



PIONEER FOOD GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1996/017676/06)

Share code: PFG ISIN: ZAE000118279

("Pioneer Foods" or "the Company")

PRE-LISTING STATEMENT

Prepared and issued in terms of the Listings Requirements of the JSE Limited ("JSE") relating to the listing of the entire issued ordinary share capital of Pioneer Foods on the JSE by way of an introduction.

This pre-listing statement is not an invitation to the public to subscribe for ordinary shares in Pioneer Foods, but is issued in compliance with the Listings Requirements of the JSE ("Listings Requirements"), for the purpose of providing information to the public with regard to Pioneer Foods.

The JSE has agreed to the listing of the entire issued ordinary share capital of Pioneer Foods in the "Food and Beverage" sector of the JSE under the abbreviated name PNR Foods with effect from the commencement of trade on the JSE on 22 April 2008.

At the last practicable date, the share capital of Pioneer Foods comprised 400 000 000 authorised ordinary shares with a par value of 10 cents each of which 181 183 898 shares was in issue and 18 130 000 authorised Class A Ordinary Shares with a par value of 10 cents each of which 13 504 680 shares was in issue. Share premium relating to the ordinary shares amounted to R733 million. Only the Pioneer Foods ordinary shares will be listed on the JSE.

Pioneer Foods ordinary shares will be traded on the JSE as dematerialised shares only and accordingly all existing Pioneer Foods ordinary shareholders who hold certificated shares and any future ordinary shareholders who elect to receive certificated shares will have to dematerialise their certificated shares should they wish to trade on the JSE.

The directors of Pioneer Foods, whose names appear in paragraph 18 commencing on page 22 of this pre-listing statement, collectively and individually accept full responsibility for the accuracy of the information given in this pre-listing statement and certify that, to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this pre-listing statement false or misleading, that they have made all reasonable enquiries to ascertain such facts and that this pre-listing statement contains all information required by law and the Listings Requirements.

The Standard Bank of South Africa Limited, which is regulated in terms of the Listings Requirements, is acting for Pioneer Foods and no one else in relation to the preparation of this pre-listing statement and will not be responsible to anyone other than Pioneer Foods in relation to the preparation of this pre-listing statement.

The investment bank and transaction sponsor, legal advisors, sponsor, transfer secretaries and reporting accountant and auditors have consented in writing to act in the capacities stated and to their names and reports (where applicable), being included in this pre-listing statement and have not withdrawn their written consent to the issue of the pre-listing statement prior to the publication of this pre-listing statement.

An abridged version of this pre-listing statement will be released on the Securities Exchange News Service of the JSE on Tuesday, 15 April 2008 and published in the South African press on Wednesday, 16 April 2008.

Date of issue: 15 April 2008

Investment bank and transaction sponsor



Legal advisors



JAN S. DE VILLIERS
ATTORNEYS

Reporting accountants and auditors

PRICEWATERHOUSECOOPERS 
PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration no 1998/012055/21)

Independent sponsor

**BARNARD
JACOBS
MELLET**

**Corporate
Finance**

This pre-listing statement is available in English only. Copies can be obtained from the registered office of Pioneer Foods and the offices of the transaction sponsor, the addresses of which are set out in the "Corporate information and advisors" section on the inside front cover of this pre-listing statement as well as in electronic form from the Company's website (www.pioneerfoods.co.za).

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Investment bank and transaction sponsor

The Standard Bank of South Africa Limited
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2001
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Reporting accountants and auditors

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7646
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Transfer secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor
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Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

Independent sponsor

Barnard Jacobs Mellet Corporate Finance
(Proprietary) Limited
(Registration number 2000/023249/07)
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5 Sturdee Avenue
Rosebank
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(PO Box 62200, Marshalltown, 2107)

Date of incorporation

13 June 1997
(date of the merger between Sasko (Proprietary) Limited
and Bokomo (Proprietary) Limited)

Place of incorporation

South Africa

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DEFINITIONS AND INTERPRETATIONS

Throughout this pre-listing statement and the annexures hereto, unless otherwise stated or the context otherwise indicates, the words and expressions in the first column shall have the meanings stated opposite them in the second column and words and expressions in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and *vice versa* and any reference to one gender shall include the other genders:

“Accolade Trading”	Accolade Trading Company (Proprietary) Limited (registration number 1967/005579/07), a private company incorporated in accordance with the laws of South Africa;
“articles of association”	the articles of association of Pioneer Foods;
“associate”	an associate as defined in the Companies Act;
“BEE”	broad-based black economic empowerment as defined in the Broad-Based Black Economic Empowerment Act (Act 53 of 2003), as amended;
“the BEE Trust”	Pioneer Foods Employee Share Trust, Nr IT4965/2005, established as part of Pioneer Foods BEE transaction and for the benefit of Pioneer Food Group’s employees, the majority of which are black;
“Belso’s (United Kingdom) Cereals”	Belso’s (UK) Cereals Limited (registration number 2186964), a public company incorporated in accordance with the laws of the United Kingdom;
“the Board” or “the Directors”	the Board of directors of Pioneer Foods;
“Bokomo”	Bokomo (Proprietary) Limited (registration number 1997/004892/07), a private company incorporated in accordance with the laws of South Africa;
“Bokomo Botswana”	Bokomo Botswana (Proprietary) Limited (registration number 2002/2454), a private company incorporated in accordance with the laws of Botswana;
“Bokomo Namibia”	Bokomo Namibia (Proprietary) Limited (registration number 1998/109), a private company incorporated in accordance with the laws of Namibia;
“Bokomo Uganda”	Bokomo Uganda (Proprietary) Limited (registration number 43011), a private company incorporated in accordance with the laws of Uganda;
“Bokomo Zambia”	Bokomo Zambia Limited (registration number 37726), a public company incorporated in accordance with the laws of Zambia;
“Bowman Ingredients SA”	Bowman Ingredients SA (Proprietary) Limited (registration number 2002/004305/07), a private company incorporated in accordance with the laws of South Africa;
“business day”	any day, other than a Saturday, Sunday or official public holiday in South Africa;
“CSDP”	a Central Securities Depository Participant, registered in terms of section 3.2 of the Securities Services Act and appointed by individual shareholders for purposes of, and in regard to, dematerialisation in terms of such Act;
“The Ceres Beverage Company”	Ceres Fruit Juices, trading as The Ceres Beverage Company;
“Ceres Fruit Juices”	Ceres Fruit Juices (Proprietary) Limited (registration number 1972/004728/07), a private company incorporated in accordance with the laws of South Africa;

