

**Tiger Brands**



*Adding value to life*

# **INVESTOR PRESENTATION**

**GROUP RESULTS AND  
DIVIDEND AND DISTRIBUTION  
DECLARATIONS  
for the twelve months ended  
30 September 2007**

**FOCUSED ON GROWTH**

# Agenda

- Salient Features
- Strategy Implementation
- Financial Analysis
- Operational Overview
- Outlook

**Tiger Brands**



*Adding value to life*

# Salient Features

## *Contraventions of Competitions Act*

- The activities disclosed to the Authorities are unacceptable and extremely regrettable and contrary to the Company's ethos.
- The company has co-operated fully with the Competitions Authorities from the very beginning. Management accept full accountability. The final settlement reflects the comprehensive and transparent interaction with the authorities.
- Prior regular clear communication specifically on Competitions Act Compliance will now be reinforced by formal compliance process.



*Adding value to life*

# Competitions Act Contravention - Engagement

## *Staff*

- E-mail communication from CEO on 12 November prior to announcement.
- DVD message from CEO prepared and being issued on 19 November.
- Ask ND email link established.
- Communication sessions CEO + DVD
  - Johannesburg 20 November
  - Cape Town 21 November
  - Durban 22 November
- Further follow up (written) with all December payslips.

# Competitions Act Contravention - Engagement

## *Customers*

- Telcon on 13<sup>th</sup> November by CEO with CEOs of
  - Spar
  - Shoprite
  - Pick 'n Pay
  - Massmart
- CEO met personally 16 November with Metro merchandising Director.
- Letter to customers 19 November.

# Competitions Act Contravention - Engagement

## *Consumers*

Meeting with Consumer Union, Lilibeth Moolman

- Brenda Koornneef



*Adding value to life*

# Salient Features

*Financial performance reflects a clear dichotomy*

- Superb FMCG performance
  - Good profitability in Maize
  - Sustained turnaround – Fishing & Exports
  - Good Organic growth and successful integration of acquisitions.
  
- Disappointing Healthcare results
  - Difficult regulatory environment
  - Challenging competitive set

# Salient Features

## *Strategy implementation - Growth*

- Acquisitions integrated successfully:
  - Bromor ✓
  - Designer Group ✓
  - Nestlé Sugar Confectionery ✓
  
- Organic Growth whilst slowing remains strong in the face of rising inflation. Market shares extremely healthy overall.
- Continued investment in Capacity.
- Improvement in Service Levels but not optimal as yet.



*Adding value to life*



# Salient Features

## *Strategy implementation - Portfolio alignment*

- Disposals
  - DairyBelle
  - Lesotho Milling
  
- Unbundling of Healthcare Interests
  - Pharmaceuticals
  - Hospital Products

**NOT** Consumer Healthcare



*Adding value to life*

# Salient Features

## *Strategy implementation - Transformation*

- Post unbundling an additional broad based equity deal of approximately 10%.
- Executive Committee of FMCG 33% Black African.
- 76% of D band and above management hired in the past six months Black (34% African).
- Ongoing investment in:
  - ★ Talent Management
  - ★ Graduate recruitment program imbedded
  - ★ CIDA
  - ★ Thusani Trust granted 139 Tertiary Bursaries
  - ★ CSI programs



*Adding value to life*

# Salient Features

## *Strategy implementation – Continuous Improvement*

Continuous improvement remains a foundation stone and higher levels of capex reflect both growth and efficiency agenda

Tiger Brands



*Adding value to life*

# Income Statement to 30 September 2007

Rm	2007	2006	Change %
<b>Turnover</b>	<b><u>19 705</u></b>	<b><u>16 514</u></b>	19
- DairyBelle	678	1 061	(36)
- Balance	19 027	15 453	23
<b>Operating income before abnormal items</b>	<b>3 203</b>	<b>2 610</b>	23
Abnormal items	151	466	(68)
<b>Income from operating activities</b>	<b>3 353</b>	<b>3 076</b>	9
Income from investments	39	39	2
Net financing costs	(188)	(122)	(54)
<b>Profit before taxation</b>	<b>3 204</b>	<b>2 993</b>	7
Income tax expense	(1 004)	(721)	(39)
<b>Net profit after taxation</b>	<b>2 202</b>	<b>2 272</b>	(3)
Income from associates	57	4	-
Minority interest	(50)	(19)	-
Discontinued Operations - DairyBelle	34	45	(24)
<b>Net profit for the period</b>	<b>2 243</b>	<b>2 303</b>	(3)
Headline Earnings (Rm)	2 018	1 883	7
<b>HEPS (cents)</b>	<b>1 283,0</b>	<b>1 206,7</b>	6
<b>HEPS Share divisor (Ms)</b>	<b>157,3</b>	<b>156,1</b>	
<b>Effective tax rate before abnormal items</b>	<b>31,2%</b>	<b>28,8%</b>	

**Tiger Brands**



*Adding value to life*

# Apparent lack of Operating Leverage explained

	FMCG	Healthcare
Turnover Growth	28%	2%
Operating Profit Growth/(Decline)	43%	(8%)

**Tiger Brands**



*Adding value to life*

# Performance a tale of two businesses

Rm	Operating Income			Operating Margin %	
	2007	2006	% Variance	2007	2006
<b>FMCG</b>	2 246	1 566	43	13,9	12,4
<b>Healthcare</b>	957	1 045	(8)	33,3	36,9
	<b>3 203</b>	<b>2 611</b>	<b>23</b>	<b>16,8</b>	<b>16,9</b>
<b>DairyBelle</b>	36	55	(35)		
	<b>3 239</b>	<b>2 666</b>	<b>22</b>		



*Adding value to life*

# Key Financial Ratios

*30 September 2007*

		<b>2007</b>	<b>2006</b>
Operating Margin %	- FMCG	13,9	12,4
	- Healthcare	33,3	36,9
Net financing cost cover (times)		17,5	22,2
Net (cash) / debt / equity %		12	20
Working Capital per R1 of sales (cents)	- Healthcare	27,9	25,0
(Excluding DairyBelle)	- FMCG	19,9	20,1
	- Combined	21,2	21,0

**Tiger Brands**



*Adding value to life*

# Earnings for F 2007

*Unpacking the numbers a little more*

	Rm	CPS	% Increase on Prior
<b>Headline Earnings as reported</b>	<b>2 018</b>	<b>1 283</b>	<b>6</b>
Competitions Commission fine	99		
Costs of unbundling	58		
	<hr/>		
	<b>2 175</b>	<b>1 383</b>	<b>15</b>
Sea Harvest Put option reversal	(27)		
Pension fund surpluses recognised	(19)		
	<hr/>		
	<b>2 129</b>	<b>1 353</b>	



# IMPACT OF BEE DEAL

*Negligible impact on HEPS*

	Sept 2007	Weighted Ave Shares	HEPS
<b>HEADLINE EARNINGS AS REPORTED</b>	2 018	157 311	1 283
Add:			
Black Managers Trust IFRS 2 cost	32	-	
Funding Costs - Prefs	21	-	
- Internal funding	30	-	
Impact of Weighted Ave Shares	-	5 896	
<b>WITHOUT THE DEAL</b>	2 101	163 207	1 287

Of the shares acquired for the Black Managers Trust approximately 70% have been allocated



*Adding value to life*

# Group Balance Sheet

*at 30 September 2007*

	Sept 2007 Rm	Sept 2006 Rm
Assets :		
Fixed assets and intangibles	4 181	3 520
Investments	756	737
Current assets	6 378	5 297
Cash	573	570
	<b>11 888</b>	<b>10 124</b>
Equity and liabilities :		
Shareholders equity	6 000	4 653
Long-term borrowings	772	912
Short-term borrowings	528	592
Non current liabilities	563	549
Current liabilities	4 025	3 418
	<b>11 888</b>	<b>10 124</b>



*Adding value to life*

# Cash Movement to 30 September 2007

## *Working Capital a challenge*

<b>Rm</b>	<b>Sept 2007</b>	<b>Sept 2006</b>
Cash operating profit	3 746	3 031
Net Financing costs / Dividends received	(129)	(48)
Working Capital	<b>(807)</b>	(333)
Cash generated from operations	2 810	2 650
Tax paid	(904)	(866)
Dividends paid	(1 000)	(865)
Capex	(616)	(489)
Net Acquisitions activities	(128)	(1 369)
Net Investment proceeds	(7)	566
BEE outflows / Share buy back	-	(795)
Proceeds from shares issued	75	67
Other movements	(22)	(6)
Net debt/decrease (increase) for the period	208	(1 107)



