**Independent non-executive directors**

1. **Lex van Vught** (68)
   **Chairman**
   BSc (Hons), BCom
   Lex joined Tiger Brands in March 2003 as an independent non-executive director, and was appointed chairman in 2006.

2. **Bheki Sibiya** (54)
   **Deputy chairman**
   BAdmin, MBA

3. **Susan (Santie) Botha** (47)
   BEcon (Hons)
   Santie is the Chancellor of the Nelson Mandela Metropolitan University. Santie was appointed to the Imperial Holdings Board in September 2011. Santie was appointed to the Tiger Brands board in August 2004.

4. **Richard Dunne** (63)
   CA(SA)

5. **Khotso Mokhele** (56)
   BSc Agriculture, MSc Food Science, PhD Microbiology
   Khotso joined the Tiger Brands board in August 2007. Khotso serves as chairman of Adcock Ingram Holdings Limited and Impala Platinum Holdings Limited and is a non-executive director of African Oxygen Limited and Zimplats Holdings Limited. Khotso is a trustee of the Hans Merensky Foundation and is Chancellor of the University of the Free State.

6. **André Parker** (60)
   MCom
   André is a director of Distell Limited and chairman of TSB Sugar Holdings. André was appointed to the Tiger Brands board in August 2007.

7. **Makhup Nyama** (54)
   BCom, MBA, Diploma in Marketing Management
   Makhup joined the Tiger Brands board in August 2010. Makhup was former chief executive officer of Saab Grintek and deputy chief executive of CS Holdings. Makhup serves as chairman of Issachar Investment Holdings and is a director of Makhup Business Services and Coaching, Makhup Properties, Kapela Holdings and Xon Holdings.

8. **Rob Nisbet** (55)
   BCom, BAcc, CA(SA)
   Rob was group financial director of MTN Group for 14 years, until his retirement. Prior to joining MTN Group he was a director of other private and public companies. Rob was appointed to the Tiger Brands board in August 2010.

9. **Maya Makanjee** (49)
   BA Fine Arts, BCom, MBL (cum laude)
   Maya is chief executive officer of FinMark Trust. Maya is a director of Cenfri, FinMark Trust Zambia and World Wide Fund for Nature. Maya was appointed to the Tiger Brands board in August 2010.
Executive directors

10. **Peter Matlare** (52)
    Chief Executive Officer
    BSc (Hons), MA
    Peter was appointed to the group in April 2008 and is a non-executive director of Oceana Group Limited and an independent non-executive director of Kumba Iron Ore Limited. With effect from 5 December 2011, Peter was appointed as an independent non-executive director of ABSA Group Limited and ABSA Bank Limited.

11. **Funke Ighodaro** (48)
    Chief Financial Officer
    BSc (Hons), FCA (England and Wales)
    Funke was appointed to the group in June 2011 and is an independent non-executive director of Datatec Limited.

12. **Clive Vaux** (60)
    Corporate Finance Director
    CA(SA)
    27 years’ service with the group.

Executive management committee

A. **Peter Matlare** (52)
   See Peter’s CV above.

B. **Neil Brimacombe** (47)
   Business Executive: International
   BCom (Hons), MBL
   12 years’ service with the group.

C. **Bongiwe Njobe** (49)
   Group Executive: Corporate affairs and Sustainability
   MSc (Agriculture)
   Appointed to the group in August 2008.

D. **Sebastian Musendo** (45)
   Executive: Special projects supply chain
   BSc (Hons), MSc (Brewing), MSc (Marketing), MBA, MCIPS
   Appointed to the group in September 2010.

E. **Boniface Ngaramu Ngugi** (51)
   Executive – stakeholder relationships and special projects in the international division
   CPA (K), CPS (K), MBA (Ashridge, UK)
   Appointed to the group in November 2009.

F. **Thabi Segoale** (39)
   Business Executive: Grains division
   MSc
   Four years’ service with the group.

G. **Clive Vaux** (60)
   See Clive’s CV on the left.

H. **Brenda Koornneef** (59)
   Group Executive: Marketing and Corporate Strategy
   BCom
   10 years’ service with the group.

I. **Matsie Matooane** (46)
   Group Executive: Human Resources
   MIS, MBA
   Six years’ service with the group.

J. **Ian Isdale** (61)
   Group Company Secretary and legal adviser
   BA, LLB, E.D.P.
   28 years’ service with the group.
   Non-executive director of Country Bird Holdings Limited.

