

Agenda

Key Features

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Operating Environment

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Financial Review

Leon Cronjé

Operational Review

Sasko

Tertius Carstens

Other Businesses

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Key Strategies and Focus Areas

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Prospects

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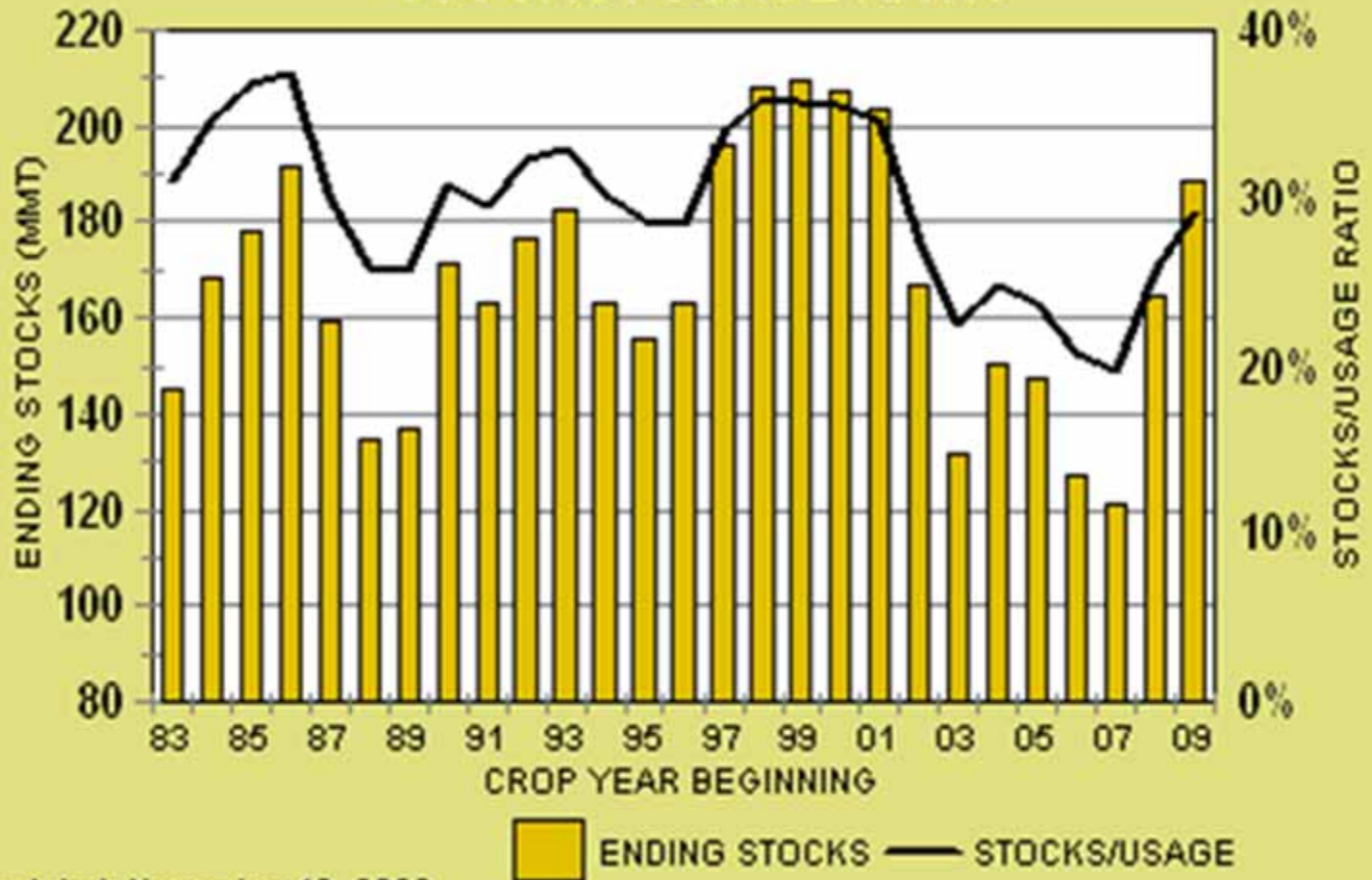
Key Features

- *Revenue up 9% to R16.3 billion*
- *Operating profit before items of a capital nature up 34% to R1.2 billion*
- *HEPS increased by 22% to 355 cents per share*
- *R357 million working capital unlocked*
- *Debt to equity ratio 14% at year-end (2008: 34%)*
- *Return on average net assets improved to 19.8% (2008: 15.4%)*
- *Final dividend up 35% to 89c per share*
- *Total dividend up 34% to R252m (125 cents per share)*

Operating Environment

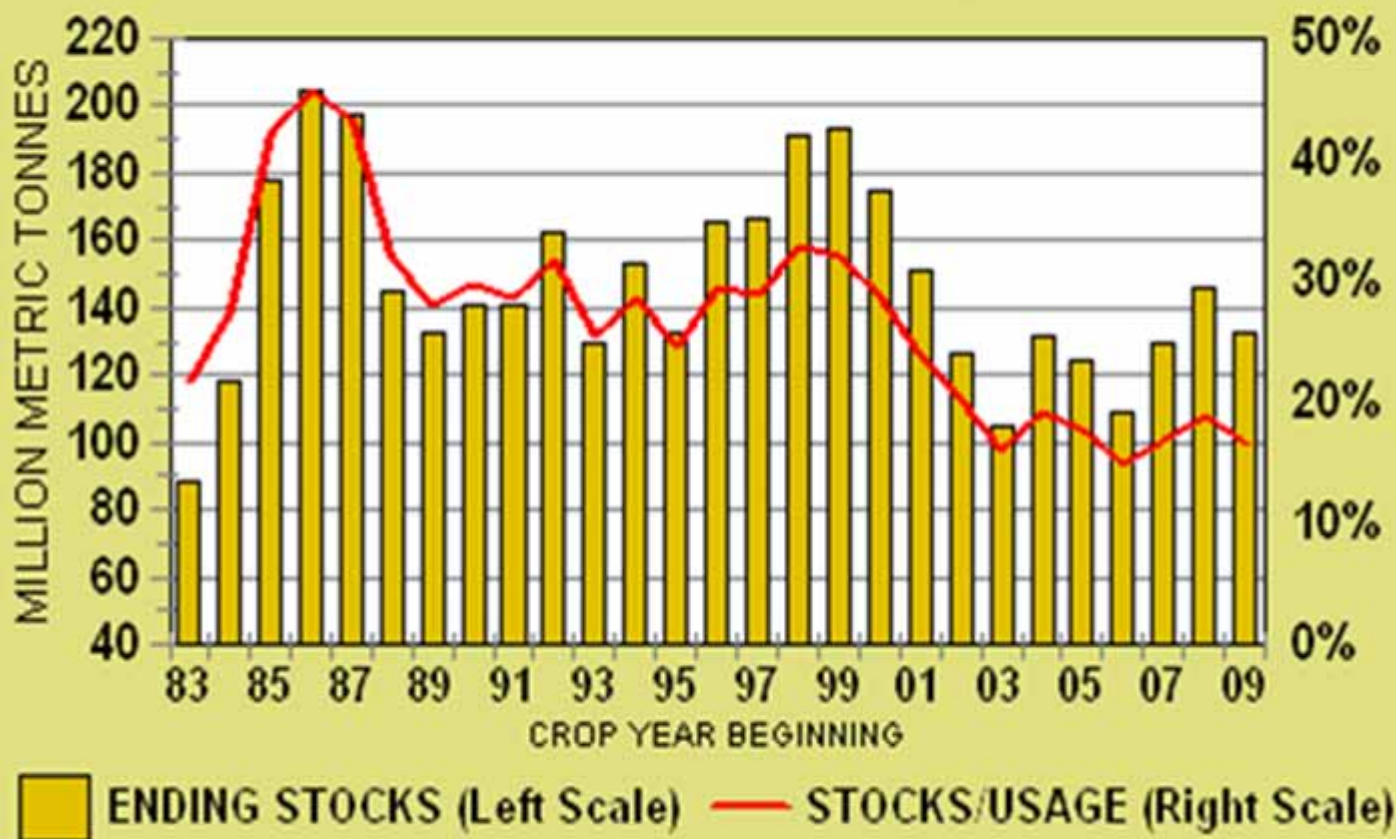
- **Lower agricultural commodity prices**
- **Selling price deflation – price vs volume**
- **Deflation causing trade destocking**
- **Upward cost pressures persist in key areas**
- **Staple brands more defensive as consumers buy down**