“certificated shareholders”	holders of certificated shares;
“certificated shares”	shares that have not been dematerialised in terms of Strate, title to which is represented by documents of title;
“Class A Ordinary Shareholders”	holders of Class A Ordinary Shares;
“Class A Ordinary Shares”	Class A Ordinary Shares with a par value of 10 cents each in the authorised and issued share capital of Pioneer Foods;
“the Codes”	the Broad-Based Black Economic Empowerment Codes of Good Practice issued under section 9(1) of Broad-Based Black Economic Empowerment Act (Act 53 of 2003), as amended;
“Common Monetary Area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
“Companies Act”	the Companies Act (Act 61 of 1973), as amended;
“Competition Act”	the Competition Act (Act 89 of 1998), as amended;
“Competition Commission”	the Competition Commission of South Africa;
“Competition Tribunal”	the Competition Tribunal of South Africa;
“Computershare” or “transfer secretaries”	Computershare Investor Services (Proprietary) Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa, being the transfer secretaries of Pioneer Foods;
“Craft Box”	Craft Box (Proprietary) Limited (registration number 1993/003155/07), a private company incorporated in accordance with the laws of South Africa;
“Crossbow”	Crossbow (Proprietary) Limited (registration number 2002/031292/07), a private company incorporated in accordance with the laws of South Africa;
“dematerialise”	the process whereby share certificates and any other documents of title to shares in a tangible form are dematerialised into electronic records for the purposes of Strate;
“dematerialised shareholders”	holders of dematerialised shares;
“dematerialised shares”	shares which have been dematerialised in terms of the requirements of Strate and the ownership of which is no longer evidenced by physical documents of title but by electronic records;
“documents of title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to certificated shares;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act (Act 9 of 1933), as amended;
“existing scheme”	the current, share option based, management incentive programme of Pioneer Foods;
“Frans Indongo Trust”	Frans Indongo Trust – T21/87, duly registered in terms of the Trust Monies Protection Act, 1934, of Namibia;
“Frucon Beverages”	Frucon Food and Beverages Company (Proprietary) Limited (registration number 1993/006793/07), a private company incorporated in accordance with the laws of South Africa;
“Golden Lay”	Golden Lay Foods (Proprietary) Limited (registration number 2003/001577/07), a private company incorporated in accordance with the laws of South Africa;

“Government”	the Government of South Africa;
“Grain Health Foods (United Kingdom)” or “Bokomo Foods (United Kingdom)”	Grain Health Foods (UK) Limited (registration number 4080435), a public company incorporated in accordance with the laws of the United Kingdom, which has changed its name to Bokomo Foods (UK) Limited;
“HACCP”	Hazard Analysis and Critical Control Points, a systematic preventive approach to food safety that addresses physical, chemical and biological hazards. HACCP is used in the food industry to identify potential food safety hazards, so that key actions can be taken to reduce or eliminate the risk of the hazards being realised;
“Heinz Foods SA”	Heinz Foods SA (Proprietary) Limited (registration number 2003/013160/07), a private company incorporated in accordance with the laws of South Africa;
“HJ Heinz”	H J Heinz Company, a corporation organised under the laws of the Commonwealth of Pennsylvania, United States of America;
“IFRS”	International Financial Reporting Standards;
“Income Tax Act”	the Income Tax Act (Act 58 of 1962), as amended;
“independent sponsor” or “Barnard Jacobs Mellet”	Barnard Jacobs Mellet Corporate Finance (Proprietary) Limited (registration number 2000/023249/07), a private company incorporated in accordance with the laws of South Africa;
“J.A.S. Bowman & Sons”	J.A.S. Bowman & Sons Limited (registration number 189717), a public company incorporated in accordance with the laws of the United Kingdom;
“the JSE”	the JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act;
“KaaP Agri”	KaaP Agri Limited (registration number 2007/015880/06), a public company incorporated in accordance with the laws of South Africa. KaaP Agri was previously a co-operative;
“Kwality Biscuits”	Kwality Biscuits (Proprietary) Limited (registration number 1981/000391/07), a private company incorporated in accordance with the laws of South Africa;
“last practicable date”	the last practicable date prior to the finalisation of this pre-listing statement, being 29 February 2008;
“listing”	the proposed listing of the ordinary shares of Pioneer Foods on the JSE;
“Listings Requirements”	the Listings Requirements of the JSE in force as at the last practicable date;
“Lohmann South Africa”	Lohmann Breeding South Africa (Proprietary) Limited (registration number 2001/004636/07), a private company incorporated in accordance with the laws of South Africa;
“memorandum”	the memorandum of association of Pioneer Foods;
“Moorreesburgse Koringboere”	Moorreesburgse Koringboere (Proprietary) Limited (registration number 1999/007729/07), a private company incorporated in accordance with the laws of South Africa. Moorreesburgse Koringboere was previously a co-operative;
“Non-Organised Labour”	those employees who do not fall within the definition of “Organised Labour”, being salaried staff employees in Task Grades 1 and upwards and/or Peromnes Grades 1 – 12 and including the employees working in any Human Resources Department of any subsidiary as well as clerical and administrative personnel;

“Noogy Foods”	Noogy Foods Close Corporation (registration number CK1990/007684/23), a close corporation incorporated in accordance with the laws of South Africa;
“Northern Bakeries”	Northern Bakeries Limited, a deregistered public company previously incorporated in accordance with the laws of South Africa;
“Notional Threshold Debt”	a notional debt amount per Class A Ordinary Share, based on the market value of Pioneer Foods’ ordinary shares at 25 November 2005, less the par value per Class A Ordinary Share being an initial notional amount equal to R20.50;
“the Operating Company”	Pioneer Foods (Proprietary) Limited (registration number 1957/000634/07), a private company incorporated in accordance with the laws of South Africa;
“Organised Labour”	those employees that fall within the bargaining unit (Task Grades 1 – 6 and/or Peromnes Grades 13 – 19) but excluding employees working in any Human Resources Department of any subsidiary as well as clerical and administrative personnel;
“Overberg Agri”	Overberg Agri Limited (registration number 1998/001018/06), a public company incorporated in accordance with the laws of South Africa. Overberg Agri was previously a co-operative;
“PepsiCo, Inc”	PepsiCo, Incorporated, a food and beverage corporation organised under the laws of the State of North Carolina, United States of America;
“P.F. Brink”	P.F. Brink (Proprietary) Limited (registration number 3982), a private company incorporated in accordance with the laws of Botswana;
“phantom share plan”	the future, share price based, management incentive programme of Pioneer Foods, which will replace the existing scheme;
“Pioneer Food Group” or “the Group”	the Company, its subsidiaries and associates;
“Pioneer Foods” or “the Company”	Pioneer Food Group Limited (registration number 1996/017676/06), a public company incorporated in accordance with the laws of South Africa;
“Pioneer Foods Holdings”	Pioneer Foods Holdings Limited (registration number 1956/001280/06), a public company incorporated in accordance with the laws of South Africa;
“Pioneer Foods ordinary shareholders” or “ordinary shareholders”	holders of Pioneer Foods ordinary shares;
“Pioneer Foods ordinary shares” or “ordinary shares”	ordinary shares with a par value of 10 cents each in the authorised and issued share capital of Pioneer Foods;
“Pioneer Foods shareholders”	collectively, Pioneer Foods ordinary shareholders and Class A Ordinary Shareholders;
“Pioneer Foods shares”	collectively, Pioneer Foods ordinary shares and Class A Ordinary Shares;
“this pre-listing statement” or “this document”	this Pioneer Foods pre-listing statement, dated 15 April 2008 and the annexures hereto;
“Premier Fishing”	Premier Fishing SA (Proprietary) Limited (registration number 1952/00267/07), a private company incorporated in accordance with the laws of South Africa;
“Rand” or “R”	South African Rand, the official currency of South Africa;