*Adding value to life*

# Operating income before abnormal items

## Exceptionally Strong FMCG performance

Rm	Operating Income		% Change	% Operating Margins	
	F 2007	F 2006		F 2007	F 2006
<b>FMCG – CONTINUING OPERATIONS</b>	<b>2 246</b>	<b>1 565</b>	<b>43</b>	<b>13,8</b>	<b>12,4</b>
<b>Domestic Food</b>	<b>1 602</b>	<b>1 208</b>	<b>33</b>	<b>13,7</b>	<b>13,3</b>
<b>Grains</b>	<b>894</b>	<b>687</b>	<b>30</b>	<b>15,1</b>	<b>14,1</b>
- Milling and baking	724	528	37	16,0	14,5
- Other grains	170	158	7	12,1	13,1
Groceries	242	23	17,0	15,8	Snacks
& Treats	206	54	14,6	11,9	
Beverages	84	N/A	8,3	(1,0)	Value
Added Meat Products	96	120	(19)	7,1	9,8
Out of Home	21	27	(20)	8,6	11,4
<b>Consumer Healthcare</b>	<b>383</b>	<b>261</b>	<b>47</b>	<b>23,9</b>	<b>23,1</b>
Personal	172	81	113	28,8	31,5
Baby care	115	90	27	25,5	23,3
Homecare	96	90	7	17,3	18,5
<b>EXPORTS</b>	<b>104</b>	<b>35</b>	<b>197</b>	<b>9,4</b>	<b>4,5</b>
<b>FISHING</b>	<b>198</b>	<b>99</b>	<b>101</b>	<b>10,3</b>	<b>5,9</b>
<b>OTHER - FMCG</b>	<b>(41)</b>	<b>(38)</b>	<b>(7)</b>	<b>-</b>	<b>-</b>



Adding value to life

# Operating income before abnormal items

*But Healthcare went backwards*

Rm	Operating Income		% Change	Operating Margins	
	F 2007	F 2006		F 2007	F 2006
<b>HEALTHCARE</b>	<b>957</b>	<b>1 045</b>	<b>(8)</b>	<b>33,3</b>	<b>36,9</b>
<b>PHARMACEUTICALS</b>	<b>727</b>	<b>797</b>	<b>(9)</b>	<b>39,0</b>	<b>42,5</b>
Prescription	324	388	(16)	35,6	41,9
OTC Medicines	403	409	(1)	42,1	43,1
<b>HOSPITAL PRODUCTS</b>	<b>246</b>	<b>262</b>	<b>(6)</b>	<b>24,3</b>	<b>27,5</b>
<b>OTHER - HEALTHCARE</b>	<b>(16)</b>	<b>(14)</b>	<b>(11)</b>	<b>-</b>	<b>-</b>

# Abnormal Items analysis - 30 September 2007

## *Analysis of Abnormal Item*

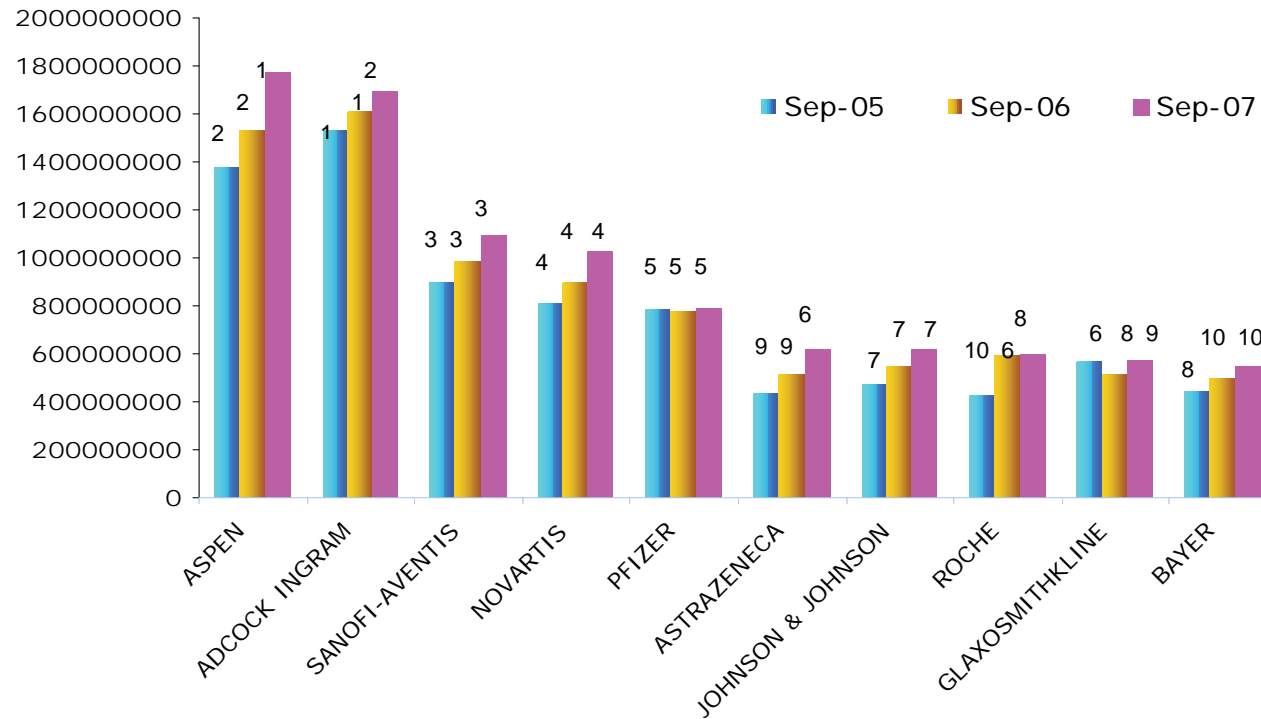
Rm	Sept 2007
Net profit on sale/impairment reversals of interests in subsidiaries and associates	303
Competitions Fine	(99)
Intangible impairment	(64)
Healthcare unbundling costs	(58)
Reversal of Sea Harvest Put Option Provision	27
Other	38
<b>Abnormal profit before taxation</b>	<b>151</b>



*Adding value to life*

# Pharmaceuticals

*An extremely challenging year saw market shares reflect volume decline*



## Market shares:

- **Total Adcock:** Share 11.2%; Value Growth 5.7%; Unit Growth 3.3%
- **Prescription Generics:** Share 16.3% Value Growth 9.5%, Unit Growth 14.4%
- **OTC:** Share 19.6%; Value Growth 2.4%; Unit Growth 2.7%
- **Prescription (NDTI)** Share 20%; Leadership maintained

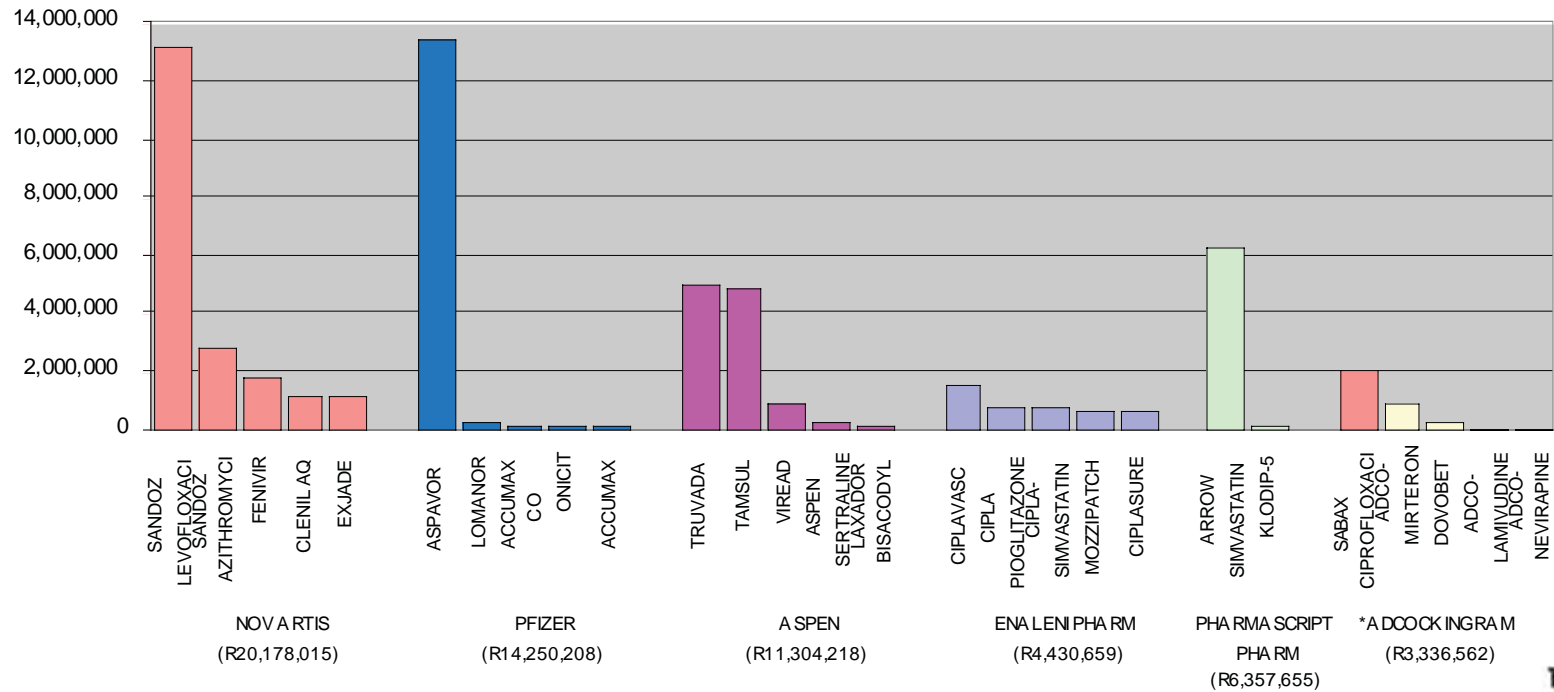
IMS Sept 2007 TPM



Adding value to life

# Pharmaceuticals

## Top 5 Corporations by top 5 New Products launched (0-12 months)



Source: IMS TPM, MAT September 2007



Adding value to life



# Pharmaceuticals

## *Prescription performance particularly hard hit*

### **Prescription (S3 –S7) Category**

- Volume fell 5% with some impact from last year's exceptional September.
- Full increase in pricing legislation not realised.
- Competitive landscape is challenging.
- Impacted by increased R&D costs and Clayville closure (R20m in total).
- Pipeline investment retarded.
- Leadership in script generation not translating into pharmacy share.
- Core brands performing, legacy products under pressure.
- ARV contribution minimal.