WORLD WHEAT ENDING STOCKS vs STOCKS / USAGE RATIO



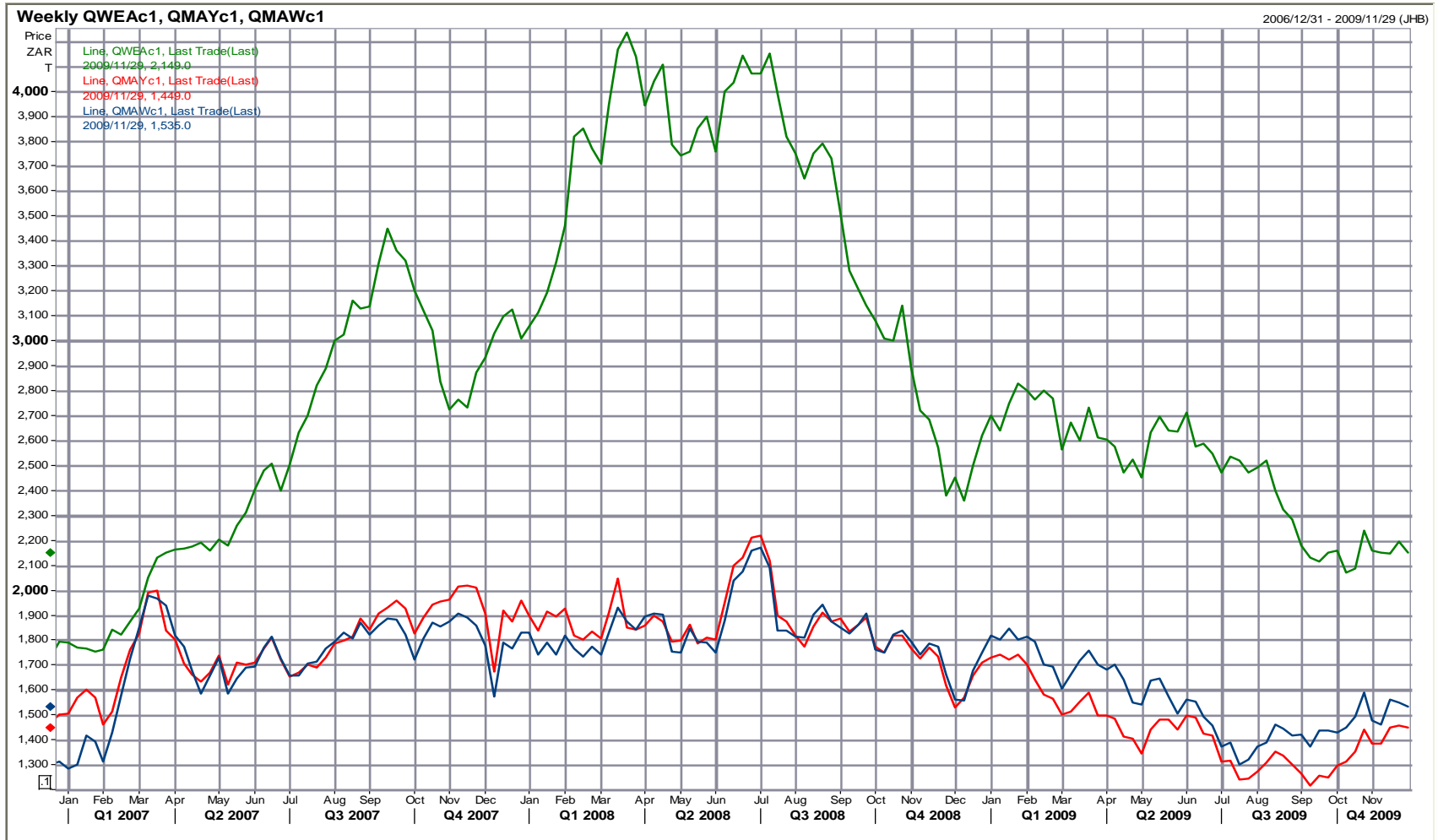
Updated: November 10, 2009

WORLD CORN ENDING STOCKS vs STOCKS / USAGE



Updated: November 10, 2009

Raw materials





Financial Review

Leon Cronjé

Segment composition

SASKO

- Wheat and maize products
- Bread
- Rice
- Pasta
- Bowman Ingredients
- Botswana, Namibia, Zambia and Uganda

AGRI BUSINESS

- Broilers
- Eggs
- Animal feed

BOKOMO FOODS

- Breakfast cereals
- Dried fruit products
- Spreads
- Baking aids
- Bokomo UK
- Heinz Foods SA

CERES BEVERAGES

- Fruit juices
- Fruit concentrate mixtures
- Carbonated soft drinks

Segment Analysis

Revenue (Rm)	09	08	
Group	16 284	14 884	+9%
Sasko	8 877	8 143	+9%
Agri Business	2 599	2 493	+4%
Bokomo Foods	2 625	2 539	+3%
Ceres Beverages	2 410	2 083	+16%
Inter Segment	(227)	(374)	

Segment Analysis

Ebitda (Rm)	09	08	
Group	1 429	1 117	+28%
Sasko	1 038	727	+43%
Agri Business	102	23	+343%
Bokomo Foods	249	286	-13%
Ceres Beverages	153	129	+19%
Unallocated	(113)	(48)	

Segment Analysis

Operating profit (Rm)	09	08	
Group	1 160	865	+34%
Sasko	926	622	+49%
Agri Business	80	4	+!!!%
Bokomo Foods	195	239	-18%
Ceres Beverages	99	78	+27%
Unallocated	(140)	(78)	

Segment Analysis

Operating profit margin (%)	09	08
Group	7.1	5.8
Sasko	10.4	7.6
Agri Business	3.1	0.1
Bokomo Foods	7.4	9.4
Ceres Beverages	4.1	3.7

2009 : “A tale of 2 halves”