“Retail Brands Interafrica”	Retail Brands Interafrica (Proprietary) Limited (registration number 1993/000454/07), a private company incorporated in accordance with the laws of South Africa;
“S.A.D”	S.A.D Foods Limited (registration number 1947/025660/06), a public company incorporated in accordance with the laws of South Africa;
“Sanitarium”	Sanitarium Health Foods (UK) Limited (registration number 3850589), a public company incorporated in accordance with the laws of the United Kingdom;
“SARB”	South African Reserve Bank;
“Sasko”	Sasko (Proprietary) Limited (registration number 1957/000634/07), a private company incorporated in accordance with the laws of South Africa;
“Savoury Foods”	Savoury Foods Industries (Proprietary) Limited (registration number 2004/017665/07), a private company incorporated in accordance with the laws of South Africa;
“SENS”	the Securities Exchange News Service of the JSE;
“the Share Incentive Trust”	the Pioneer Shares Incentives Trust Nr IT2633/97, established as part of the existing scheme;
“South Africa” or “SA”	the Republic of South Africa;
“Standard Bank”	The Standard Bank of South Africa Limited (registration number 1962/000738/06), a public company incorporated in accordance with the laws of South Africa and a registered bank, the shares of which are listed on the JSE;
“Strate”	Strate Limited (registration number 1998/022242/06), a public company incorporated in accordance with the laws of South Africa which is licensed as a central securities depository in terms of section 32 of the Securities Services Act (Act 36 of 2004), as amended;
“subsidiary”	a subsidiary as defined in the Companies Act;
“Sugarbird”	Sugarbird (Proprietary) Limited (registration number 1973/007385/07), a private company incorporated in accordance with the laws of South Africa;
“UK”	the United Kingdom;
“United States” or “US”	the United States of America;
“VAT”	Value-Added Tax payable in terms of the Value-Added Tax Act (Act 89 of 1991), as amended; and
“Zeder”	Zeder Investments Limited (registration number 2006/019240/06), a public company incorporated in accordance with the laws of South Africa.

SALIENT FEATURES

This summary contains the salient features of the listing of Pioneer Foods, detailed in this pre-listing statement, which should be read in its entirety for a full and proper appreciation hereof. The definitions commencing on page 3 of this pre-listing statement also apply to the salient features.

1. INTRODUCTION

It was published in the press on Tuesday, 8 April 2008 that Pioneer Foods intends to list on the JSE. The purpose of this pre-listing statement is to provide information relating to Pioneer Foods, its operations as well as its directors and management.

2. RATIONALE FOR THE LISTING OF PIONEER FOODS

The listing of Pioneer Foods is aimed at improving the tradeability of the Pioneer Foods ordinary shares and unlocking any liquidity discount, which may have applied to Pioneer Foods ordinary shares whilst trading over the counter. Furthermore, the listing will facilitate the raising of equity capital through a planned R500 million rights offer at a subscription price of R25.00 per Pioneer Foods ordinary share, as discussed in more detail in paragraph 8 of this pre-listing statement.

3. NATURE OF BUSINESS

Pioneer Foods is one of the most significant players in Southern Africa's food and beverage industries. It is a leader in the staple foods segment with its value-added quality products and also has a diversified portfolio of premium brands. The Group's sophisticated research and development infrastructure and its wide distribution network, enable it to pass cost benefits on to the consumer, achieved through efficiently managed economies of scale and are comparable to the best in the Southern African food and beverage industries. The Pioneer Food Group has achieved a leadership position in the staple food segment and is currently focused on acquiring trusted brands and top-selling consumer icons. The Group employs more than 11 000 permanent employees.

4. GROWTH STRATEGY

Pioneer Foods' growth strategy is based on, *inter alia*:

- increasing manufacturing capacity to capitalise on the strong growth in consumer spending in Southern Africa;
- stepping up innovation, new product development and leveraging existing brands into new categories;
- acquiring brands which will complement its current businesses to increase critical mass or provide access to new markets, technologies or distribution channels;
- selectively considering foreign investments where it has the management knowledge or a competitive advantage; and
- driving transformation throughout its businesses.

In the medium to long term, growth will be driven by its branded businesses increasing their relative shares of their respective markets.

5. ADDITIONAL COPIES OF THIS PRE-LISTING STATEMENT

Copies can be obtained from the registered office of Pioneer Foods and the office of the transaction sponsor, the addresses of which are set out in the "Corporate information and advisors" section on the inside front cover of this pre-listing statement as well as in electronic form from the Company's website (www.pioneerfoods.co.za).

PART A: THE BUSINESS OF PIONEER FOODS

1. OVERVIEW

Pioneer Foods is a significant player in the food and beverage industries in Southern Africa, whose core business is the production and distribution of food and beverages for human and animal consumption in Southern Africa. To this end Pioneer Foods:

- operates one of the largest milling and baking businesses in South Africa;
- is a leader in the breakfast cereals market in Southern Africa, with the Company's *Weet-Bix* product being South Africa's top selling breakfast cereal brand for the more than 75 years;
- is a major player in the Southern African beverage industry with leading brands such as *Liqui-Fruit* and *Ceres*;
- is a leader in the South African dried fruit market with the *Safari* brand;
- is a major player in the South African egg market.

The Operating Company has four divisions, all of which manufacture household food and beverage products in South Africa:

1. **Sasko** manufactures a range of affordable grain-based staple foods including wheaten flour, maize meal and pasta. It also trades in rice, beans, lentils and dried vegetables and has one of South Africa's largest bakery operations with bakeries and depots located throughout the country;
2. **Bokomo Foods and S.A.D** produce some of South Africa's best known breakfast cereals, rusks, biscuits, cake mixes, baking aids, instant mash potato and soy products, as well as dried fruit products, nuts, spreads, dehydrated vegetables and processed salads;
3. **The Agri business** produces poultry and animal feeds, chickens, eggs, processed egg and processed chicken based products; and
4. **The Ceres Beverage Company** is one of South Africa's largest producers of fruit juices, carbonated soft drinks (including *Pepsi*, *7-Up*, *Mirinda* and *Mountain Dew*) and fruit concentrate mixtures.

Within the Pioneer Food Group there are a number of joint ventures, the most notable of which is Heinz Foods SA, 49.9% owned by the Operating Company. The joint venture is between the Operating Company and HJ Heinz and operates in the condiments and convenient food markets producing tomato ketchup, chutneys and other sauces, frozen foods, seafood products, tinned food, instant meals and noodles. The other joint ventures and foreign subsidiaries within the Group are discussed in paragraph 4 below.