*Adding value to life*

# Pharmaceuticals

## *Remedial Action in place*

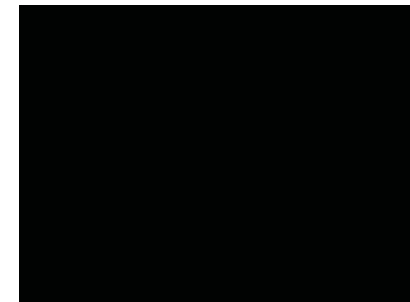
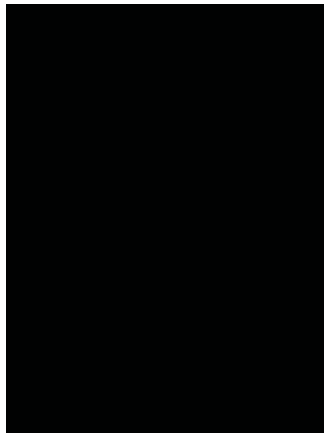
- Change in executive management and restructuring of business
- Review business model around chronic medication and reclaim market share through share of voice in pharmacy
- Supply chain under-investment to be addressed
- Corporate certainty will facilitate extension of new product pipeline

# Pharmaceuticals

## Challenges in Pharmacy channel, good growth in FMCG

### OTC (S0 –S2)

- Pedestrian performance in Pharmacy channel
  - Ongoing product rationalisation to reduce complexity
- Continued progress in FMCG
  - Analgesic market growth 7.5%\*  
Panado 10.7%
  - DSURs market growth 13.6%\*  
Citro Soda 34.4%
- Going forward plans to expand presence beyond two major therapeutic classes



\*Nielsen July/August  
2007

*Adding value to life*

# Pharmaceuticals

## *Regulatory Update*

- ARV tender delayed
- Manufacturing upgrades as a result of PIC/S
  - Supply chain disruption
- Ongoing dialogue with pricing committee on benchmarking
  - 5-20
- Code of Marketing Practice – implementation imminent



*Adding value to life*

# Pharmaceuticals

## *Products in registration at MCC*

	2007/2008		2008/2009		2010/2011		Total	
	Products	Dossiers	Products	Dossiers	Products	Dossiers	Products	Dossiers
Analgesics	2	6	2	6			4	12
Anti-infectives	2	5	1	1	2	4	5	10
Blood and renal					1	1	1	1
Cardiovascular	7	16	4	7	1	1	12	24
CNS	4	7	1	1	3	8	8	16
Dermatological	1	1			1	1	2	2
Endocrine							0	0
GIT	2	3	2	5	1	1	5	9
Urological			1	1			1	1
Respiratory	5	7	5	9			10	16
Anti-inflammatory							0	0
Gynaecological					2	2	2	2
Ophthalmics							0	0
Anti-neoplastics			1	2			1	2
Immunomodulators (ARVS)	4	10					4	10
<b>Total</b>	<b>27</b>	<b>55</b>	<b>17</b>	<b>32</b>	<b>11</b>	<b>18</b>	<b>55</b>	<b>105</b>

Tiger Brands



*Adding value to life*

# Hospital Products

*Encouraging fourth quarter cuts year on year decline in profitability to R17m (6%)*

- Competitive Landscape and customer set remains extremely challenging
- Good momentum - Transfusion Therapy, IV fluids and hospital pharmaceuticals in Critical Care
  - Clinical and molecular biology in Scientific Group
- Impact of Baxter FDA pump recall R16m
- Loss of key principal in Scientific Group
- Delay in public sector equipment tender



*Adding value to life*

# Healthcare

## *The Road Ahead*

- Unbundling and listing to be completed by end March 2008
- BBBEE an imperative post unbundling
- Significant investment in supply chain
- Realignment of people and process to reflect independent business strategy
- Long-term organic growth vectors remain positive
  - ARVs
  - LIMS/GEMS
  - Favourable generic market
  - Disease burden
  - Recapitalisation of hospitals



*Adding value to life*

# Grains

- Existing margins reflect free market dynamics.

## Milling & Baking

### • Maize Milling

- Good performance arising from Supply and Demand dynamics due to 2007 short maize crop and the negative impact of increased raw material pricing on working capital investment. The tight Supply & Demand position is expected to continue supporting profitable trading during H1 08.
- Current high maize prices and favourable weather patterns are supportive of a large crop which could result in a softening of maize prices.
- Significant growth realised in the contribution of the strategic drive for value added maize product – Ace Instant – growth of over 100% between 2006 and 2007



Adding value to life



# Grains Continued

## Good Millbake results



### • Wheat Milling



- Solid performance with volume growth boosted by market share gains at Albany.
- Traditionally longer procurement positions in a rising market driven by world stock levels helped to reduce price increases.
- Key challenge remains continuing rises in raw materials replacement costs.



Adding value to life

# Grains Continued

## *Good Millbake results*

### • Baking

- Albany volume growth remains buoyant and ahead of market driven largely by:
  - ❖ Leading brand equity in bread category
  - ❖ Strong growth in higher value product range – (growth in conversion to Superior range)
  - ❖ Growing contribution from product innovations – double digit contribution to total turnover in 2007
- Further growth still anticipated following completion of capacity upgrade in Gauteng and further innovation launches

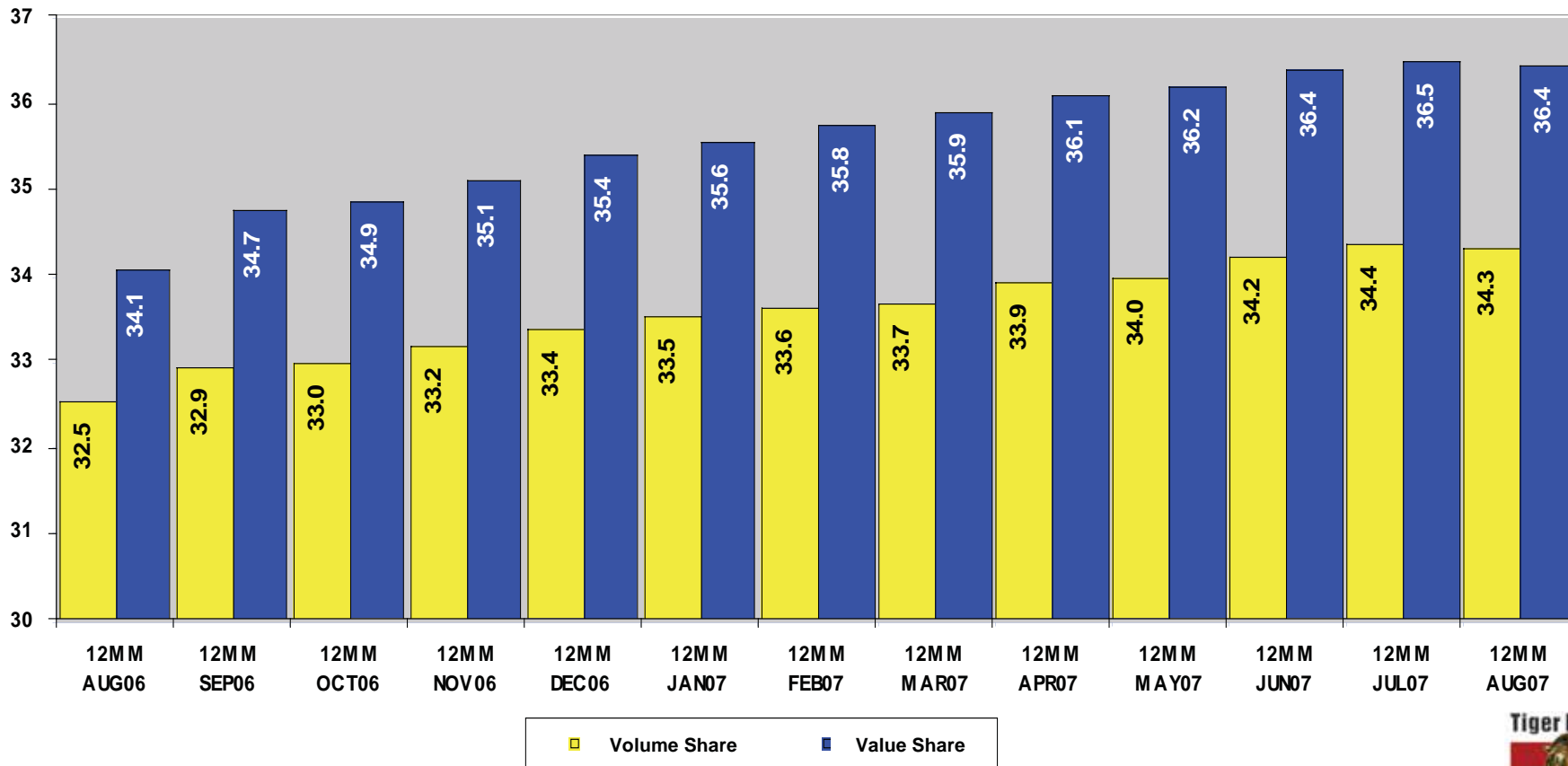




# Grains Continued

*Consistent Brand Share Growth driven by Successful Innovation*

MAJORS - VOLUME & VALUE % OF BREAD FOR ALBANY COMPANY  
12MM TREND (AC Nielsen)