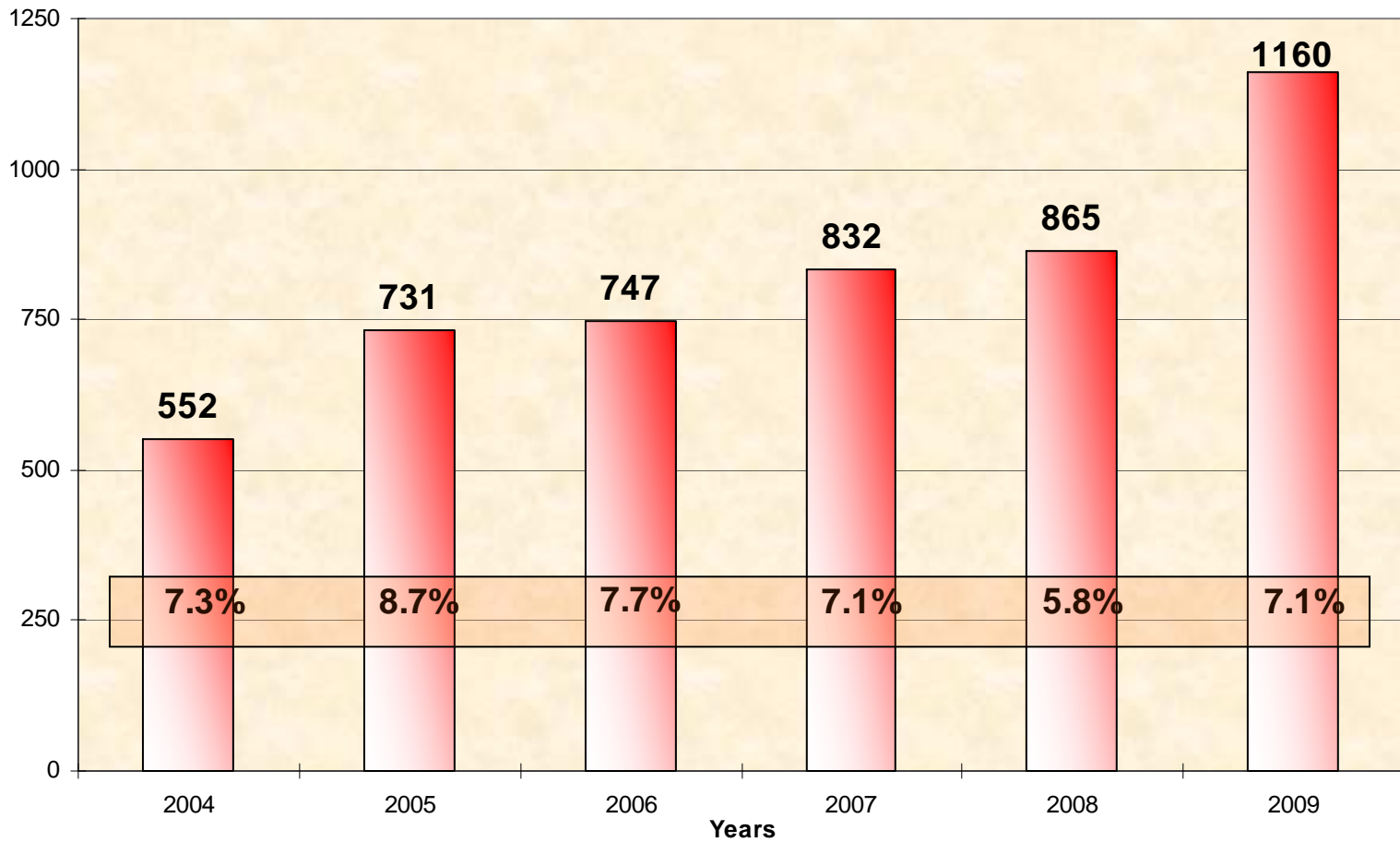
Months	12		1 ⁶		2 ⁶
Revenue (R'b)	16.3	+9%	8.4	+20%	7.9 0%
Gross profit margin (%)	27.9		26.1		29.9
Operating profit (R'm)	1 160	+34%	549	+39%	611 +30%
Operating profit margin (%)	7.1		6.6		7.7

Segment Analysis

Return on average net assets (%)	09	08
Group	19.8	15.4
Sasko	32.9	23.1
Agri Business	15.4	0.8
Bokomo Foods	13.8	16.0
Ceres Beverages	9.8	8.3