2. INCORPORATION AND HISTORY

Pioneer Foods was formed in 1997 through the merger of Bokomo and Sasko, two long-established companies that built leadership positions in their respective markets in South Africa. Both Bokomo and Sasko were founded as farmers' cooperatives, the former for milling and the latter for selling wheat, but evolved into consumer-orientated organisations with large manufacturing, product and customer bases. They independently converted into companies during 1996.

Post the merger, progress and achievements of the Group included the following:

1998/9

- acquired and upgraded the CPC Tongaat maize mills;
- increased shareholding in Amaizco maize mills from 49% to 100%;
- increased shareholding in Northern Bakeries Limited and its affiliates to 100% and delisted the company;
- established operations in Zambia and Namibia;
- acquired the *ProNutro*, *Maltabella*, *Kreemy Meel* and *Toddlers* breakfast food brands; and
- acquired an effective 37.5% shareholding and management involvement in Ceres Fruit Juices.

1999/2000

- acquired a chicken breeding unit in Uganda; and
- acquired a 50% interest in Grain Health Foods (United Kingdom), Pioneer Foods' first step in manufacturing outside of Africa.

2000/1

- acquired Sugarbird, an established business in the manufacturing and marketing of premium jams, preserved fruit and vegetables, glazed fruit and cake mixes.

2001/2

- acquired 100% of S.A.D, the Group's largest acquisition since the merger, further diversifying the Group's products outside of the traditional grain-based products.

2002/3

- established a joint venture, Heinz Foods SA, with HJ Heinz, the US-based multi-national food company, through which Pioneer Foods holds a 49.9% interest with the balance held by HJ Heinz;
- increased shareholding in Ceres Fruit Juices from 37.5% to 75%; and
- established Bokomo Botswana.

2003/4

- increased shareholding in Ceres Fruit Juices from 75% to 100%;
- acquired Frucon Beverages;
- acquired *Moir's*, one of the oldest and best known household brand names in South Africa;
- acquired Accolade Trading, giving the Group an increased exposure to the rice market through the *Spekko* brand;
- acquired Golden Lay;
- acquired the assets of Kwaliti Biscuits; and
- established a 50/50 joint venture, Bowman Ingredients SA, with J.A.S. Bowman & Sons, wheat millers in England.

2004/5

- signed an agreement with PepsiCo, Inc to be its carbonated soft drink franchisee in South Africa;
- acquired the *Marmite*, *Bovril* and *Maizena* brands with ownership extending to South Africa, Botswana, Lesotho, Swaziland, Namibia, and Mauritius (*Bovril* only);
- further increased involvement in the spreads category by acquiring the *Redro* and *Peck's Anchovette* brands; and
- acquired Belso's (United Kingdom) Cereals, a business specialising in muesli breakfast products and competing in the United Kingdom and Scandinavian markets.

2005/6

- implementation of a BEE transaction with more than 11 000 employees of the wholly-owned South African subsidiaries of Pioneer Foods, the majority of whom are black.

2006/7

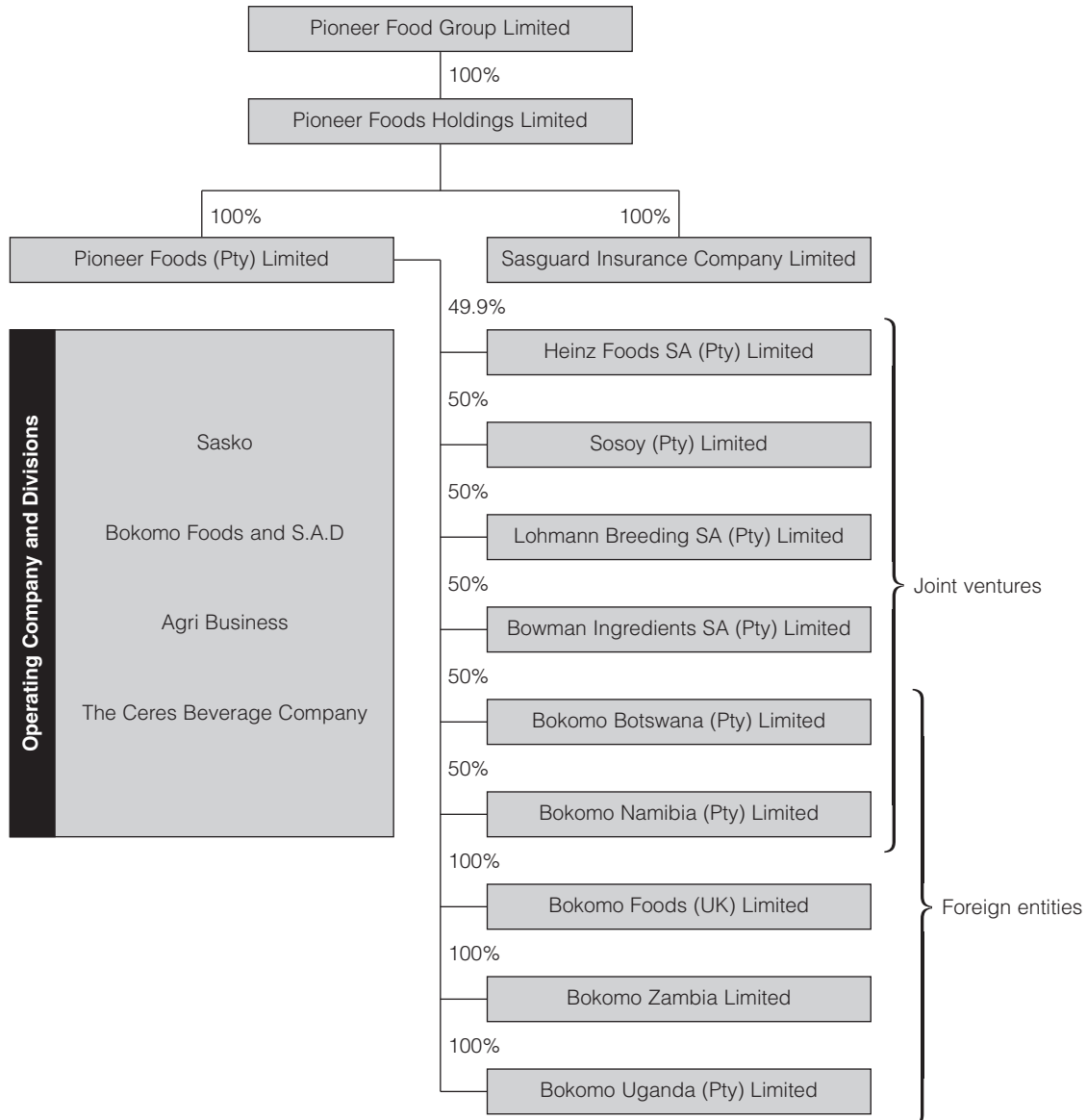
- acquired the assets of Crossbow, involved in the manufacturing and packaging of dried vegetables; and
- acquired the assets of Savoury Foods, involved in the manufacturing of *Marmite* and *Bovril*, previously outsourced by the Group.