Tiger Brands

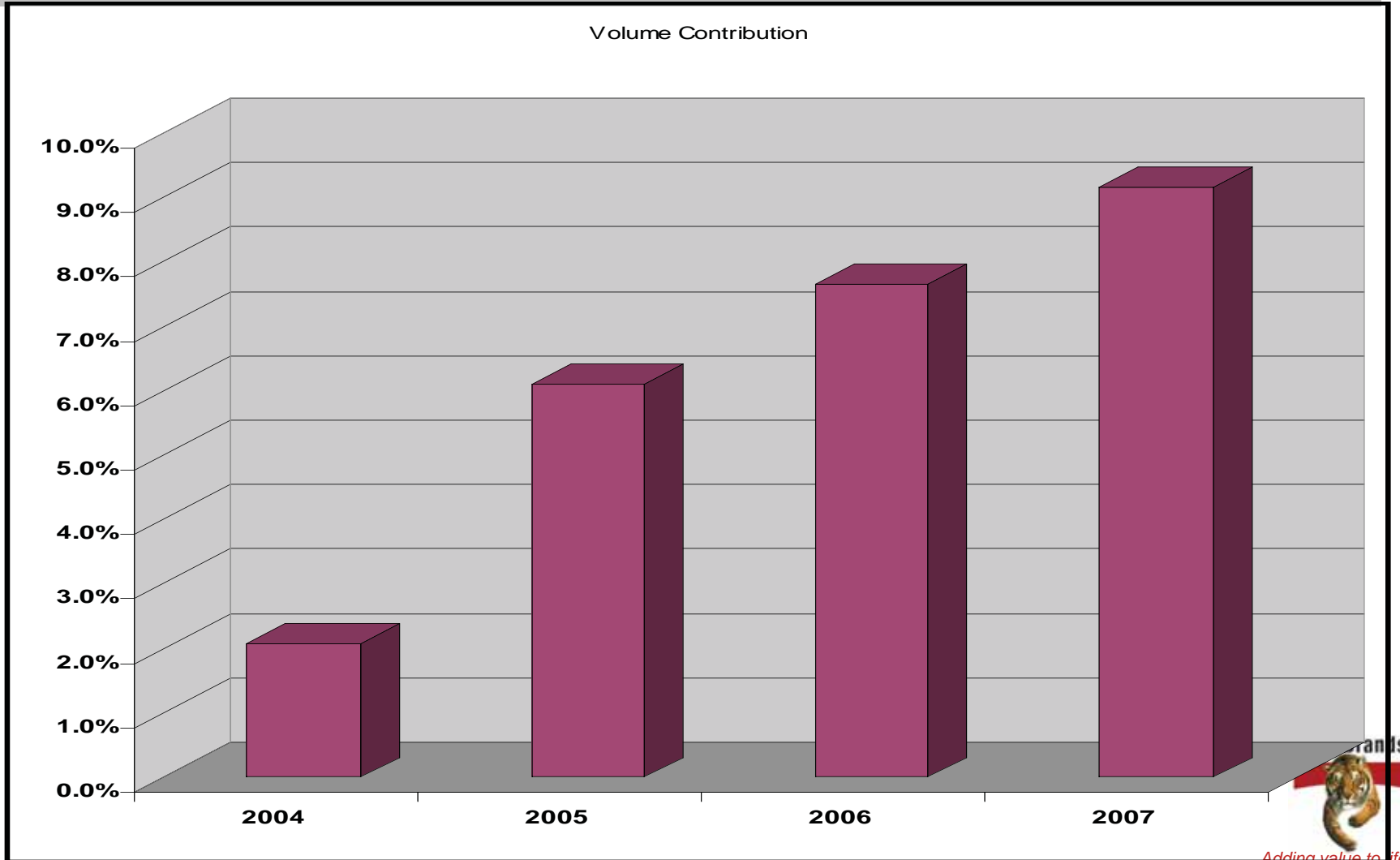


Adding value to life



# Grains Continued

*Consumer Insight Drives Brand Share Growth Through Meaningful Innovation*



# Grains Continued

*Price sensitive consumer base reflected in decline in profitability*



- **King Food**

- First reversal in profitability for a significant number of years.
- Beverages volumes and margins declined in beverage volumes as price sensitive consumer reacted to the significant rise in Sorghum pricing due to short supplies in local crop.
- Key challenge remains growing profitability against a relatively stagnant sorghum beverages market and continuing rise in raw material costs/price points.



*Adding value to life*

# Grains Continued

## Other Grains – A mixed bag



### • Rice



- Strategy of restraint on price points of premium brands paid off:
  - ❖ Tastic volumes + 7%
  - ❖ Aunt Caroline + 25%; vs. overall category growth of 2%.
- Profits also favourably impacted by the non-recurrence of certain innovation launch costs in F2006.
- Key challenge remains sustaining profitable growth through continued leverage of strong brand equity.



Adding value to life

# Grains Continued

## *Other Grains – A mixed bag*



- **Breakfast Cereals (Jungle)**

- Overall result very disappointing due to lack of capacity to meet market demand during commissioning of an upgrade of facility during H2 07.
- Second half also saw a return to profitability as supply capacity improved and service levels return to 95% during Q4 07.
- Volumes remain soft following a 40% increase in raw material costs.
- International prices of Oats remain bullish following droughts in Australia.
- Continued drive to leverage the strength of the Jungle brand to grow share of RTE market.



Tiger Brands



*Adding value to life*

# Exports

## *An excellent year in Deciduous Fruit*

### Deciduous Fruit

- Excellent year boosted by:
  - ❖ Firmer international pricing
  - ❖ Improved local crops
  - ❖ Weaker currency
  - ❖ Excellent progress on working capital



*Adding value to life*

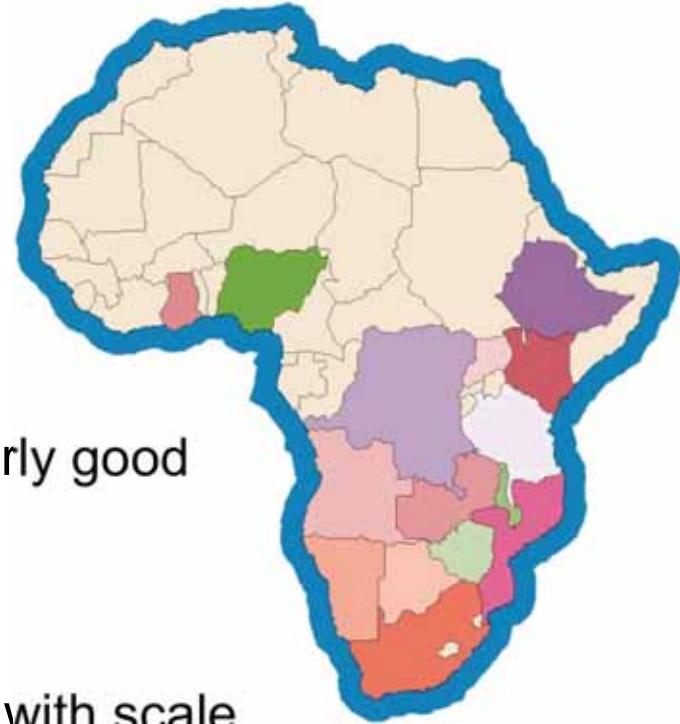


# Exports

*And a better performance from TBA*

## Tiger Brands Africa

- Still based on an export model but :
  - Country focus paying off, particularly good growth in Mozambique.
  - Unprofitable volume eliminated.
  - On the acquisition trail but targets with scale are elusive/expensive.