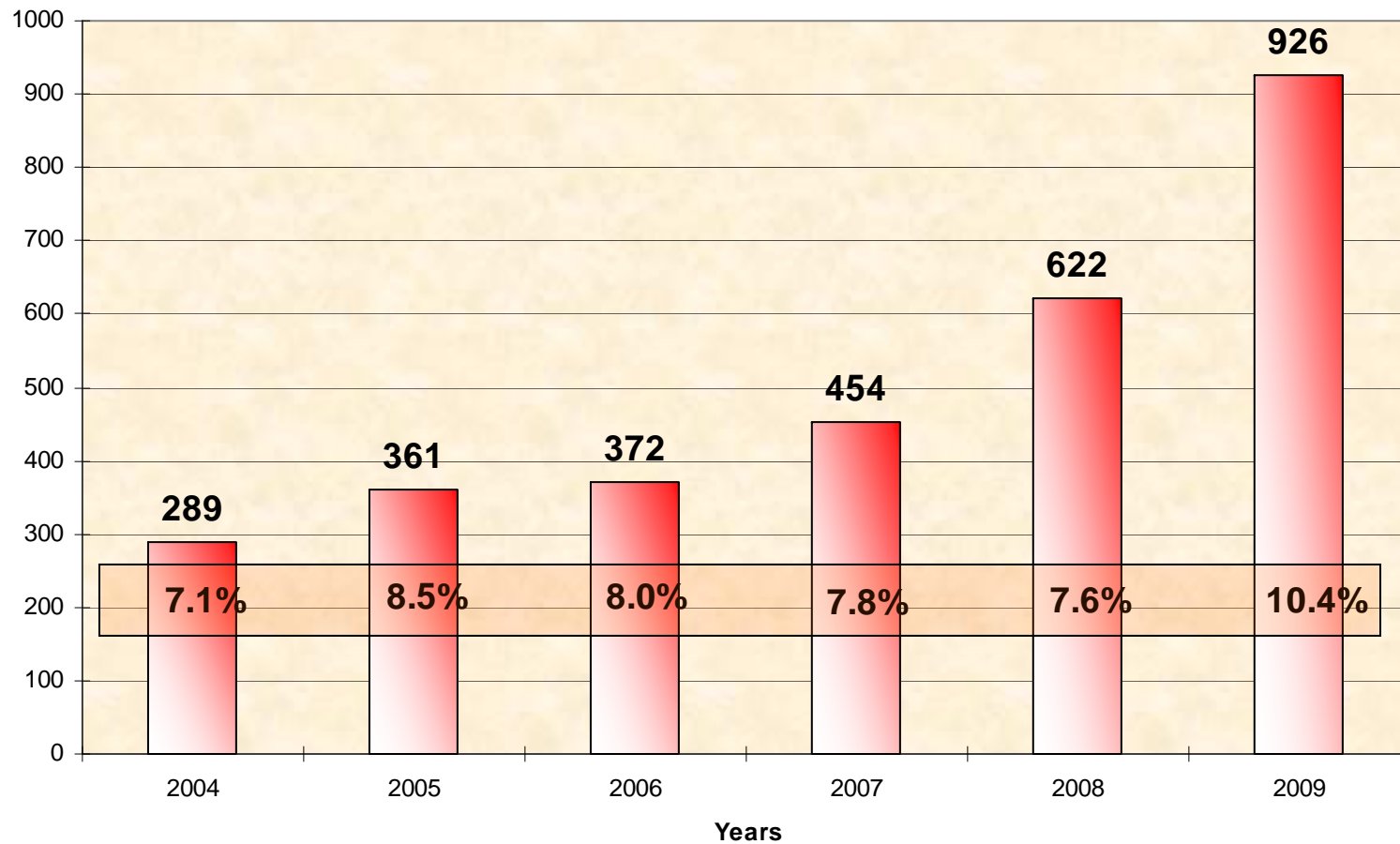
R'm

Group - Operating profit (R'm) and Margin %



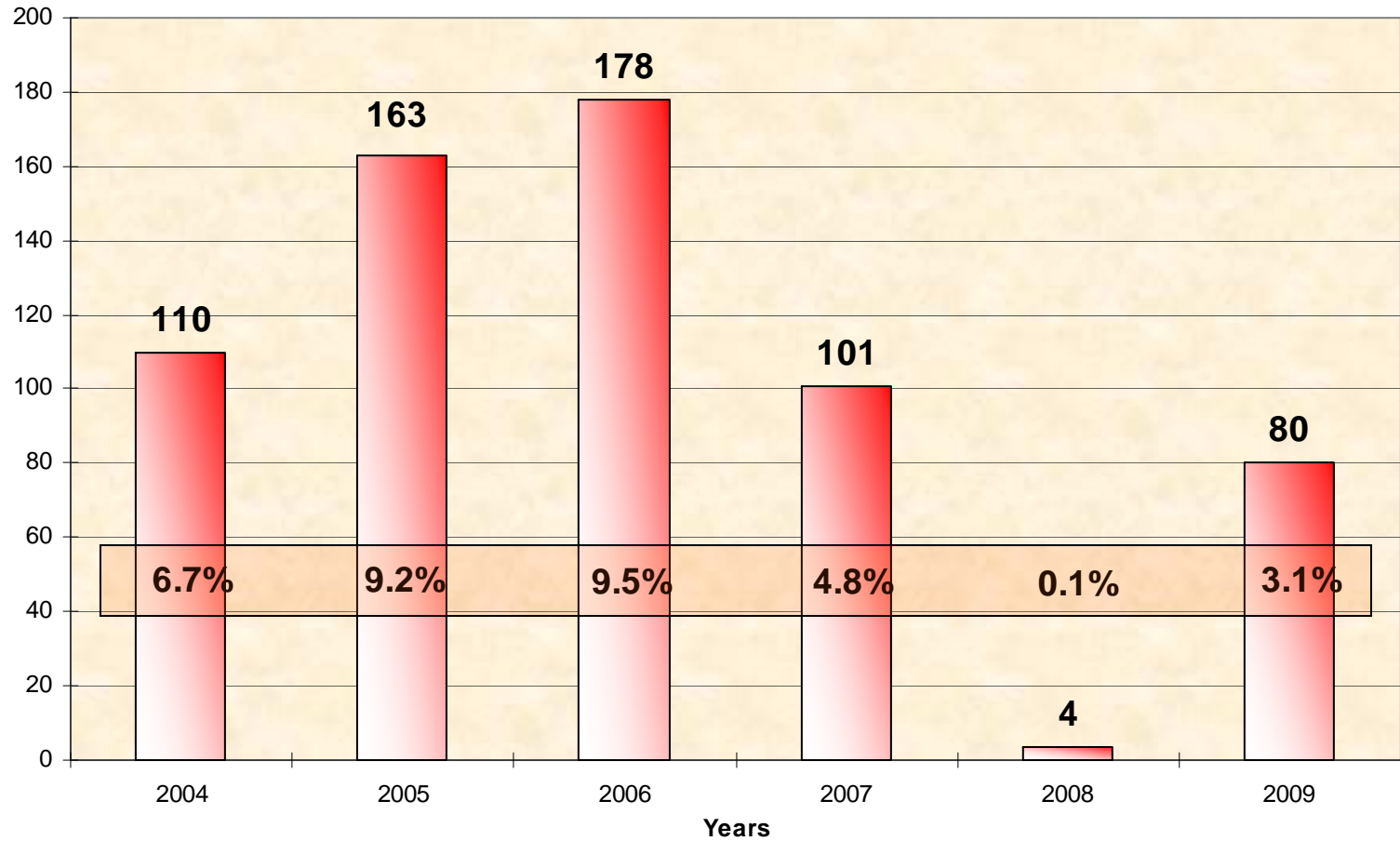
Sasko - Operating profit (R'm) and Margin %

R'm



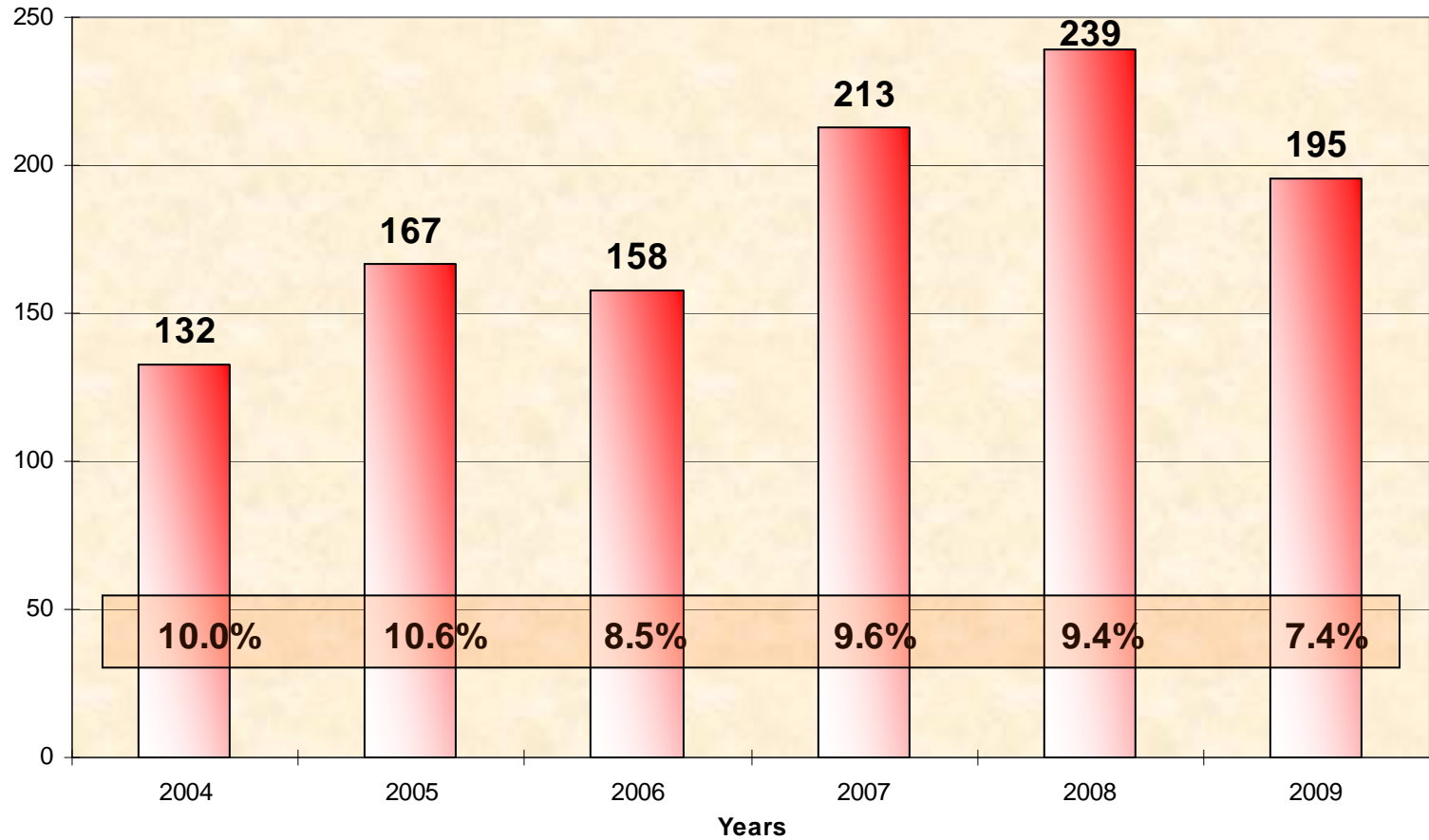
R'm

Agri Business - Operating profit (R'm) and Margin %



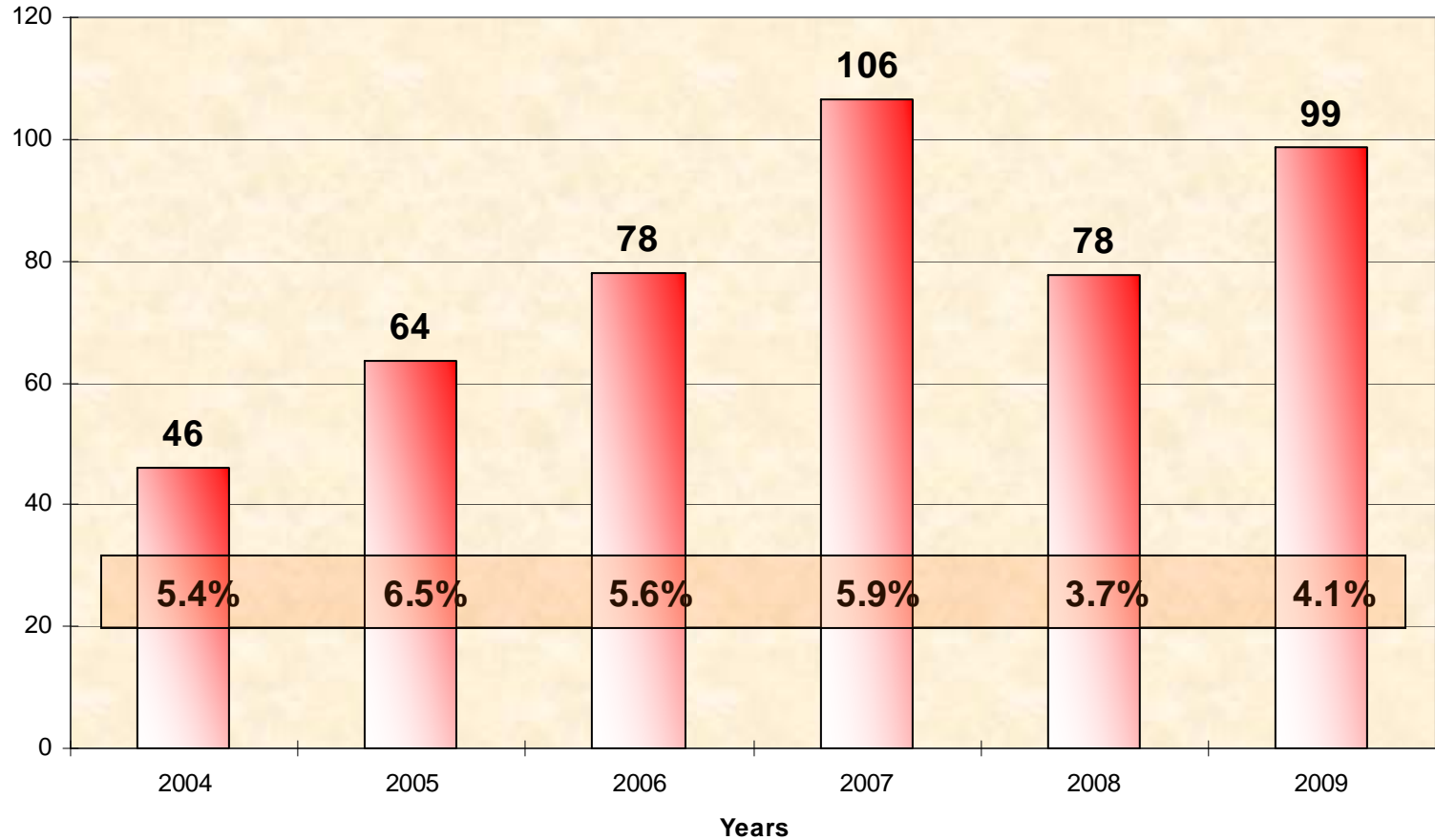
Bokomo Foods - Operating profit (R'm) and Margin %