There is currently no Government protection other than applicable local tariff protection affecting the business of Pioneer Foods. There are also no investment encouragement laws having a material affect on any of the businesses of Pioneer Foods.

There has been no material change in the nature of the business, trading objects or controlling shareholders of Pioneer Food Group during the past five years.

No business of Pioneer Foods or any of its subsidiaries or any part thereof is managed or proposed to be managed by a third party under contract.

3. GROUP STRUCTURE



4. NATURE OF BUSINESS

The Pioneer Food Group is one of the most significant players in Southern Africa's food and beverage industries. It is a leader in the staple foods segment with its value-added quality products and also has a diversified portfolio of premium brands. The Group's sophisticated research and development infrastructure and its wide distribution network, enable it to pass cost benefits on to the consumer, achieved through efficiently managed economies of scale and are comparable to the best in the Southern African food and beverage industries. Pioneer Foods has achieved a leadership position in the staple food segment and is currently focussed on acquiring trusted brands and top-selling consumer icons. The Group employs more than 11 000 permanent employees.

4.1 SASKO

The Sasko division comprises four businesses namely Sasko Grain, Sasko Bakeries and Sasko Pasta, which manufacture high quality grain-based staple foods at a number of wheat mills, maize mills, bakeries, rice and dried vegetable packing plants and a pasta plant, and Sasko Strategic Services. A network of distribution depots supports and enables the countrywide distribution of this basket of products.

4.1.1 **Sasko Grain**

Sasko Grain manufactures a diversified portfolio of grain-based, quality staple foods – wheaten flour, maize meal, rice (long grain parboiled rice and a range of speciality rices are imported), beans, lentils and dried vegetables (procured internationally and locally, and packed into consumer units) that are distributed, marketed and sold to a diverse market.

The operational structure consists of seven wheat and three maize mills, packing plants and distribution depots. The wheat mills are located in Malmesbury, Paarl, Port Elizabeth, Durban, Bethlehem, Krugersdorp and Polokwane. The maize mills are located in Klerksdorp, Estcourt and Aliwal North, while the rice packing plants are located in Cape Town and Durban. Latest flour and maize milling technology combined with innovative research and development has made Sasko Grain a market leader in terms of product quality excellence.

Consumers are reached through all the major channels, being national retail and wholesale, independent channels as well as general trade customers which are serviced through the widespread depot infrastructure.

Sasko Grain brands include *White Star* super maize meal, *Sasko* flour, *Spekko* rice, *Imbo* beans, *Bokomo* flour and *Blue Bird* special maize meal.

4.1.2 **Sasko Bakeries**

Sasko Bakeries is one of the largest role players in the South African bread market, with national distribution and representation through more than 36 000 retail outlets. 18 plant bakeries located in the Western Cape, Gauteng, Free State and Northern Province produce a diverse range of bread products. Distribution of breads is done from these plant bakeries as well as from 26 bread depots. Rolls and buns are produced in three confectionery plants that supply a large portion of the local fast food businesses.

Advanced baking technology (latest pressure vacuum mixers, placing dough moulding technology) and the highest safety standards benchmarks are applied.

The brands of Sasko Bakeries brands include *Duens*, *Sasko Sam*, *Sasko Daybreaker*, *Uncle Salie's* and *Sasko Nature's Harvest*.

4.1.3 **Sasko Pasta**

Sasko Pasta supplies a superior and versatile range of value-added products, using only the finest ingredients and specially formulated recipes to produce top quality pasta products to all market segments.

Pasta is produced at a modern manufacturing plant in Malmesbury and a national distribution network penetrates all the market segments. The plant is one of the most advanced pasta production facilities in South Africa. Stringent quality control and the latest technological methods ensure a world-class standard and high quality product.

Sasko Pasta brands include *Puccini* (flagship brand) and *Pasta Grande*. Sasko Pasta also manufactures the majority of house brands in South Africa.

4.1.4 **Sasko Strategic Services**

Sasko Strategic Services conducts research into grain to ensure that Sasko remains abreast of global advances in such fields as quality, new cultivars and testing methods. Consumer research into market and product trends ensures alignment of new products. It also procures all grain for the Group and provides technical support to all operating units.

4.2 **Bokomo Foods and S.A.D**

4.2.1 **Bokomo Foods**

Bokomo Foods is a key player in various segments in the food industry, such as breakfast cereals, baking aids and desserts as well as biscuits and has established itself as the market leader in breakfast cereals with products under the umbrella *Bokomo* brand.

The main focus is the breakfast cereals market with the predominant product brands of *Weet-Bix*, *Bokomo Cornflakes* and *ProNutro*. The business includes the *Moir's* range of products which is a leading brand in jelly, instant puddings, cake mixes and baking aids. Products are manufactured in the Western Cape, Gauteng and Durban and are distributed through national distribution centres and agents. Agency representation has been established in Botswana and Namibia. State-of-the-art factories and manufacturing units ensure consistently high quality products associated with this stable of premium brands.

Bokomo Foods (United Kingdom) has established a base for competing in the United Kingdom market for breakfast cereals and other consumable products. It is an established breakfast cereal manufacturer and importer of breakfast-related goods, operating production facilities in Wellingborough and Peterborough.

Breakfast cereal brands include household names such as *Weet-Bix*, *ProNutro*, *Bokomo Oats*, *Bokomo*, *Nature's Source* and *Maltabella*, while the jelly, instant puddings, cake mixes and baking aids fall under the *Moir's* brand. Biscuits are marketed under the Kwaliti Biscuits product range of convenience and snack foods. Other brands include *Meal Magic* spices, *Smash* instant potato, *Maizena* corn flour, *So Fresh* and *Simply Soy* soymilk, and *Up&Go* liquid breakfast.

4.2.2 **S.A.D**

S.A.D is a leading producer of South Africa's dried fruit products and is well-known for its established *Safari* dried fruit range. The product focus also includes ready-to-eat salads under the *Werda* brand, glacé fruit under the *Sugarbird* brand, as well as nuts and dehydrated vegetables.

The cornerstone of S.A.D's business, the *Safari* dried fruit products, has dominated local consumer and industrial markets for over 100 years. Choice grade, handpicked fruit and vegetables are used to manufacture the various products to a range of retail, wholesale industrial and catering clients in the domestic and export market. S.A.D products are manufactured in the Western Cape (*Sugarbird*, *Werda*, *Dried Fruits*), Mpumalanga (*S.A.D Evergreen*) and Pietermaritzburg (*Safari Nuts*).

In 2005 the division expanded into the spreads category with the acquisition of two international premium brands, namely *Marmite* (vegetable yeast spread) and *Bovril* (beef spread). *Pecks Anchovette*, a premium fish spread, *Redro*, a home-grown value-for-money fish spread, as well as *Iona*, a new range of quality meat spreads, were acquired to further the reach of this product category. New products, such as the new *Marmite* cheese spread have also been launched into the market.