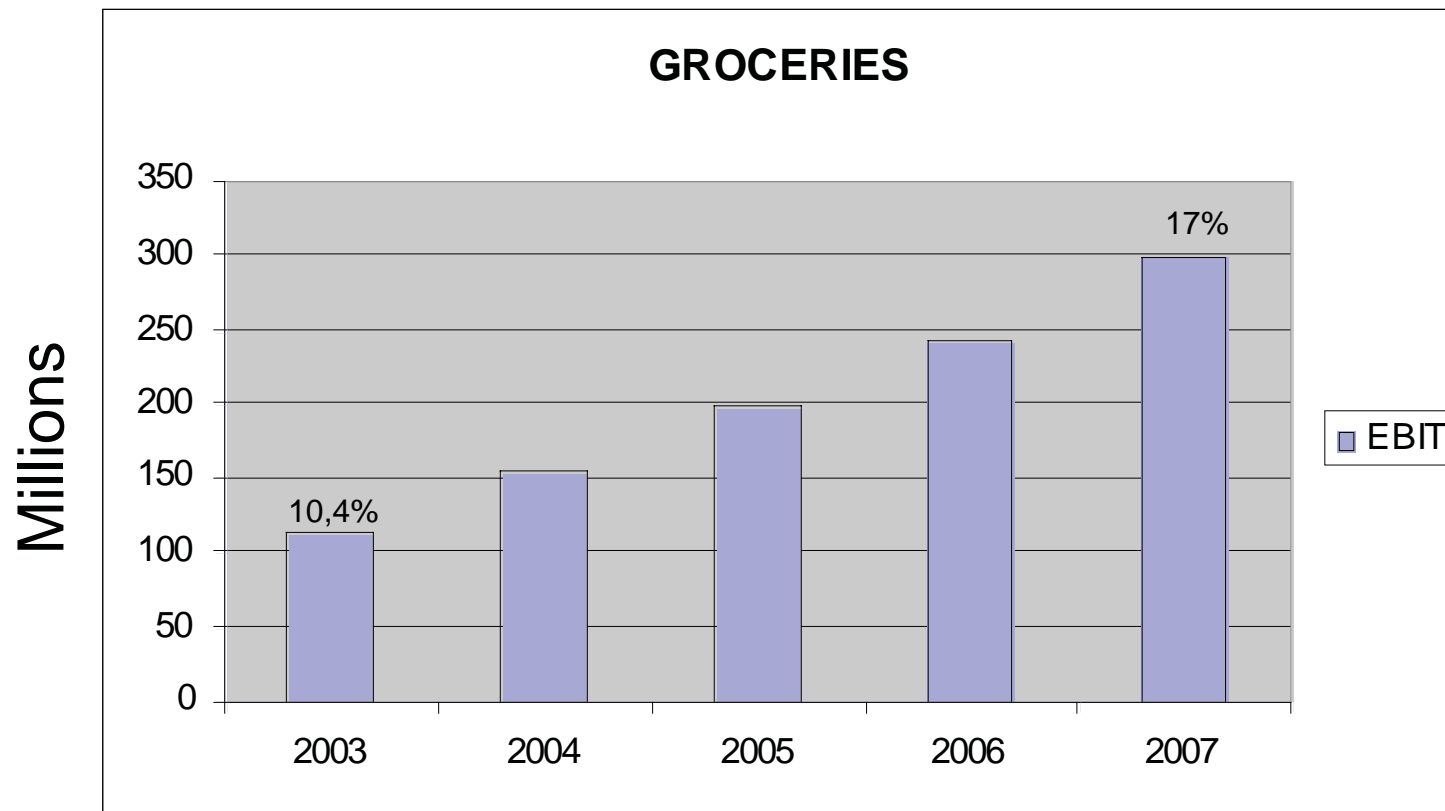
Tiger Brands



*Adding value to life*

# Consumer Brands - Groceries

*Focus on value proposition for Core brands and customer centricity pays off*



*Adding value to life*

# Consumer Brands - Groceries

*Focus on value proposition for Core brands and customer centricity pays off*

## Volume Growth sustained in core brands

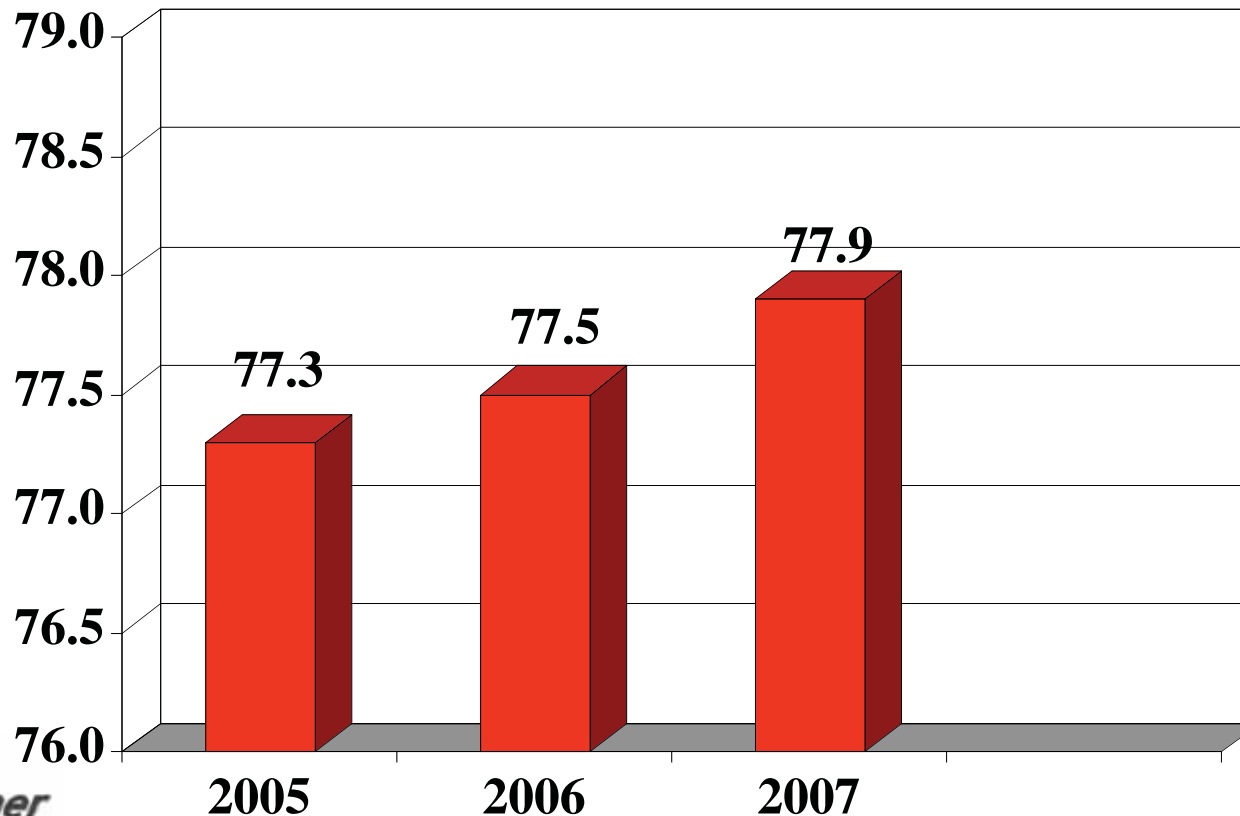
- Koo Baked Beans + 20%.
- All Gold tomato sauce + 7 %.
- Black Cat peanut butter + 9 %.
- Exceptional performance in fruit and vegetables. Crop failures suppress the result.
- Pasta profitability improves significantly despite supply constraints.