K. **Phildon Roux** (46)
   Business Executive: Consumer Brands
   BCom (Hons), MBA

L. **Funke Ighodaro** (48)
   See Funke’s CV on the left.

Please see pages 69 to 99 for information on the committees.

*As at 30 September 2011.*
Dear stakeholders

Introduction

This is the group’s first integrated annual report, which I hope provides you with an understanding of the group’s strategy, risks and performance. My letter focuses on the environment and context in which the group has operated, as well as its strategy to continue delivering value for all stakeholders.

The year under review has been characterised by difficult macroeconomic conditions in South Africa, flowing from the economic crisis in developed markets and the slow pace of domestic economic recovery. Notwithstanding these difficult trading conditions in South Africa, the year has been marked by significant strategic expansion of the company’s geographic footprint, particularly in Africa. We have consistently maintained that although South Africa will remain the base for Tiger Brands, we have stressed the need for wider African expansion to widen the base for future growth.

Financial results

The group achieved headline earnings of 1,575 cents per share for the year ended 30 September 2011, representing a 5.7% increase compared to the previous year, after adding back the once-off IFRS 2 BEE after-tax charge of R152.7 million incurred in the previous year. This was a commendable achievement in a difficult trading environment. Turnover increased by 5.8% in the current year to R20.4 billion and earnings per share grew by 17.5% to 1,629 cents.

South Africa

The difficult macroeconomic conditions under which the company has operated in South Africa have resulted in consumers remaining under financial pressure, with rising unemployment and declining disposable incomes due to the heavy debt burden of many households, exacerbated by the rising costs of food, electricity and transport.
Against this background, although growth and market performance has slowed over the past 12 months, the group’s strong brands have nevertheless retained market leadership in their respective categories. Budget constraints have led to consumers becoming more price conscious and relative price positioning has therefore become critical in the face of increased competition. Notwithstanding some weakening in volume shares, the group has, through the strength of its brands, successfully retained the number one or two position in many of the categories in which it participates and continues to receive accolades from many quarters. In the Sunday Times Top Brands Awards for 2011, Koo was named as the top consumer brand in South Africa and Tastic retained its number one position in the “essential foods” category.

Strategic expansion

Stakeholders are aware that the company has, over the past few years, invested in Cameroonian and Kenya, in addition to its more established shareholding in Empresas Carozzi, Chile. The Cameroonian and Kenyan entities have performed well this past year, as has Carozzi. The company has made significant steps in expanding its African footprint during the year under review by the acquisition of a 51% shareholding in a branded consumer products business in Ethiopia, a 100% interest in Deli Foods of Nigeria (a biscuit manufacturer), a 49% interest in UAC Foods of Nigeria which manufactures branded food products, and a 100% interest in the South African-based export company called Davita. The company will continue to look at expansion opportunities on the African continent and in selected emerging markets.

The company is particularly pleased that it has been able to invest with respected, reliable and strong local partners.

Competitive landscape

The competitive landscape within the South African retail market has become even more intense, with retailers increasing their footprint through store expansion across South Africa and the rest of the continent. Since the recession, there has been a strong drive by retailers to ensure the provision of the cheapest possible alternatives to consumers and this has led to market dynamics being driven by deep discounting. Although Tiger Brands has implemented increased trade promotional activity and discounting in order to protect volumes, competitors and retailers have become more aggressive with their price discounting, resulting in price differentials which have attracted consumers away from their preferred brands.

Faced with the challenge of delivering on shareholder expectations, margin pressures and the need for greater product differentiation, retailers have been driving own-label initiatives. The key challenge for Tiger Brands has been to maintain the value perception of its brands, both in terms of quality and price, and in this regard, the group recognises that being cost-competitive is essential. The group has implemented a number of cost savings and efficiency initiatives for reinvestment into volume growth and innovation and to ensure the continued delivery of value to consumers. In addition, the group proactively engages with its customers to ensure the long-term growth of the categories in which the group participates.
Transformation and Corporate Social Investment (CSI)

It remains essential for Tiger Brands to continue to build on its achievements from a transformation perspective. Over the past years, considerable progress has been made in transforming the company and Tiger Brands is pleased to maintain its Level 3 BEE rating. The company will not rest on its laurels in this area and the focus on transformation will continue.