Savoury Foods, a recent acquisition, manufactures HVP (HVP is protein obtained from vegetable sources) and yeast-based liquids, pastes, powders and powder blends that act as flavourants which are applied in a wide variety of products including snacks, pies, biscuits, sausages, sauces, biltong, crumbing, stocks and processed meals.

S.A.D exports dried fruit and macadamia nuts to Canada, Europe, United States of America and the Far East, including Japan. The focus is on quality and service and becoming a trusted supplier of a large variety of dried fruit in the world.

S.A.D brands include the following:

- *Safari* (dried fruit range including figs, apples, apricots, peaches, pears, prunes and mixed fruit, raisins, sultanas and cake mix);
- *Safari Snack Pack* products and snack range;
- *Safari Nuts*;
- *Safari Fruit Toppings*;

- *Safari Breakfast Booster*;
- *Werda* (vacuum-packed, ready-to-eat salads);
- *Evergreen* (range of dehydrated vegetables as a flavour ingredient);
- *Sugarbird* (glacé and bottled fruit, spreads and jams, glazed cherries, cake mixes and peels);
- *Marmite*;
- *Bovril*;
- *Redro*; and
- *Pecks Anchovette*.

4.3 The Ceres Beverage Company

The Ceres Beverage Company focuses on three separate categories within the beverage sector, namely fruit juices, fruit concentrate mixtures, and carbonated soft drinks manufactured in Ceres, Bloemfontein, Durban and Johannesburg.

The Ceres Beverage Company is South Africa's leading fruit juice company and was established with the merger of Liqui-Fruit and Fruitree in 1986. The brands are of high quality and are aimed at the premium end of the market, offering added value with both basic flavours and exotic blends. The brand portfolio has captured over 50% of the market share in South Africa.

This division is a consumer oriented business, operating at world class standards across all operations, with dedication to unique products and brands. Apart from being a premium brand locally, the company successfully exports its products to more than a 100 countries in Africa, Europe, the Far East, Middle East, Asia and North America. The brands are packed for exports in a variety of international label permutations, if volumes justify, to suit language and legal requirements in most foreign countries.

The juice range comprises:

- 100% pure fruit juices with no preservatives and colourants (Ceres and Liqui-Fruit);
- juice nectars ranging between more than 20%, but less than 100% pure fruit juice; and
- fruit drinks that are minimum 6% fruit juice.

Tetra Brik aseptic cartons as well as other packaging types (cans, glass bottles and casks) are used to pack the fruit juices.

The division also manufactures, sells, markets and distributes a range of PepsiCo, Inc's carbonated soft drink brands including *Pepsi*, *7-Up*, *Mirinda* and *Mountain Dew* under a franchise agreement.

The Ceres Beverage Company brands include the following:

- *Ceres* fruit juices;
- *Ceres Plus* fruit and vegetable juice;
- *Ceres Sparkling*;
- *Ceres Select*;
- *Ceres Fruit Tea*;
- *Ceres Organics*;
- *Ceres Plus*;
- *Junior Juice*;
- *Liqui-Fruit* fruit juices;
- *Liqui-Fruit Barney*;
- *Liqui-Cooler*;
- *Fruitree* fruit nectar juice;
- *Fruitree Jabba*;
- *Super Fruit*;
- *Caribbean*;

- *Daly's* juice nectars and fruit drinks;
- *Wild Island* juice nectars and fruit drinks;
- *Jungle Yum*;
- *Pepsi*;
- *Pepsi Light*;
- *Pepsi Max*;
- *7-Up*;
- *Mirinda*; and
- *Mountain Dew*.

4.4 **AGRI Business**

This division consists of three integrated business units that produce eggs (Nulaid), chicken products (Tydstroom) and animal feed (Nova Feeds).

4.4.1 ***Nulaid***

Nulaid is South Africa's largest integrated commercial egg enterprise with facilities for rearing laying hens, several laying farms as well as state-of-the-art egg packaging and processing facilities. Eggs are distributed nationally in the retail, wholesale and informal markets under the *Nulaid* brand.

4.4.2 ***Tydstroom***

Tydstroom is one of the largest integrated chicken production operations in South Africa, producing, processing and marketing a variety of high quality frozen and fresh chicken meat products to major retail supermarkets. Both regular and free range products are produced in a variety of product packages such as whole chicken, braai packs, chicken rashers, kebabs, etc.

The abattoir facilities consist of two world-class chicken processing facilities and a rendering plant. All products are of a high and consistent quality, safe and traceable, with external audits of the facilities conducted regularly in order to ensure that safety and health standards are in line with national and international standards. The poultry farms have been awarded HACCP accreditation, which gives them ultimate credibility in the field of food safety by internationally accepted standards.

4.4.3 ***Nova Feeds***

Nova Feeds manufactures a variety of animal feed solutions for intensive commercial livestock farmers producing dairy, poultry, ostrich and other related products from facilities in Malmesbury, George and Pretoria.

The feed manufacturing process is monitored and benchmarked against international standards to ensure the production of highest quality products. Feeds are all thoroughly researched and tested on a commercial scale before a new product is released to the market. The full support of the Technical Advisors team is made available to customers.

4.4.4 ***The Lohmann partnership***

Through a 50% partnership with Lohmann South Africa, the Group gains access to imports of superior pedigree grandparent stock from Germany for the reproduction of parent stock that produces commercial layer hens reared for the production of table eggs.

4.5 **Africa**

The Group currently has operations in Zambia, Uganda, Namibia and Botswana.

4.5.1 ***Bokomo Zambia***

Bokomo Zambia produces and distributes broilers, day-old layers and commercial eggs to other African countries. It consists of a breeding and rearing poultry farm for day-old pullets, broilers and layers, and five maize silos enabling the unit to manufacture its own feed.

4.5.2 **Bokomo Namibia**

Bokomo Namibia is based in Windhoek and focuses on egg production as well as the production of wheaten flour and maize meal and distributes a wide range of the Group's products in the region. It operates a layer unit and a wheat and maize mill. A 50% equity stake has been sold to Frans Indongo Trust, a Namibian business.

4.5.3 **Bokomo Uganda**

Bokomo Uganda has a breeding and rearing poultry farm producing day-old broiler and layer chicks.

4.5.4 **Bokomo Botswana**

Bokomo Botswana is a partnership with an established local business, P.F. Brink, and consists of an egg production and sales operation, as well as facilities for the production and selling of wheaten flour and maize meal.

4.6 **Joint Ventures with International Partners**

4.6.1 **Heinz Foods SA (49.9%)**

Heinz Foods SA is located in Wellington and Atlantis (Western Cape) and combines HJ Heinz's international portfolio of brands and its strength in technology with the marketing and trading know-how of Pioneer Foods. HJ Heinz is a global U.S.-based food company, with a portfolio of powerful brands holding number-one and number-two market positions in more than 50 countries. HJ Heinz's flagship products are produced in South Africa including ketchup, baked beans and soups. The range of chutneys and sauces under the *Wellington's* brand augments the condiments range.