# Consumer Brands - Tomato Sauce

*Core Brands drive growth*

12mm Value Share  
July / August



Source: AC Nielsen

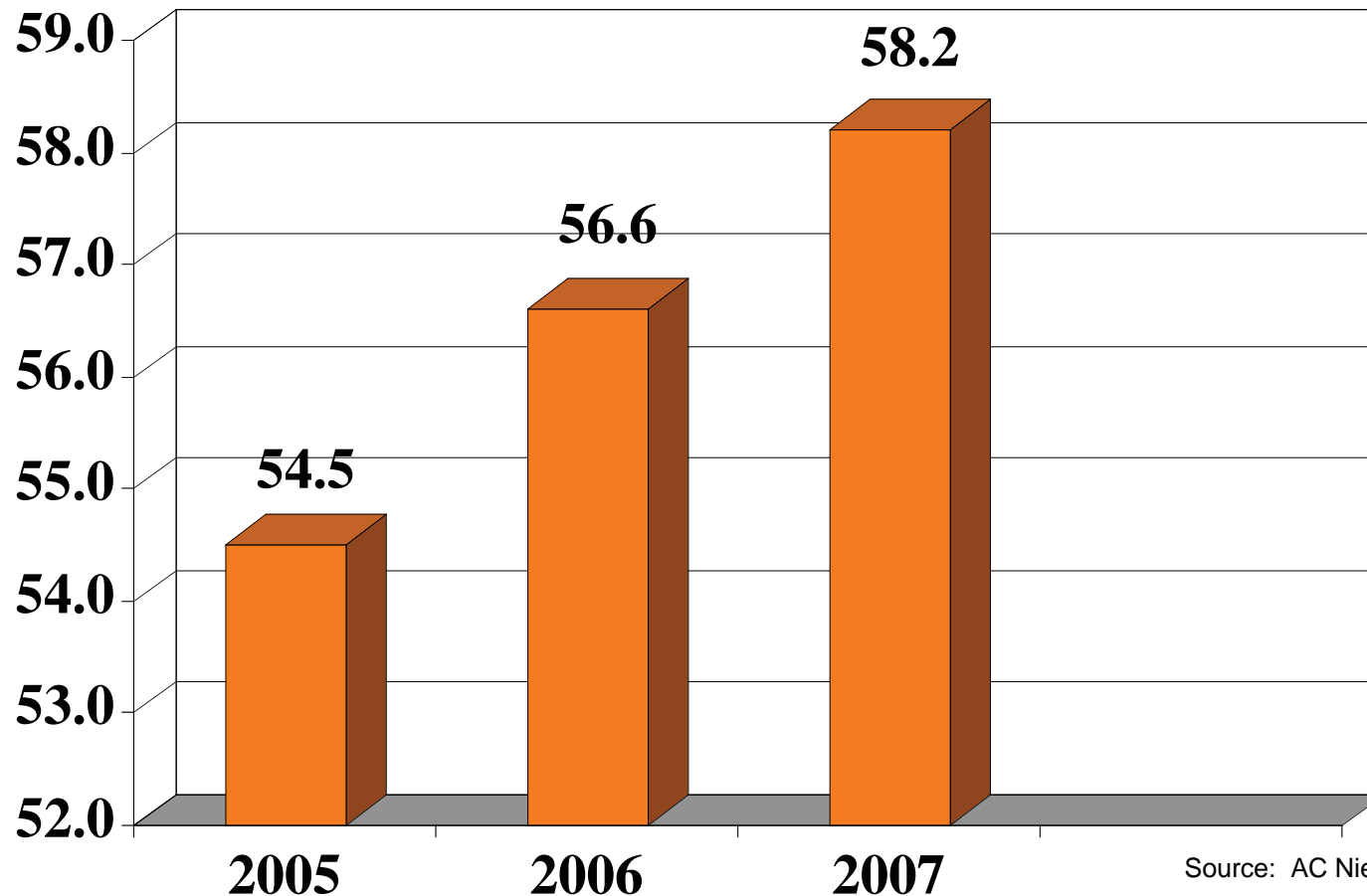


*Adding value to life*

# Consumer Brands - Baked Beans

*Core Brands drive growth*

12mm Value Share  
July / August



Source: AC Nielsen

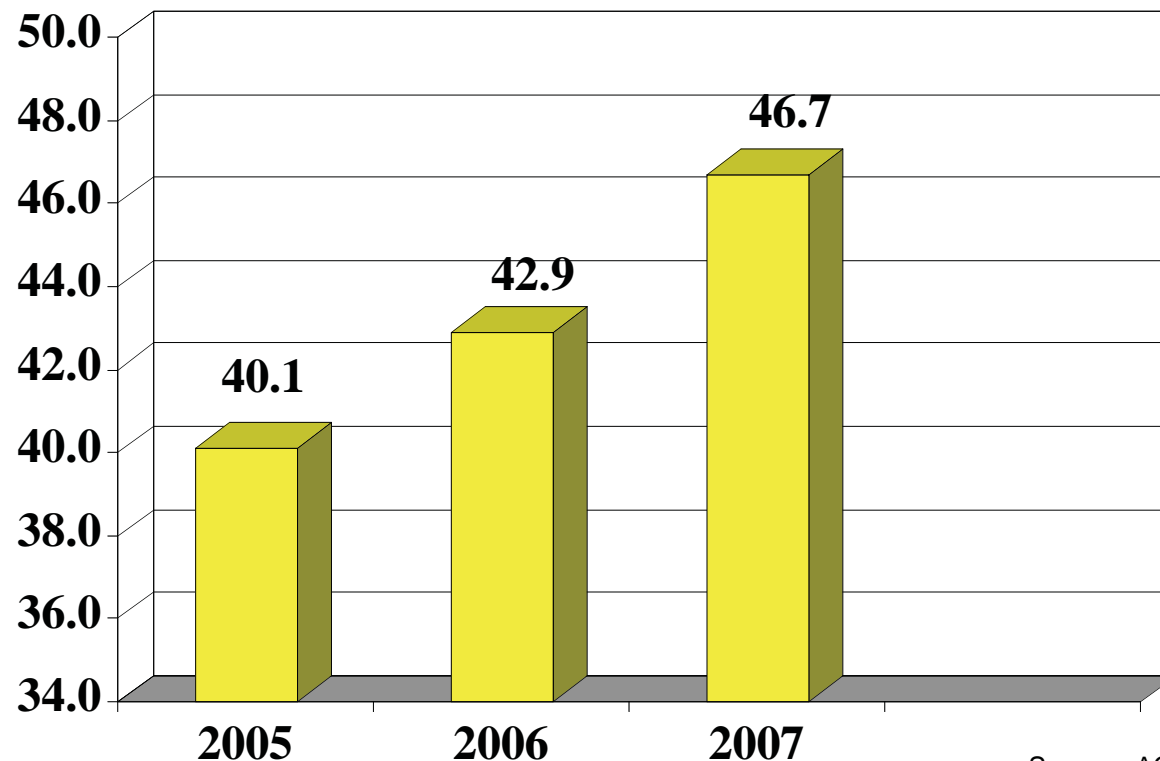


*Adding value to life*

# Consumer Brands - Black Cat Peanut Butter

*Core Brands drive growth*

12mm Value Share  
August / September



Source: AC Nielsen



*Adding value to life*

# Innovation / New launches

*But innovation has not been neglected*



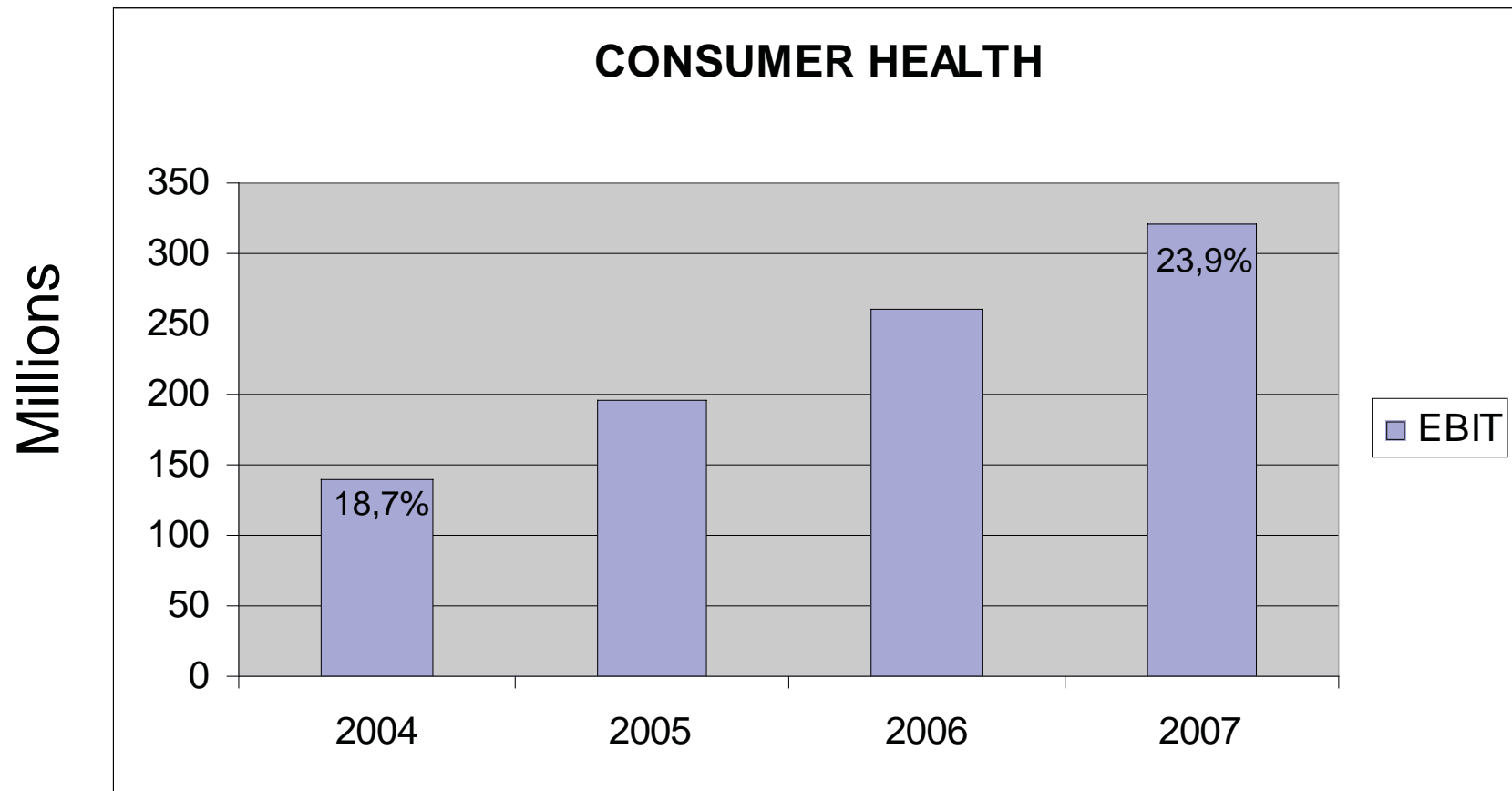
Tiger Brands



*Adding value to life*

# Consumer Health

*A value chain "re-invented"*



er Brands



*Adding value to life*



# Consumer Brands

## *Core Brand renovation delivers*

### Personal Care



- Momentum on renovated core brands remained exceptional
  - ❖ Ingrams Camphor Cream + 44%
  - ❖ Dolly Varden + 27%
  - ❖ Lemon Lite + 12%
- Designer Group earnings enhancing in year 1.
- Innovation gains traction



*Adding value to life*

# Consumer Brands

*Full Year results improve but do not recover from poor pest season*

## Home Care

- Pest remains dominant profit contributor  $\pm 60\%$  and maintains market share
- Innovation gains traction
- Bioclassic re-launch meets 2<sup>nd</sup> year objectives



**Tiger Brands**



*Adding value to life*

# Innovation / New launches

## Homecare



# Consumer Brands - Baby Care

*Nutrition drives profit growth with toiletries margin compression in pursuit of share gains*

## Baby Care 2007

- Volumes grew 15% in nutrition boosted by additional cereals capacity.
- Baby Wellbeing margin compresses as we chase market share (sales up 7%).