R'm



Ceres Beverages - Operating profit and Margin % {2004 pro-forma}

R'm



Group Income Statement (summary)

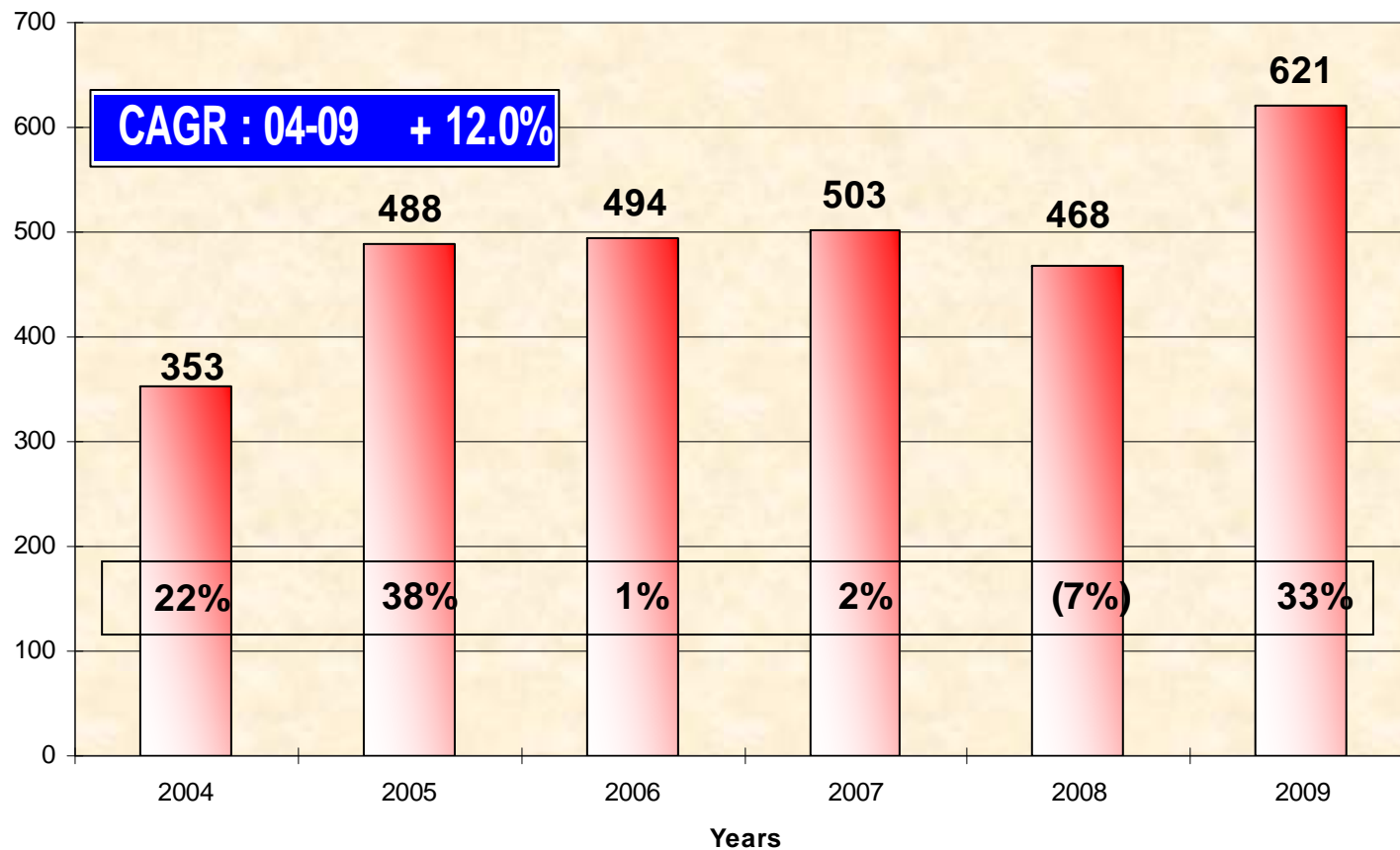
Rm	09	08	
Revenue	16 284	14 884	
Operating profit	1 160	865	
Items of a capital nature	(68)	(19)	
Net operating profit	1 092	846	
Net finance costs	198	220	
Income tax expense	335	174	
Headline earnings	621	468	+33%
Earnings	561	452	+24%
HEPS (cents)	355	292	+22%
EPS (cents)	321	282	+14%

Effective tax rate – abnormal charges

	Effective rate
Effective tax rate	<u>37.4%</u>
Deferred tax asset derecognised (R34 m tax)	3.8%
Share based payments (R46 m pre-tax)	1.5%
Asset impairments (R45 m pre-tax)	<u>1.4%</u>
“Adjusted” tax rate	<u>30.7%</u>