Heinz Foods SA markets products under various brand names. The *John West* range of mainly canned seafood products is the leading branded product in the South African market in its category. The frozen, prepared meal market is targeted with the well-known *Today* and *Mama's* ranges of meals, pies and pastry.

4.6.2 **Bowman Ingredients SA (50%)**

Bowman Ingredients SA is a joint venture between J.A.S. Bowman & Sons from the United Kingdom and the Operating Company. It is located in Cape Town and Paarl and is a dedicated food ingredients company servicing the needs of South Africa's large food producers.

Its production facilities produce rusks, batters, breadcrumbs and speciality flours. Although drawing extensively on European food coatings expertise, many of the products are tailored by technical teams to meet the exact requirements of South African customers.

5. **KEY STRENGTHS**

There are a number of factors which contribute to the success of Pioneer Foods and make for an attractive investment case. Pioneer Foods operates in a defensive industry with its revenues being well diversified by product mix, geography as well as urban and rural spread and is strongly cash generative.

The majority of the Group's brands are either number one or two in their respective categories with sizeable market share and the Group has exciting growth prospects, including, but not limited to, the growth of its Pepsi bottling operation in South Africa and the expansion into Africa.

The Group has one of the best established distribution networks in South Africa and this, coupled with the extensive capital outlay required to replicate its operations, makes for high barriers to entry for potential competitors.

6. **GROWTH STRATEGY**

Pioneer Food Group's growth strategy is based on, *inter alia*:

- increasing manufacturing capacity to capitalise on the strong growth in consumer spending in Southern Africa;
- stepping up innovation, new product development and leveraging existing brands into new categories;
- acquiring brands which will complement its current businesses to increase critical mass or provide access to new markets, technologies or distribution channels;
- selectively considering foreign investments where it has the management knowledge or a competitive advantage; and
- driving transformation throughout its businesses.

In the medium to long term, growth will be driven by its branded businesses increasing their relative shares of their respective markets.

7. **PROSPECTS**

Pioneer Food Group's performance in the short to medium term will be significantly influenced by the direction of world grain prices. Major influences that will affect local grain prices will be:

- growing international demand for grains;
- stability of world weather patterns;
- exchange rate of the Rand against major currencies; and
- volumes of local grain production.

Pioneer Foods expects rising input costs, driven by higher agriculture and oil related commodity prices, to further fuel food price inflation. Combined with the effect of increasing interest rates Pioneer Foods expects further strain to be placed on consumer expenditure and the affordability of food. Whilst the defensive characteristics of Pioneer Food Group's food and beverage brands are well known, it seems likely that the rate of growth in sales for the remainder of Pioneer Foods' 2008 financial year will slow, especially should further price increases become necessary to recover rising input costs and maintain gross margins. The delicate balance between a profit margin that will ensure long-term sustainability as a business and affordable food prices is a continuous challenge and responsibility.

It is the opinion of the Directors that it is likely that trading conditions in the short term will be more difficult than those experienced during the 2007 financial year and that the Group will do well to achieve real growth in operating income for the full year ending 30 September 2008, however the Directors remain confident that Pioneer Food Group's strong portfolio of branded and non-branded products will sustain earnings growth over the medium to long term.

8. **RIGHTS OFFER**

As Pioneer Foods has communicated to shareholders and the public on various occasions during the past year, the Group requires a fresh injection of capital to allow the Group to follow its growth strategy highlighted in paragraph 6 above in order to place itself onto a higher earnings plane. In this respect, the Board has resolved to proceed with a rights offer to shareholders with the aim of raising R500 million at a subscription price of R25.00 per Pioneer Foods ordinary share. Further details of the proposed rights offer will be contained in the rights offer circular which is expected to be posted to shareholders and made available on the Company's website during the month of May.

Net proceeds from the rights offer will be used by the Group to repay debt and so create debt capacity which will at an appropriate time be utilised to fund a number of capital projects including investing in:

- a new *Weet-Bix* plant to increase production capacity to meet higher demand;
- increasing the Group's bottling capacity, mostly in the Western Cape, to cater for the significant growth experienced by *Pepsi*;
- a new bakery in Kwa-Zulu Natal where the Group has traditionally struggled to service the region's demand; and
- the establishment of an additional broiler farm.

The above is not an exhaustive list of the Group's planned expansionary capital expenditure and additional projects will be funded from cash generated from operations during the normal course of business.

9. MAJOR SHAREHOLDERS

At the last practicable date, the following ordinary shareholders beneficially held 5% or more of the issued ordinary share capital of Pioneer Foods:

Name	Number of ordinary shares ('000)	Percentage of issued ordinary share capital
Kaap Agri	50,441	27.8%
Moorreesburgse Koringboere	22,077	12.2%
Pioneer Foods (Proprietary) Limited	17,982	9.9%
Overberg Agri	16,747	9.2%
Gardenview Nominees (Proprietary) Limited	15,702	8.7%

Zeder owns 33.6% of the ordinary issued share capital of Kaap Agri Limited and therefore has an indirect interest in Pioneer Foods of 9.3%. Pioneer Foods has no controlling shareholder. Historically, Kaap Agri Limited and Moorreesburgse Koringboere (Proprietary) Limited were members of a voting pool agreement in terms of which the voting pool was limited to voting only 34.81% of the issued ordinary share capital of Pioneer Foods. This voting pool agreement has now been cancelled.

10. BEE SHAREHOLDING

During 2006 Pioneer Foods introduced BEE shareholding to the Company through the establishment of the BEE Trust for the benefit of employees of wholly-owned South African subsidiaries of Pioneer Foods (the vast majority of whom are black people). In terms of the empowerment transaction, employees, through the BEE Trust, effectively controlled 10% of the voting rights in Pioneer Foods after implementation. Through this empowerment transaction, Pioneer Foods:

- contributed towards the social upliftment of South Africa;
- endorsed the process of democratisation and strove to support this process through business practices that are in line with political and economic empowerment;
- made significant progress in complying with the ownership requirements of the Codes and/or a future applicable industry charter and Government's overall empowerment drive;
- demonstrated Pioneer Foods' commitment to BEE; and
- aligned the interest of participating employees with those of Pioneer Foods' shareholders.