Adding value to life

# Purity gets a facelift



Adding value to life

# Fishing

## *Prior improvement in profitability sustained*

### Sea Harvest

- Despite volume reductions an excellent year driven by
  - Improved levels of beneficiation
  - Channel optimisation
  - Currency Weakness
- Significant improvement in local retail market share
- Fishing conditions – Catch rates and size mix remain challenging.



### Oceana

- Improved profitability driven by Horse Mackerel & Fishmeal.
- Resource remains a concern and alternative sourcing is in place.



# Out of Home

*Still short of critical mass and impacted by start up losses in Gauteng*



- Pre-prepared meals facility up and running in Gauteng (Linbro Park)
- Profits declined as start up losses of Gauteng operation impacted



*Adding value to life*

# Perishables

*Disappointing result reflects industry capacity dynamics in the face of rising raw material costs*



- **Value Added Meat Products**

- Overall raw material cost push exceeded 20%.
- Second six months saw a concerted effort to increase pricing which has come at the expense of volume.
- Clearly significant unutilised Industry capacity.
- All brand propositions being reviewed.





# Beverages

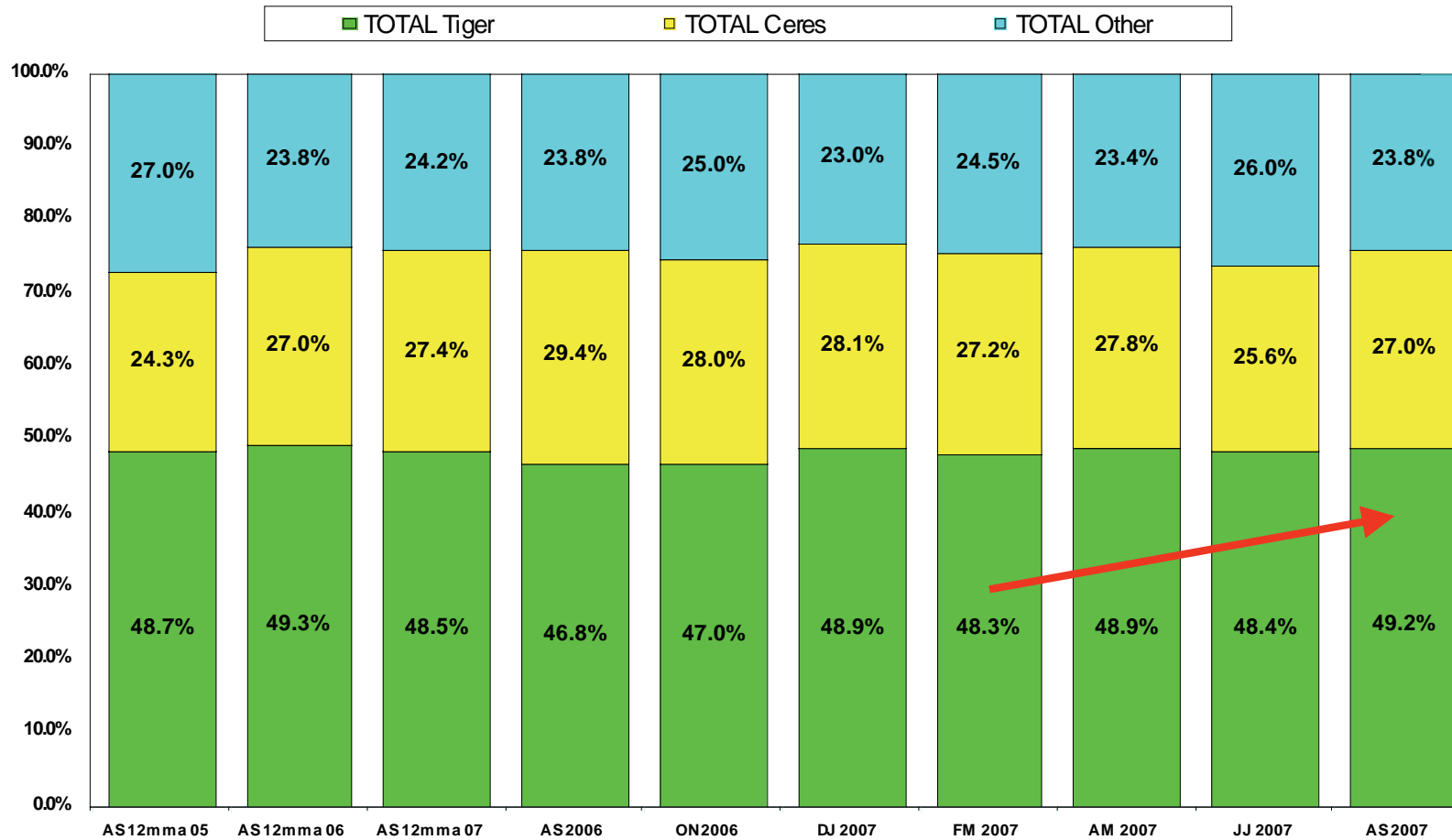
## *Significant progress in first full year of ownership*

- Underlying volume growth a strong 17% as core brands propositions are restored.
- Profitability impacted by:
  - ❖ Restructuring costs R12m.
  - ❖ Impact of Industrial Action R10m.
- Key focus for F2007 was:
  - ❖ Re-setting key brand value propositions.
  - ❖ Integrating into Snacks & Treats division and establishing appropriate cost structure.
  - ❖ Re-igniting consumer passion for our brands with an aggressive innovation program.



# Beverages: Market Shares F2007

## Total Concentrates (Volume Share)



Tiger Brands



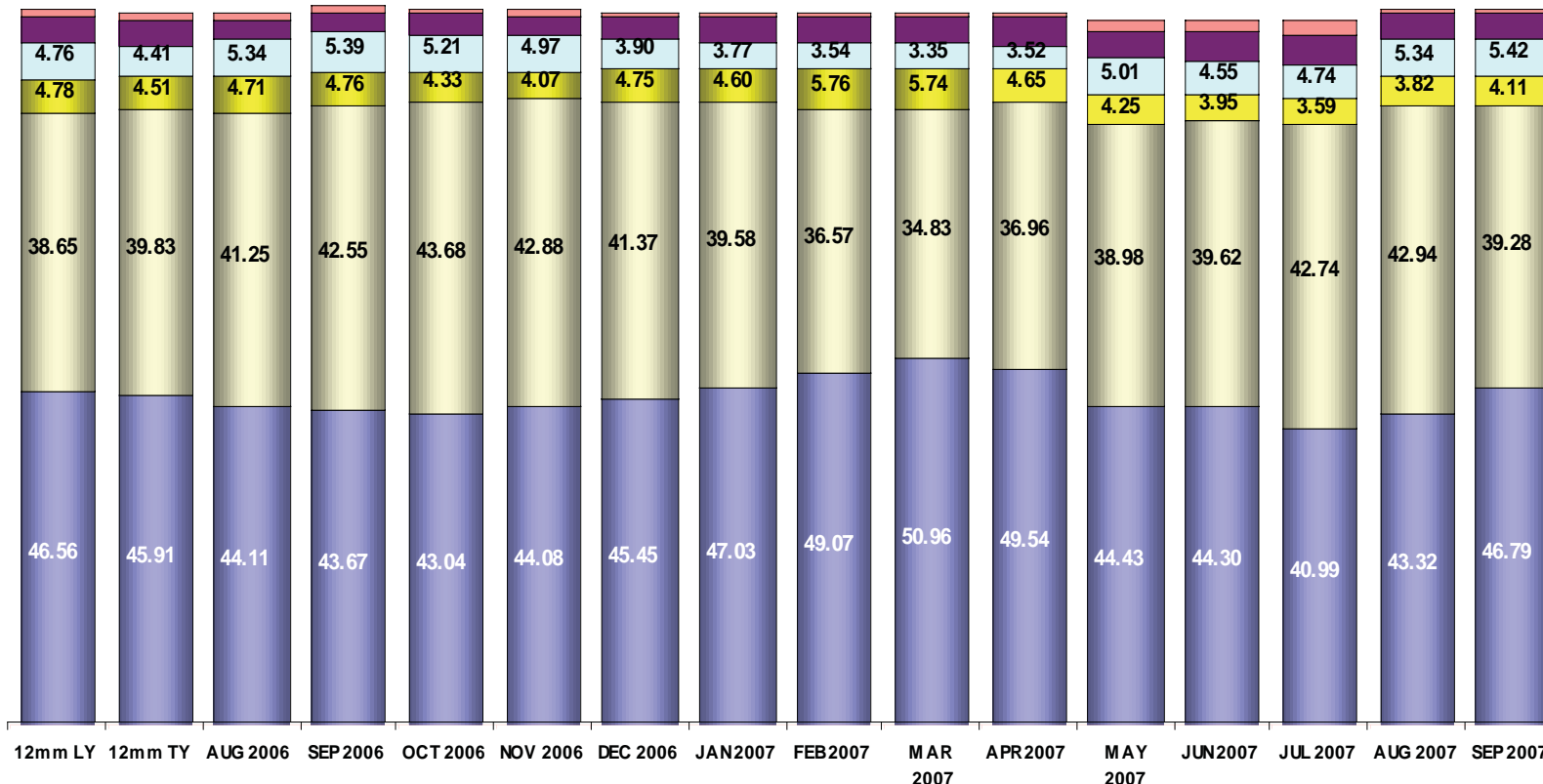
Adding value to life

# Beverages: Market Shares F2007

## Total Sports Drinks



TOTAL SA NFI - VOLUME SPORTS DRINKS MARKET SHARES



Source: AC Nielsen Sept 2007

# Beverages: Innovation F2007

*Rate of Innovation accelerates*



Entry  
Into

PSD's



CSD's



Party Pack



Entry  
Into

Squashes



Syrups



Re-launch  
Core

'OLD'



'NEW'



# Snacks & Treats



*Results reflect a combination of superb levels of organic growth and bolt on benefits*

- Organic volume exceeded expectations particularly in Sugar, Occasions & Snacks.