The company has historically committed 1% of profit after tax for CSI projects focused primarily on education and nutrition. Our sterling work in this area is outlined later in this report. It is particularly pleasing that the Tiger Brands Foundation, which incidentally is one of the single largest shareholders in the company, has initiated very positive work in establishing a pilot in-school breakfast feeding scheme for schools in Alexandra township. To this end, it is currently feeding in excess of 6,500 children on a daily basis.

Directorate

During the year, Funke Ighodaro joined the board as Chief Financial Officer and executive director, following the resignation from the board of the previous Chief Financial Officer, Michael Fleming. We are grateful for Michael’s many years of service to the group and wish him well in his future endeavours.

In line with best governance practice, the board decided to limit the number of executive directors serving on the board to the CEO and the finance function. Neil Brimacombe and Bongiwe Njobe, the group executives responsible for international businesses and corporate affairs and sustainability respectively, therefore stood down as directors of the company but retain their group portfolios. We are grateful to them for their valuable contribution to the board.

Outlook

The South African economy is expected to show a slow recovery and we remain cautious about the prospects for the year ahead. Trading is likely to continue to be challenging due to muted consumer demand, rising inflation and competitive pricing pressures.

The group remains focused on delivering on its strategic objectives by reinvigorating and growing the core businesses in South Africa, and on improving operational efficiencies across our businesses.

The group will continue to seek opportunities to expand its geographic footprint in a considered manner, as we believe that this will contribute meaningfully to future growth.

Appreciation

I would like to thank Peter Matlare, his management team and all the employees at Tiger Brands for their contributions during the year. I also appreciate the efforts of my fellow board members and thank them for their continued guidance.

Lex van Vught
Chairman
Chief Executive Officer: Peter Matlare

Global growth in the financial period under review was challenged in the face of the sovereign debt crisis in the Euro Zone, higher oil and food prices, political instability in the Middle East and natural disasters in Australasia and other parts of the world. South Africa did not escape the effects of the global slowdown, and economic recovery has been sluggish since the recession of 2009, with consumer spending negatively affected by high levels of household personal debt, declining disposable income growth, and high unemployment.

Notwithstanding these challenges, the group has been able to deliver a solid set of financial results. Group turnover increased by 5,8% to R20,4 billion (2010: R19,3 billion) and operating income grew at a faster rate than turnover, increasing by 7,6% to R3,2 billion. Operating margins improved by 30 basis points to 15,9%. Group earnings per share increased by 17,5% to 1 629 cents and on a normalised basis, excluding the R152,7 million once-off after-tax BEE charge incurred in the previous year, headline earnings per share increased by 5,7% to 1 575 cents per share. Cashflow remains very strong and the group generated operating cashflow of R3,6 billion during the year.

In line with its expansion strategy, the group concluded four acquisitions during the year, at a total cost of R2,1 billion, thereby extending its footprint into the rest of Africa. Further details of these acquisitions are provided in the financial review section. The group is most fortunate in all jurisdictions where we have investments, to have strong, reliable and credible partners.

South African operations

The core South African businesses (excluding exports) grew turnover by 3,2% to R18,1 billion in a challenging economic environment, characterised by tough competitor activity and muted consumer demand. Sales volumes across the domestic operations fell by 2,1%, with the milling and bakery businesses affected by sustained price discounting by competitors and significant inflation in the pricing of wheat and maize.

The snacks & treats, beverages, home and personal care businesses suffered volume declines, partly as a result of industrial strike...
actions in the second half of the year, as well as weak consumer demand driven by reduced expenditure on discretionary spend items. The rest of the grains business as well as the groceries business showed good growth year on year, mitigating the impact of low price inflation in the groceries business and price deflation in the rice business.

The value added meat products (VAMP) business was affected by intense competition, particularly in its core polony market.

**Export and international operations**

Turnover from the African operations (including exports and Davita but excluding Langeberg and Ashton Foods) now accounts for 7.5% of total group sales and grew by 75% year on year to R1.5 billion (2010: R0.9 billion). Excluding the impact of the new acquisitions concluded during the year, the African operations grew turnover by 17.8%, driven by a 32.3% increase in turnover from the group’s existing export business. Chococam and Haco also performed very well in local currency terms, but their results in Rand terms were negatively affected by the depreciation of the Cameroon Franc and Kenyan Shilling against the Rand during the period.

Langeberg and Ashton Foods, the group’s deciduous fruits export business, was negatively impacted by the strong Rand, as well as weak demand in developed markets, which resulted in a 15.6% drop in volumes and an 11% reduction in turnover.