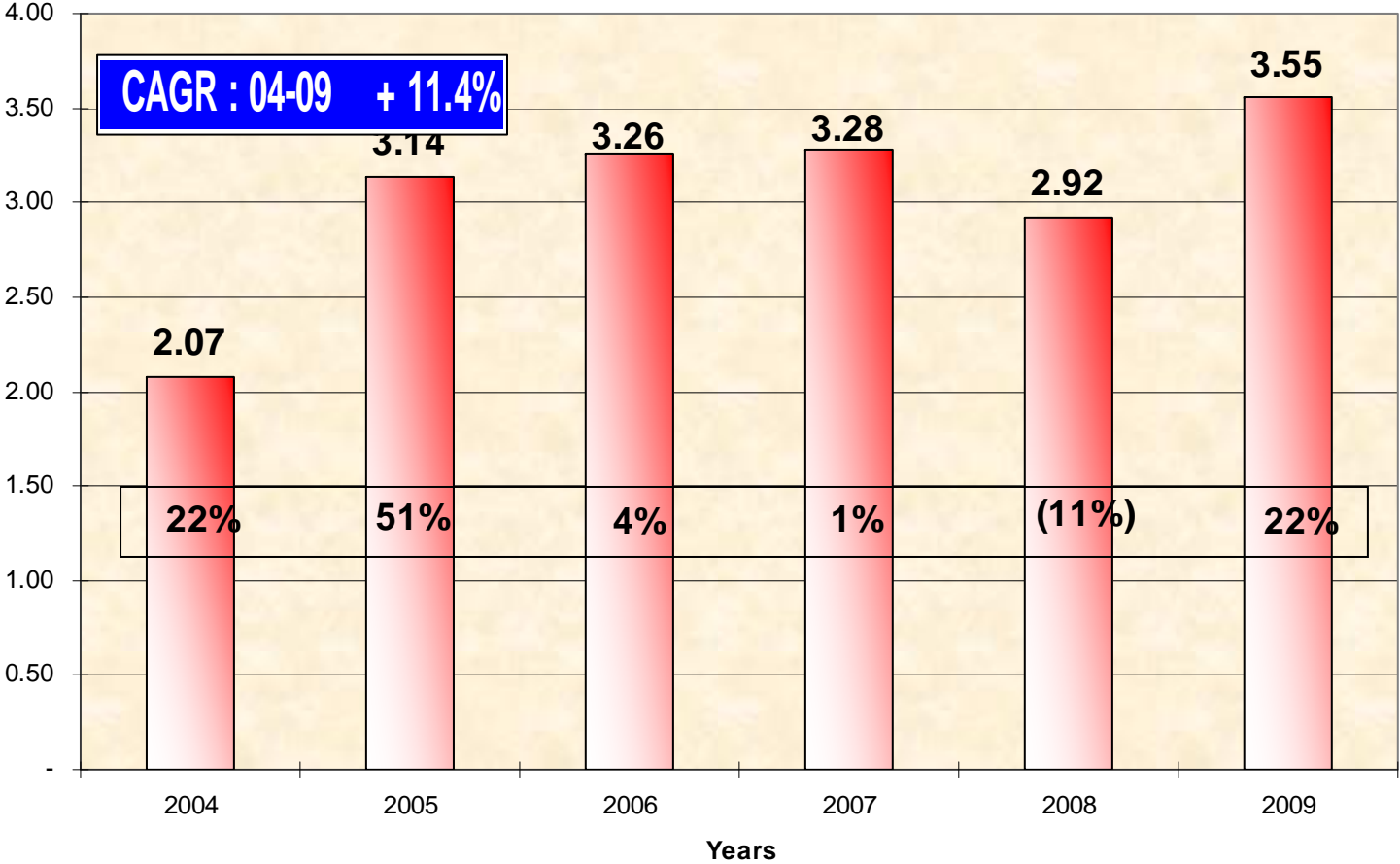
Group Headline earnings after tax (R'm) and growth (%)

R'm



Group Headline Earnings per share and growth (%)

Rand



Cash Flow Analysis

Rm	09	08	
Cash profit from operations	1 510	1 142	
Change in working capital	356	(511)	
Inventory	235	(560)	
Debtors	149	(189)	
Creditors	(1)	271	
Other	(27)	(33)	
Cash effect from commodity hedging	22	(141)	
Cash generated by operations	1 888	490	+1 398

Cash Flow Analysis

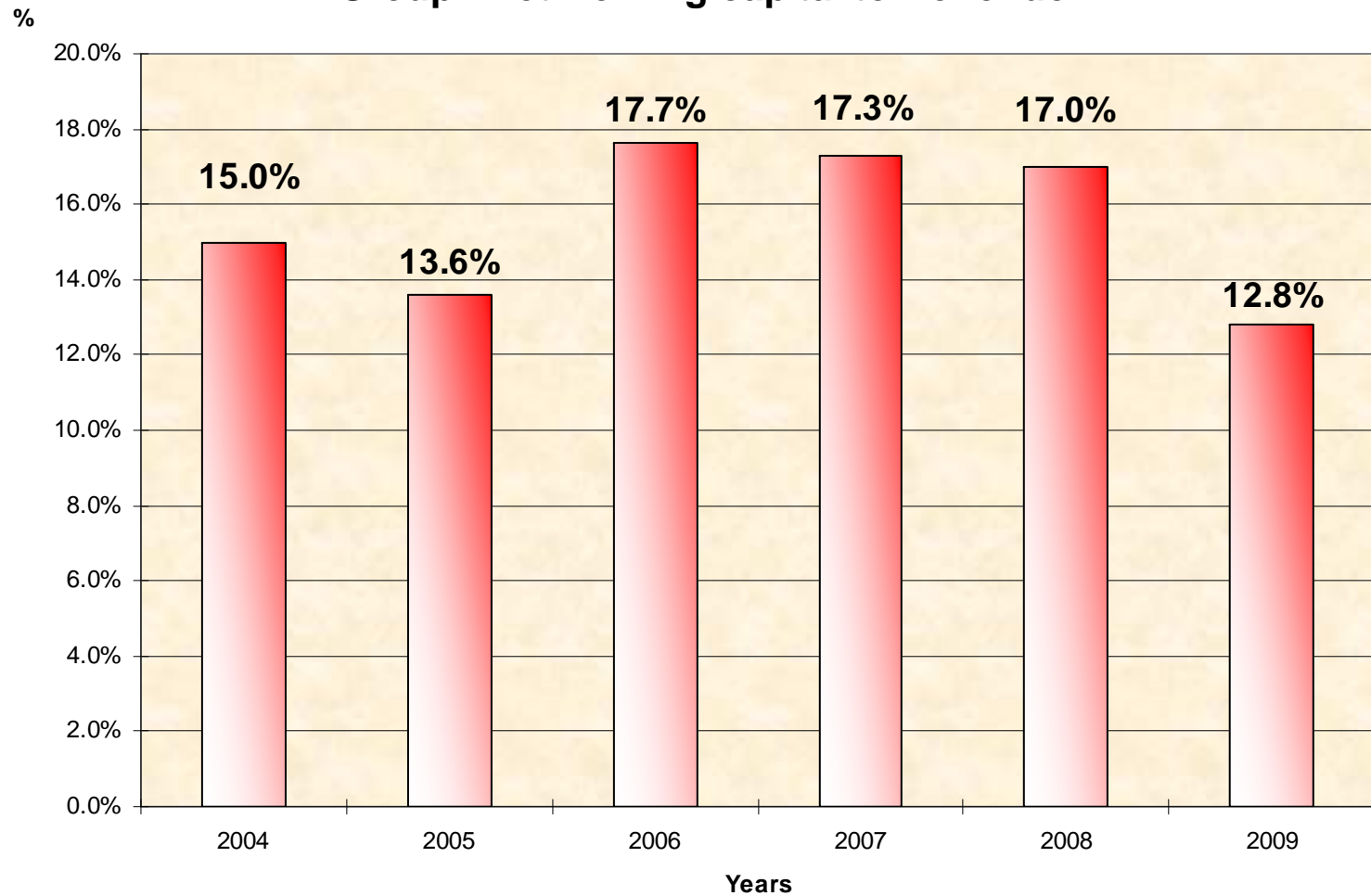
Rm	09	08
Cash flow from operating activities	1 654	312
Cash flow from investment activities	(465)	(649)
Sasko	(88)	(242)
Agri Business	(75)	(65)
Bokomo Foods	(159)	(143)
Ceres Beverages	(128)	(165)
Other	(15)	(34)
Net Cash surplus/(deficit)	1 189	(337)
Net cash flow from financing activities	(517)	1 141

Capital Expenditure (Rm)

