected at year-end

Strength of balance sheet continues to provide agility

	H1 2018	H1 2017
Cash generated from operations (Rm)	**1 472**	3 107
Net debt (Rm)	**(165)**	(1 143)
Net debt / equity (%)	**1**	7
Net debt / EBITDA*	**-**	0.2x
RONA (%)	**37**	35
Net interest cover*	**44x**	16x
Working capital per R1 of turnover (cents)	**21.3**	20.3

* Based on 12 month rolling EBITDA & interest charge

Outlook and conclusion

Lawrence Mac Dougall

Strategic objective of sustainable growth maintained

Developing a strategy for sustainable profitable growth

Portfolio growth & strategy

Cost & investment strategy

Operating model & organisational design

- Rejuvenate domestic operations to profitable growth
- International strategy accretive to domestic performance
- Build a capable & cost conscious culture with the capacity to grow
- Winning through a high performance culture

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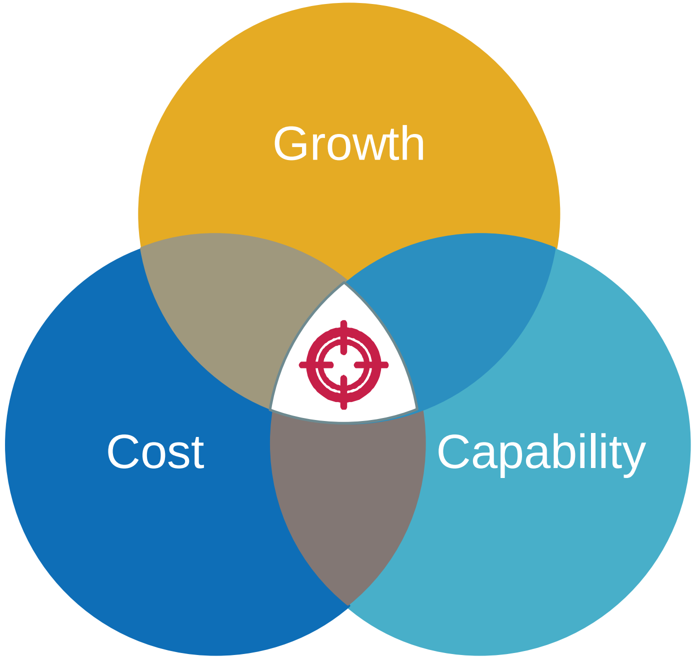

Improved SA outlook & rising oil prices drive positive sentiment

Achieve our true potential

Growth	Capability
○ Growth in the core driven by strong commercial plans • Supported by innovation & increased point of buying activity	○ New executives appointed to Strategy & Human Capital
○ New brand ATL campaigns to drive consumption & brand strength (incl. digital)	○ Enhanced sales & distribution capability
○ African growth accelerated by market recovery & new distributor model	○ New digital marketing & pricing directors
○ New capability to support in-depth consumer & shopper insight	○ R&D function established & fully resourced
○ Focus on fewer, bigger, better, faster	○ Increased investment in information systems & IT capability

Achieve our true potential

Cost	Other focus areas
○ ZBB is delivering benefits & driving cost conscious culture	○ Resolve Enterprise crisis & relaunch offerings
○ Integrated supply chain implemented • Driving a continuous improvement mindset	○ Increased focus on food safety
○ Expanded central procurement scope delivering benefits	○ Vigilant for opportunistic M&A

Q&A

Additional information

	H1 2018	H1 2017
Net working capital days*		
Working capital per R1 of turnover	**21.3**	20.3
Net working capital days	**88.6**	90.2
Stock days	**79.0**	81.6
Debtor days	**46.8**	42.0
Creditor days	**37.2**	33.4
Effective tax rate (before abnormal items & associate income)	**30.5%**	29.7%

*From continuing operations