**Strategy**

Tiger Brands is committed to delivering growth ahead of the South African GDP, as stated in the group’s mission statement. This reflects the group’s strategic intent to deliver organic growth ahead of the markets in which it operates, by enhancing its market share position through brand building and innovation and by ensuring that the value proposition of its brands continues to meet consumers’ demands in terms of value for money. In addition, it signifies the group’s intent to extend its core brands into new market segments.

A strong growth vector remains the group’s strategy to expand its footprint into the rest of Africa and other selected emerging markets. The group is focused on consolidating its existing acquisitions and on delivering growth through enhanced efficiencies and top line expansion. In addition, the continued growth of the exports of core brands into the rest of Africa remains a key objective. The group’s long-term objective is that the international businesses will contribute 20% of the group’s total revenues. The recent acquisitions significantly advance the group’s ambition in this regard.

Despite inflationary and economic pressure, the group aims to retain its operating margin at a minimum of 15%. The focus is on driving cost efficiencies, through value chain process improvements, capital investment and enhanced synergies through shared services where appropriate. This will enable the group to compete effectively and deliver topline growth, while retaining its core profitability.

The programme of consolidation and focus on cost efficiencies in our African operations will ensure enhanced profitability which, together with our aim to grow in value added segments, will further protect delivery of return on investment benchmarks that exceed the company’s cost of capital.

The retail and wholesale markets continue to consolidate as major retailers seek to grow their share of the overall market by entering into new channels and store formats. This should encourage better distribution of products and result in an extension of the group’s footprint.
into new and existing channels, including under-
served markets as well as new markets in other
African countries, thereby deepening our market
penetration. Walmart’s entry into the South
African market has hastened the pace of
adoption of international retail practices by
local retailers, which should positively impact
the value proposition offered to consumers and
enhance overall consumption growth. Tiger
Brands’ aim is to constructively align its
performance objectives with those of its
customers by focusing on long-term category
growth plans to drive volume performance and
to improve supply chain efficiencies to combat
the market challenges.

People and communities

The acquisition of talent is highly competitive
and the attraction and retention of talent is
imperative to support the company’s growth
agenda. The group assesses its competitiveness
and employee sentiment by participating in the
Deloitte “Best Company to Work For” survey
and remains committed to providing a positive
climate and enabling culture in order to remain
an employer of choice. I would like to formally
welcome Funke Ighodaro, Chief Financial
Officer, and Phil Roux, business executive:
Consumer Brands, who both joined the
executive team during the current year, and
wish them well in their roles.

The group continues to sustain its commitment to
spending 1% of its profit after tax in corporate
social investment initiatives that focus on food
security and education. In addition, the Tiger
Brands Foundation has been established and
continues to make good progress. Its pilot
feeding scheme in Alexandra has been a
significant success. The Foundation now feeds
seven schools in the area and will extend these
to all 14 primary schools in the area during
2012.

The ultimate goal of the Foundation is to ensure
that children are well nourished through a
balanced diet, resulting in improved
performance, growth and sound achievement
in their academic studies.

Outlook

2011 was a difficult year and in entering
2012, we expect that trading conditions
will remain tough, with unemployment and
tightening of disposable income continuing to
adversely affect consumer spending. Price
inflation is likely to persist, driven by increases
in global soft commodity prices, packaging,
fuel and energy costs, as well as rising wage
demands which significantly exceed inflation.
The volatility of foreign currency exchange rates
further adds to the uncertainty. Nonetheless, we
remain focused on the execution of our strategy,
which we believe will deliver sustainable
growth and strengthen our brands.

Appreciation

I would like to thank our customers, suppliers
and other stakeholders for their support during
the year.

The group’s employees coped admirably well in
the face of unprecedented challenges in the
current year and on behalf of the board and
our shareholders, I would like to extend my
sincere appreciation for their unwavering
commitment to the company and hard work.

Peter Matlare
Chief Executive Officer
Financial review
for the year ended 30 September 2011

Pleasing results notwithstanding a difficult trading environment. We continue to invest for future growth through acquisitions and capital expansion.