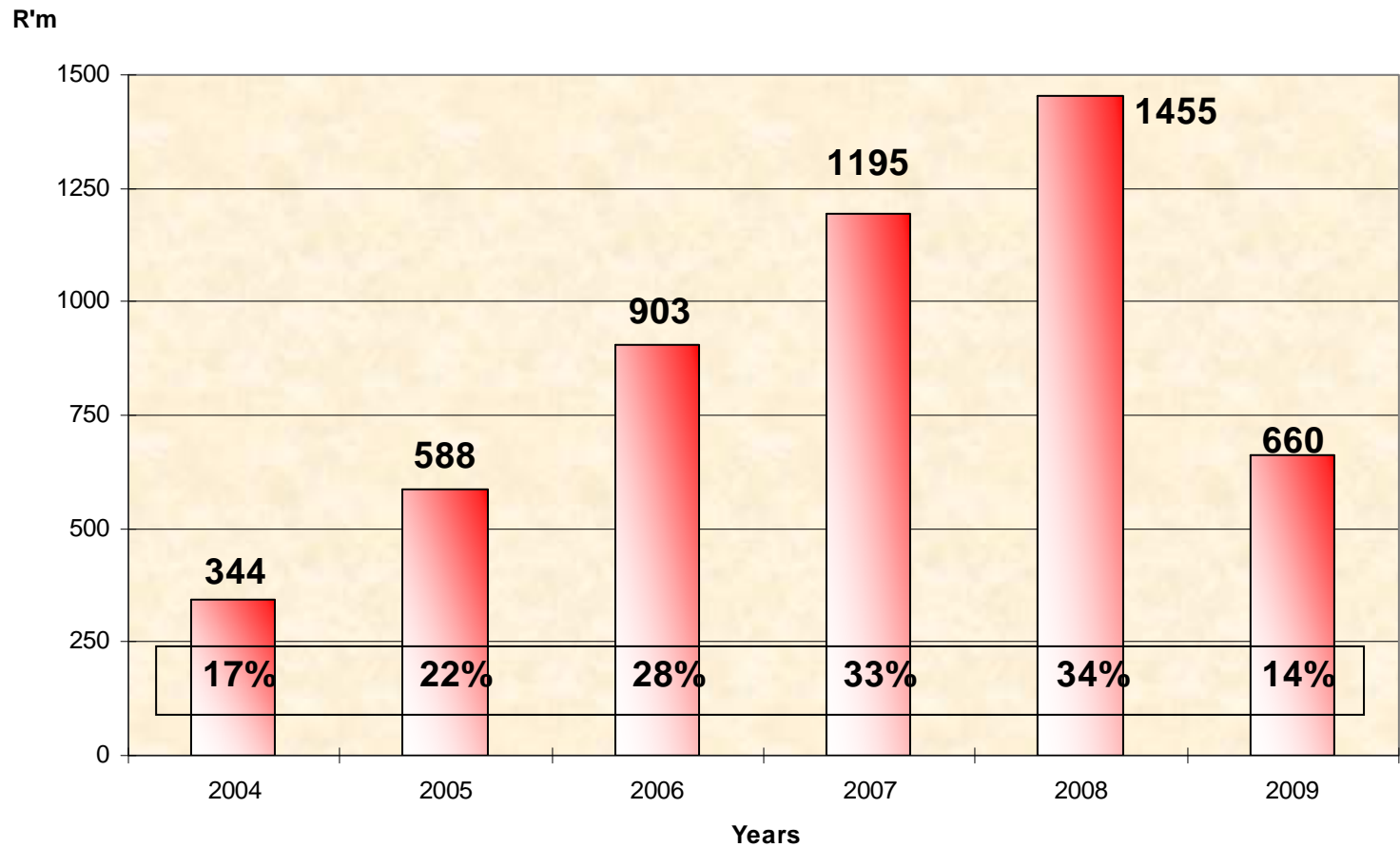
	2008	2009	2010	2011	2012
Projected (May 2008)	800	700	600		
Actual/Projected	679	499	900	600	700
Difference	-121	-201	+300		

- Ceres Gauteng project
- Biscuit strategy
- Rice facility upgrade
- Polokwane bakery upgrade
- Broiler expansion
- Pasta capacity expansion
- Egg repositioning