- Nestlé Sugar successfully integrated, significantly earnings enhancing from year one.



- Margins have come under pressure from escalating raw material costs.



- Capacity and Service levels challenging in certain segments as we catch up with unexpected growth.

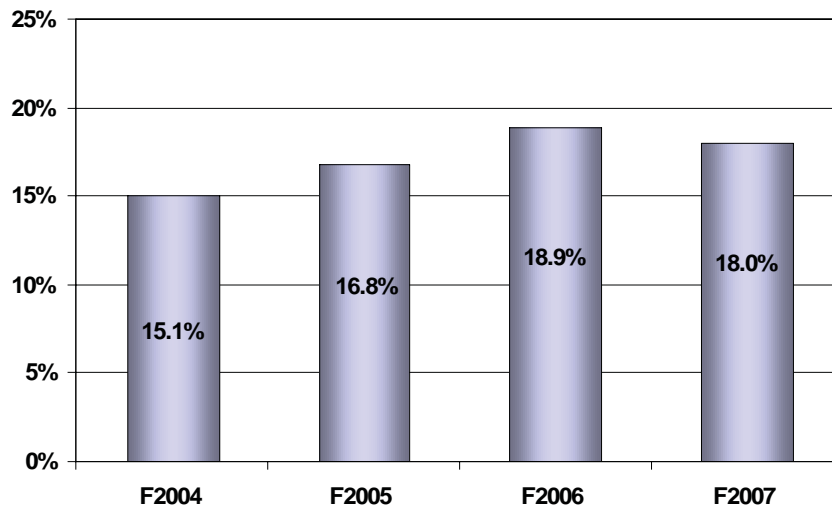


# Snacks & Treats



## Business Performance

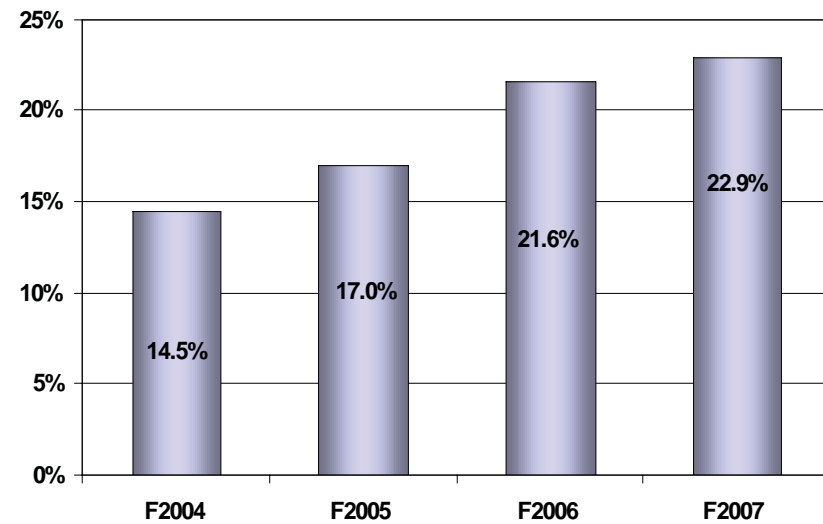
Beacon Barlines Market Share



Source: Nielsen: AS 12mm

Note : Nielsen Data is inclusive of Jungle

Beacon Slabs Market Share



Source: Nielsen: AS 12mm



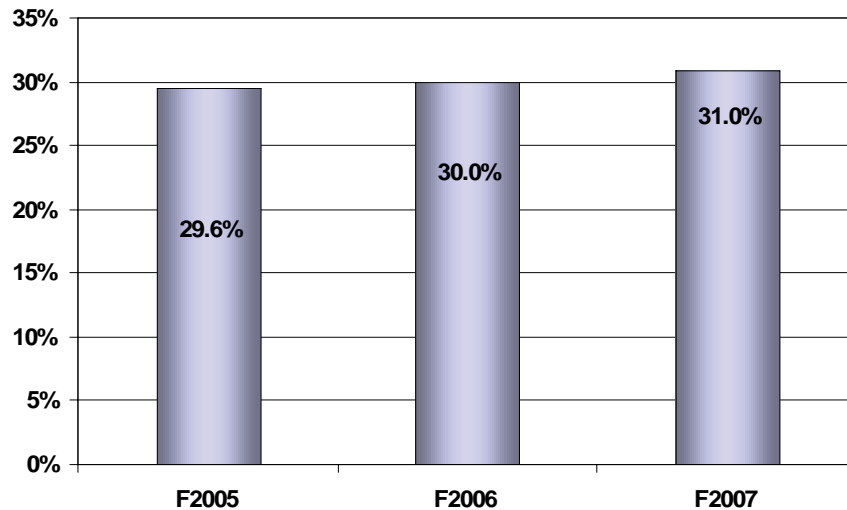
Adding value to life

# Snacks & Treats



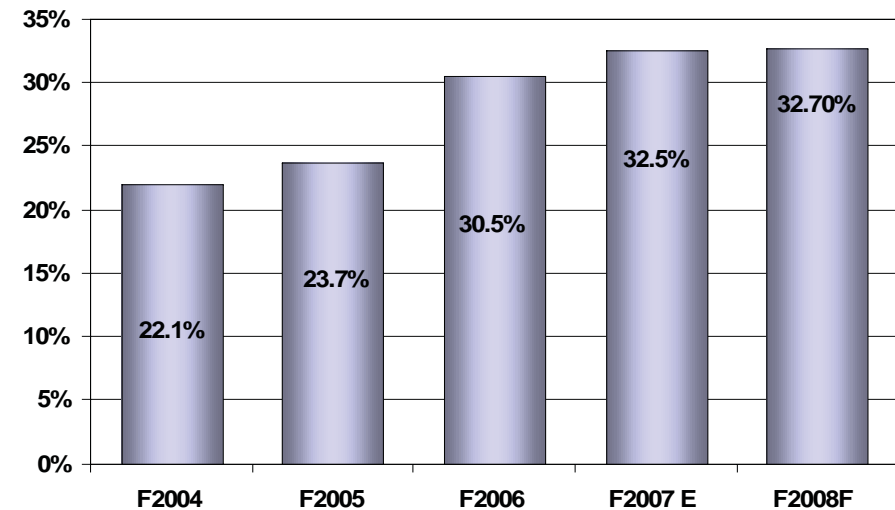
## Business Performance

Beacon Boxes & Assortments Market Share



Source: Nielsen: F/M 12mm

Beacon Sugar Market Share



Source: BMI 2007

Note : Nielsen Data is exclusive of Easter

Tiger Brands



Adding value to life

# Confectionery Innovation: F2007

Winter

Summer

New Occasions



Leverage Core brand into new formats



Extend target market – relevant price points



New Horizons





# Outlook

***F2008 promises to be most challenging ... focus will be achieved***

## **FMCG**

- Second successive year of pressure on raw material costs likely to translate into another year of high food price inflation.
- Indications of increased pressure on consumer spending.
- Stronger rand to put Export & Fishing earnings under pressure.
- Continued focus on organic growth and innovation.

## **Healthcare**

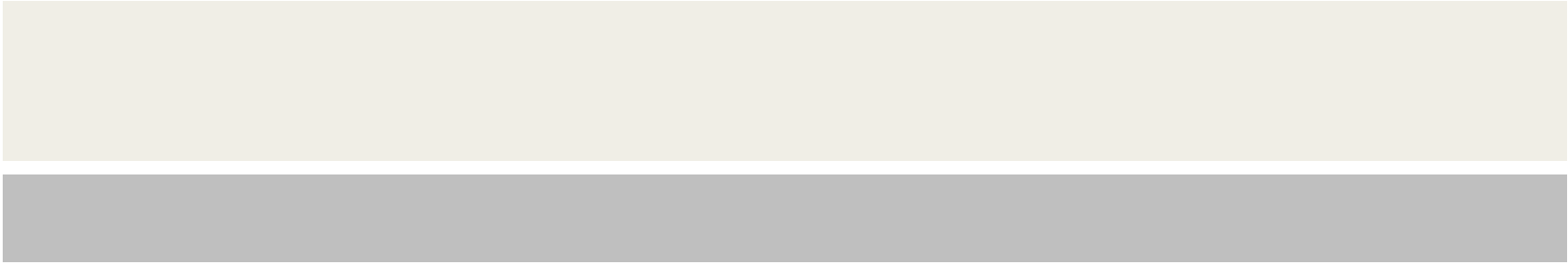
- Finalisation of ARV tender.
- Conclusion of International Benchmarking.

## **Corporate**

- Unbundling will also give rise to accelerated IFRS 2 charges.
- Impact of BEE deal likely in the second half.



*Adding value to life*



***Thank You***

**Tiger Brands**



*Adding value to life*