Chief Financial Officer: Funke Ighodaro

Financial results

The group achieved pleasing results notwithstanding a difficult trading environment. Group turnover increased by 5.8% to R20.4 billion (2010: R19.3 billion) and operating income before depreciation and amortisation increased by 9.0% to R3.6 billion (2010: R3.3 billion). Depreciation and amortisation increased by 21.9% to R384.4 million (2010: R315.4 million) as a result of increased capital expenditure. Nonetheless, the group achieved good operational leverage, increasing the average operating margin by 30 basis points to 15.9%.

Operating income increased by 7.6% to R3.2 billion (2010: R3.0 billion). Excluding acquisitions, operating income grew by 3.8% to R3.1 billion and operating margins improved by 10 basis points to 15.7%.

Financing costs of R64.1 million (net of interest income) was significantly lower than in the prior year, due to the group’s relatively higher cash balance in the first half of the current financial year. In addition, interest of R20.5 million relating to capital expenditure incurred on the Hennenman flour mill and the Durban bakery upgrade was capitalised during the year. Given the group’s current debt levels, financing costs are expected to increase over the coming year.

Income from associates increased by 5.4% to R265.4 million and relates to the results of Carozzi, Oceana and UAC Foods, which collectively contributed a sizeable 10.3% of the group’s after-tax profit for the current year. Carozzi’s equity accounted results were down 17.7% to R98.4 million following a fire at its main Chilean pasta manufacturing plant, which resulted in the importation of pasta at higher costs. A new plant was commissioned in September 2011, which should result in a normalisation of profit margins in the coming year.

The group’s share of Oceana’s underlying after-tax profits (excluding the effect of a prior year impairment charge) increased by 5.9% to R149.1 million. The group’s 49% shareholding in UAC Foods was acquired in May 2011 and its contribution to group earnings in the
current financial year was in line with expectations.

Profit before tax increased by 19.1% to R3.6 billion (2010: R3.0 billion). This included a once-off abnormal take-on gain arising from the equity accounted net assets of National Foods Holdings Limited (National Foods), as well as the employer share of pension fund surpluses amounting to R44.3 million.

The group has held its 25.7% shareholding in National Foods, a Zimbabwean milling and consumer goods business, for many years, but had not previously recognised its share of earnings from the company due to the hyperinflationary economic climate in Zimbabwe. Subsequent to the financial year-end, the group has increased its shareholding in National Foods by 11.7% to 37.4% and will, with effect from 1 October 2011, equity account its share of earnings from the company.

The group’s effective tax rate on profits before abnormal items was 31.3% (2010: 29.7%), reflecting the increased STC charge on dividends declared during the year. In the prior year, the group paid capital distributions out of share premium, which were not subject to STC.

Earnings per share

Net profits attributable to Tiger Brands’ shareholders increased by 17.9% to R2.6 billion (2010: R2.2 billion). On an adjusted basis, excluding the prior year IFRS 2 charge related to the group’s BEE Phase II transaction that was implemented in October 2009, net profits increased by 10.2%.

Earnings per share increased by 17.5% to 1 629 cents (2010: 1 386 cents) and headline earnings per share, which excludes the once-off take-on gain related to the recognition of the group’s share of net assets of National Foods, increased by 13.0% to 1 575 cents (2010: 1 393 cents). On an adjusted basis, excluding the prior year IFRS 2 BEE charge, headline earnings per share increased by 5.7%.

Financial position

Property, plant and equipment increased to R3.3 billion from R2.6 billion due to the acquisitions made during the year, as well as increased capital expenditure. During the year, the group progressed with its capital investment programme and incurred capital expenditure of R817.8 million (2010: R634.2 million), with the most significant amounts being in respect of the expansion of the Hennenman flour mill (due for completion in December 2012 at a total expected cost of R561 million, with R370.3 million incurred in the current year) and the upgrade of the Durban bakery which was commissioned in September 2011 at a cost of R107.9 million incurred in the current year.

Goodwill and other intangible assets increased by R1.8 billion to R3.8 billion, mainly as a result of the acquisitions of Davita (R1.6 billion), Deli Foods (R224.6 million) and East Africa Tiger Brands Industries (R10.5 million). The increase in investments is mainly attributable to UAC Foods (R430.7 million) and the take-on equity accounted net assets of National Foods (R91.4 million).

Current assets remained in line with the prior year, with the increase in debtors and inventories (mainly due to acquisitions) offset by a lower cash balance.
Shareholders’ equity rose by R1.5 billion to R9.9 billion in the year due to net profits after tax, which added R2.6 billion, and foreign currency and other movements, which added a further R189 million. Total dividends and capital distributions paid out of share premium amounted to R1.2 billion (net of amounts paid in respect of treasury and empowerment shares). The increase in non-controlling minority interests to R385.7 million (2010: R285.5 million) was mainly due to the minority interest in the newly acquired Ethiopian subsidiary, East Africa Tiger Brands Industries.