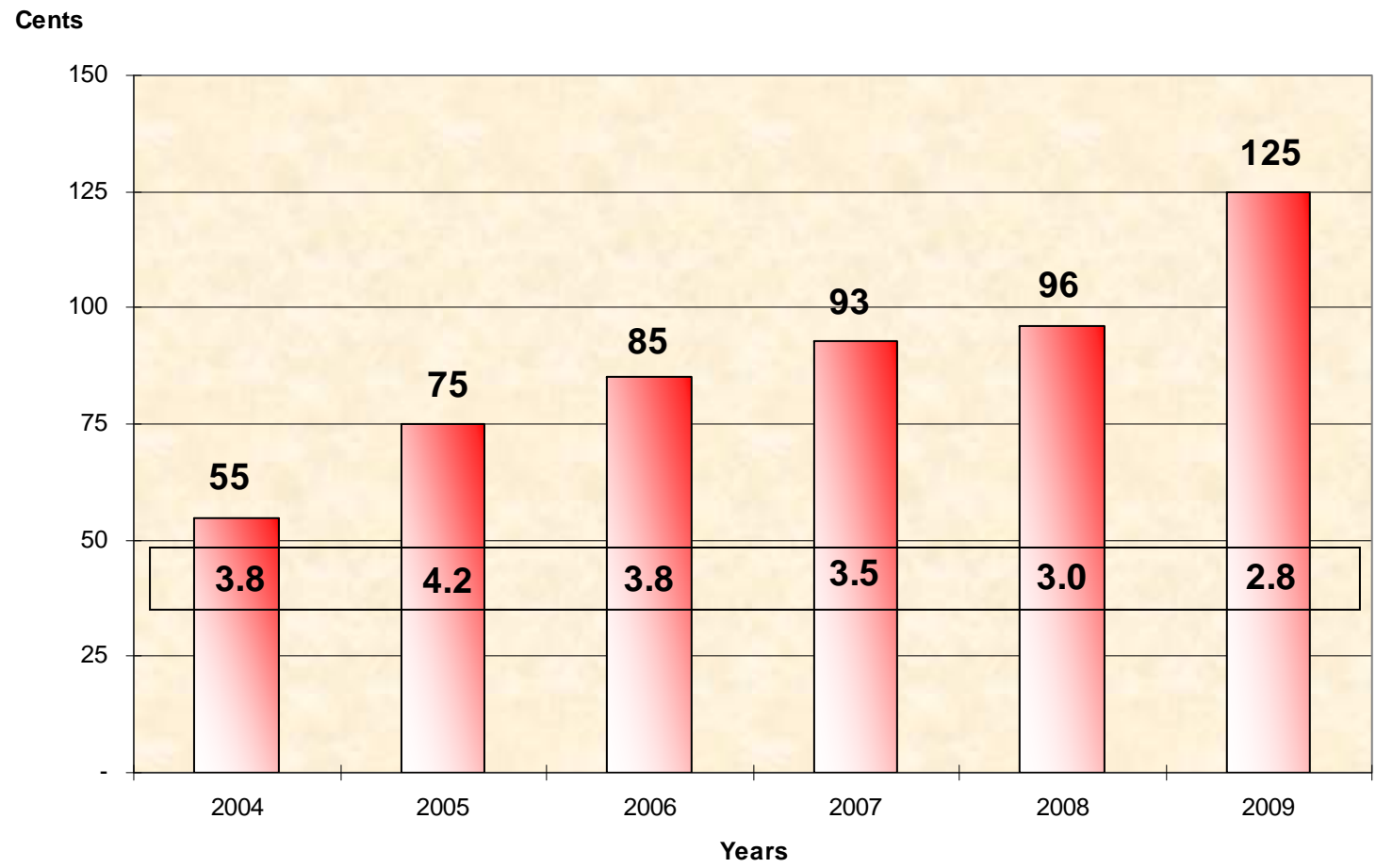
Group - Net working capital to Revenue



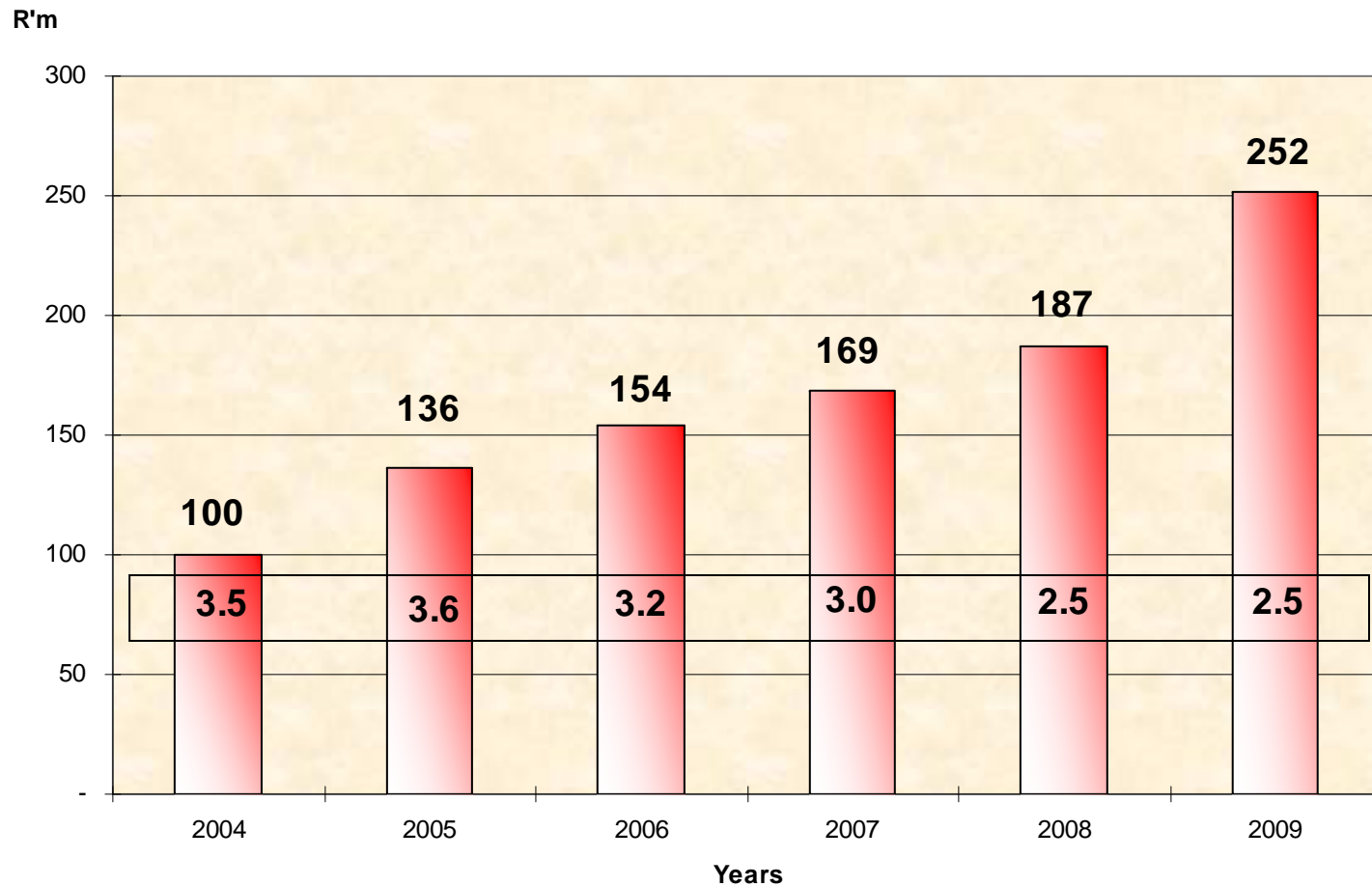
Group - Debt (R'm) and Debt to equity ratio (%)



Dividend per share (cents) and Dividend cover (times)



Dividend declared (R'm) and Dividend cover (times)



Competition Commission: Bread Case

On 28 September 2009, the Commission applied to the Competition Tribunal for leave to amend the relief sought:

- **Substitution of the original relief sought in the Western Cape and the national referrals by the demand for an administrative penalty of 10% of Pioneer Foods (Pty) Ltd's revenue for 2006;**
- **alternatively an administrative penalty of 10% of Pioneer Foods (Pty) Ltd's revenue derived from the production and sale of bread in 2006.**

Pioneer Foods (Pty) Ltd has opposed certain of the amendments sought.

Competition Commission: Bread Case

- The legal entity Pioneer Foods (Pty) Ltd's audited revenue in 2006 amounted to R7.86 billion, whereas the comparative revenue in 2007 amounted to R9.23 billion.
- Pioneer Foods (Pty) Ltd's national revenue from the production and sale of bread in 2006 amounted to R1.65 billion.
- Pioneer Foods (Pty) Ltd's revenue derived from the production and sale of bread in the Western Cape in 2006 amounted to R384 million.

This was the maximum potential penalty base (10% being R38.4 million) for the Western Cape case in terms of the initial request for penalty from the Commission.



Operational Review - Sasko

Tertius Carstens

Sasko

- **Demand for staple food products remained resilient, despite the overall decline in economic activity. Mix changes evident**
- **Considerable growth in white maize consumption with slow down in recent months**
- **Wheat consumption declined initially but recovering**
- **Bread volume declined but still on a sound base**

Sasko

- **Rice volume down for the year after major raw material price hike but turning positive recently**
- **Average selling prices in the key categories of bread, wheaten products, pasta and rice are lower than the comparative period**
- **The continued expansion and upgrading of the white maize milling facilities and White Star's increasing market presence underpinned this satisfactory performance**
- **White Star super maize meal made a superb contribution, generating R1.5 billion of revenue in its tenth anniversary year**

Sasko

- **Total rice and legume sales volumes ended below last year's results despite the decline in international rice prices**
- **The continued increase in sales volumes of the Spekko branded premium rice products was satisfying**
- **The performance of the bakery business improved notably compared to the previous year from a sound, although slightly reduced volume base**
- **During the year the various historic bread brands all consolidated under the SASKO banner**

Sasko

- **Bakery capacity upgrade and expansion in Polokwane in progress**
- **The pasta business again posted excellent results with a continued resilient demand for pasta products, indicative of slightly increasing per capita consumption**
- **Upward and downward pressures on input costs continued during the year**



Operational Review – Other Businesses

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Bokomo Foods

- **Volumes of higher value products under pressure. Consumers traded down to lower value products**
- **Weet-Bix achieved good volume growth, capacity expansion successfully commissioned, improved production efficiencies unlocked further capacity**
- **Right-sized manufacturing footprint – successfully relocated Natures Source production from KZN to Western Cape**

Bokomo Foods

- **Performance of the dried fruit business deteriorated in the second half of the year following a poor sultana crop**
- **Lower raisin production volumes and increased producer prices not recovered from the market, together with the strengthening rand, impacted negatively on earnings**

Agri Business

- **Business recovered somewhat with Nulaid and Nova Feeds performing adequately**
- **Tydstroom remaining under pressure with a number of disease challenges**
- **On-farm performance improved in the last two months of the year and a recovery in performance levels is expected in 2010**

Ceres Beverages

- **Non-alcoholic beverage category was under pressure in the past year, both in South Africa and the international market**
- **Operating profit margins under pressure from continuous cost increases in raw material and packaging**
- **Fruit juice exports achieved double digit growth**
- **Fruit juice local sales volumes maintained**

Ceres Beverages

- **Profitability was restored in the fruit concentrate mixture category, in line with previous years**
- **Carbonated soft drinks category was under pressure. Pepsi sales volumes remained satisfactory**



Key Strategies and Focus Areas

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Key Strategies and Focus Areas

Margin improvement

- Defining price points to protect and grow market share and manage working capital optimally
- Driving efficiencies through process optimisation
- Capacity growth from capital expenditure
- Strengthening brand positioning

Sasko

- Incremental increases in maize capacity
- Improve bakery efficiencies
- Continue Spekko national growth plan

Key Strategies and Focus Areas

Agri

- **Lowest cost production drive**
- **Expand broiler geographic footprint**

Bokomo

- **Renewed Weet-Bix brand focus**
- **Bumper raisin crop expected**
- **New biscuit production facility completed by year-end**

Key Strategies and Focus Areas

Ceres Beverages

- **Construction of a fruit juice factory in Wadeville commenced and will provide growth capacity and reduce distribution cost between the Western Cape and the interior**
- **Forecasts for the Pepsi venture were adjusted to reflect a longer establishment phase to position the brand for long-term sustainable growth, in light of the more challenging trading environment**
- **Investment in Pepsi marketing spend to continue to increase brand awareness**
- **Continued focus to increase Pepsi availability**



Prospects

André Hanekom

Prospects

- **Operating profit in the next reporting period will be influenced by:**
 - **Volatility in raw material prices**
 - **Cost increases; salaries, wages, electricity and transport costs in particular**
 - **Deflationary pressures on selling prices**
 - **Sales volumes driven by changing consumer spending patterns**

Prospects

- **Sasko has experienced strong growth and is well positioned for further growth albeit at a slower rate given the relatively high comparative base**
- **Growth expected from the other businesses in improved realisation of their full potential**
- **Group earnings should further benefit from decreased finance costs given the improved debt position**

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