The movement in the group’s net deferred tax liability mainly relates to the accounting requirement in terms of IAS12 to raise deferred tax on the trademarks and other intangibles acquired on the Davita and Deli Foods acquisitions. Given that no tax deduction is being claimed in respect of the cost of the trademarks, the deferred tax liability will be offset against goodwill in the event of a future sale or disposal of the relevant assets.

The group’s net debt levels remain conservative and as at 30 September 2011 amounted to R1.7 billion (2010: net cash of R41.5 million), representing approximately 0.46 times group EBITDA and a debt: equity ratio of approximately 1:6.

The group is financed through a mixture of cash generated from operations, third-party borrowings and intergroup loans and has committed facilities in place to support its growth plans and for general business requirements. Tiger Brands is satisfied that its financing arrangements are adequate to meet its working capital needs for the foreseeable future.

**Events subsequent to the balance sheet date**

With effect from 1 November 2011, the group acquired the Status range of deodorants from the Unilever group for a total purchase consideration of R214.1 million and sold the Mousson bath care brand and inventory to the Unilever group for R38.5 million. In October 2011, the group acquired an additional 11.7% shareholding in National Food Holdings Limited, thus increasing its shareholding to 37.4%.

**Cashflow and liquidity**

The group continues to be highly cash generative and during the year generated R3.6 billion from its operations (2010: R3.4 billion). This was used to fund higher distributions to shareholders and increased tax payments, resulting in a net cash inflow from operating activities of R1.4 billion, which was roughly equivalent to the amount generated in the previous year. STC on dividends largely contributed to the higher tax payments in the year, which increased to R1.1 billion. Income from investments included dividends received from associates.

During the year, the company paid a final dividend in respect of the 2010 financial year of 241 cents per share and a capital distribution out of share premium of 235 cents per share, as well as an interim dividend in respect of the 2011 financial year of 281 cents per share, thereby increasing total distributions paid in the year by 4.3% to R1.2 billion.
Acquisitions

The group spent R2,1 billion on the following four acquisitions during the year, net of cash of R226,7 million acquired with the businesses.

- 100% shareholding in Deli Foods Nigeria Limited, a biscuit manufacturer operating in the Nigerian market, acquired in April 2011 for R296,3 million;

- 51% shareholding in a newly established company, East Africa Tiger Brands Industries, involved in the manufacture of food, home and personal care products in the Ethiopian market, acquired in April 2011. The new company purchased the related businesses and assets of the East Africa Group of Companies of Ethiopia. Tiger Brands’ 51% shareholding interest in the new company was funded by a R121,4 million cash injection of which R93,3 million was retained in the business;

- 49% interest in UAC Foods Limited, an established manufacturer of branded savoury snacks, dairy and beverage products in Nigeria, acquired in May 2011 for R421,1 million;

- 100% shareholding in Davita Trading (Pty) Limited, a South African manufacturer and exporter of powdered seasoning and beverage products, with a presence in 28 countries across Africa and the Middle East. This acquisition was concluded in May 2011 for a purchase consideration of R1,4 billion.

Further details of the acquisitions are set out in note 40 of the annual financial statements.

In line with its capital expansion strategy, the group invested R817,8 million on capital assets, compared to the R634,2 million spent in 2010.

Final shareholder distribution

The board has decided to declare a final dividend of 510 cents per share for the year ended 30 September 2011. This dividend, together with the interim distribution of 281 cents per share, will therefore amount, in aggregate, to a total payment to shareholders of 791 cents per share. (2010: 746 cents per share). The total payment of 791 cents per share represents an increase of 6% on the total payment of 746 cents per share declared in respect of the previous year.

The company’s stated policy of paying an annual dividend distribution, based on a headline earnings cover of 2 times, remains in place.

Financial risk management

The group is exposed to a range of financial risks through its business activities, including risks relating to the market currency, interest rates, soft commodity prices, credit and liquidity. The group’s exposure to these risks and the policies for managing the risks are detailed in note 37 of the annual financial statements. Further details of the risks are also outlined on pages 70 to 75 of the corporate governance report.

Funke Ighodaro
Chief Financial Officer