A brief description of the empowerment transaction is as follows:

- the shareholding is in the form of Class A Ordinary Shares with full voting rights;
- beneficiaries are entitled to exercise all the voting rights that attach to their Class A Ordinary Shares in terms of a proxy to be supplied by the trustees of the BEE Trust. In the event that a beneficiary's proxy is not received by Pioneer Foods, the trustees of the BEE Trust will be deemed to have been instructed by the beneficiary to vote the Class A Ordinary Shares in the manner that the trustees deem fit;
- Pioneer Foods is entitled to appoint three trustees whilst both Organised Labour and Non-Organised Labour are entitled to elect two trustees each, all of whom must be beneficiaries of the BEE Trust. The BEE Trust is therefore controlled by the beneficiaries;
- the Class A Ordinary Shares were issued to the BEE Trust for the benefit of 11 000 permanent employees (excluding senior management) of the South African wholly-owned subsidiaries of the Company. An estimated 85% of these employees are black;
- the Class A Ordinary Shares were issued at par value, being 10 cents per share;
- the only difference in relation to ordinary shares is that the Class A Ordinary Shares only qualify for 30% of normal dividend payments and may not be traded;
- the 70% of the dividends not paid to the Class A Ordinary Shareholders "repay" Notional Threshold Debt; and
- after repayment of the Notional Threshold Debt, the Class A Ordinary Shares will convert into ordinary shares on a one-for-one basis.

Since the introduction of the BEE shareholding in 2006, Pioneer Foods has paid R18.2 million to these shareholder employees in terms of the rules of the BEE Trust. As at the last practicable date 13 504 680 Class A Ordinary Shares were outstanding, representing approximately 7.6% of the voting rights in Pioneer Foods.

Only employees in employment on 1 February 2006 and who signed a deed of adherence could become beneficiaries of the BEE Trust. No employees who were employed after 1 February 2006 can become beneficiaries of the BEE Trust. No issues of Class A Ordinary Shares will be effected without JSE approval. The salient features of the BEE Trust are set out in Annexure 7 to this pre-listing statement.

11. SOCIAL AND ECONOMIC GOVERNANCE

11.1 Transformation

In keeping with its commitment to transformation, Pioneer Foods appointed Empowerdex, an independent rating agency, to verify and certify the Group's BEE status. This was a lengthy process to complete, due to the extent and location of the Group's information. The audit was completed in February 2007 and the Group scored a "C" or a Level 8 on the generic scorecard rating. The Group is currently in the process of designing a new BEE strategy which, together with renewed policies and measurement tools, will facilitate the tracking of progress towards transformation objectives of the Group.

11.2 Corporate social investment

Commitments to society continue to be served by continued investment in the following various initiatives:

- people with hearing and visual disabilities, through alliances with the Institute of the Deaf and the Institute of the Blind;
- various agricultural and environmental initiatives;
- organisations involved in health, HIV/Aids, frailty and youth care;
- access to fresh drinking water in rural areas;
- early childhood development and tertiary education; and
- poverty relief.

11.3 Employee wellness awareness

The Board recognises that a comprehensive approach to a healthy and happy workforce is essential.

The HIV/Aids programmes have been consolidated into a Wellness Awareness programme which will be rolled out to all employees during the course of 2008.

PART B: FINANCIAL INFORMATION

12. HISTORICAL FINANCIAL INFORMATION

The audited consolidated historical financial information of Pioneer Foods for the financial years ended 30 September 2005, 2006 and 2007 is set out in Annexure 1 to this pre-listing statement. The Directors are responsible for the accuracy of the relevant financial information extracted from the year-end statements. The reporting accountants' report on the historical consolidated financial information of Pioneer Foods is set out in Annexure 2 to this pre-listing statement.

13. MATERIAL CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

13.1 Material capital commitments

The Group has R1.2 billion of capital commitments at the last practicable date, none of which are material when considered on its own.

13.2 Contingent liabilities and lease payments

The contingent liabilities and lease payments of the Group at 30 September 2007, being the end of Pioneer Foods' immediately preceding financial year, are disclosed in Note 29 of the report of historical financial information of Pioneer Foods in Annexure 1 to this pre-listing statement.

Details regarding litigation are set out in paragraph 35 below.

Pioneer Food Group's contingent liabilities and lease payments have not changed materially between 30 September 2007 and the last practicable date.

14. MATERIAL BORROWINGS AND LOANS RECEIVABLE

14.1 Borrowings

Details of all material loans to the Pioneer Food Group at the last practicable date are set out in Annexure 3 to this pre-listing statement. The material borrowings arose due to the funding requirement of the Group's operations during the ordinary course of business.

No debentures have ever been issued by Pioneer Foods or any of its subsidiaries and currently there is no loan capital outstanding.

Debts repayable within 12 months will be serviced through cash generated from operating activities during the ordinary course of business.

14.2 Loans receivable

No material loans were made by the Pioneer Food Group at the last practicable date.

Details of loans made to the Directors of Pioneer Foods are set out in Annexure 3 to this pre-listing statement.

14.3 Material inter-company finance

Details of all material inter-company loans at the last practicable date are set out in Annexure 3 to this pre-listing statement.

15. DIVIDENDS AND DIVIDEND POLICY

The Directors intend to declare a dividend on a bi-annual basis to coincide with the release of Pioneer Foods' interim and annual results, in May and November, respectively. Dividends are payable during July and February, respectively.

The dividend policy will be reviewed by the Directors from time to time in light of the then prevailing business circumstances and cash requirements of Pioneer Foods. Over the last three years, the dividend cover has decreased from 3.6 times to 3.0 times cover to be more in line with comparable companies.

In accordance with the articles of association, dividends not claimed within three years of being payable will be forfeited in favour of Pioneer Foods. There are no arrangements under which future dividends are waived or agreed to be waived.

16. **MATERIAL CHANGES**

There have been no material changes to the financial or trading position of Pioneer Foods and its subsidiaries between 30 September 2007, being the end of Pioneer Foods' immediately preceding financial year end, and the last practicable date.

17. **ADEQUACY OF CAPITAL**

The Directors are satisfied that:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months from the date of this pre-listing statement;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group, for a period of 12 months after the date of this pre-listing statement, measured in accordance with the accounting policies used in the audited annual financial statements for the year ended 30 September 2007;
- the ordinary share capital and reserves of the Company and the Group will be adequate for a period of 12 months from the date of this pre-listing statement; and
- after taking into account the existing bank and other facilities available to the Group, the working capital available to the Company and the Group will be adequate for a period of 12 months from the date of this pre-listing statement.

PART C: DIRECTORS AND SENIOR MANAGEMENT

18. DIRECTORS

The full names, functions, date of appointment, ages, nationalities, business addresses, qualifications and experience of the Directors are set out below:

Willem Adriaan Agenbach

Position: Non-executive director
Member of Audit and Risk Committee

Appointed: 24 March 1994

Age: 59

Nationality: South African

Business address: Houtbaai
PO Box 309
Caledon, 7230

Qualifications: M.Sc

Experience: Mr Agenbach served on the Board of Southern Associated Maltsters from 1994 to 2005. He also served on the Board of Sasko from 1994 to 1997. He is currently the chairman of Overberg Agri, farms in the Overberg area and is a director of companies.

Albertus Willem Bester

Position: Non-executive director

Appointed: 22 February 2008

Age: 64

Nationality: South African

Business address: PO Box 30
Moorreesburg, 7310

Qualifications: Matric

Experience: Mr Bester has been farming in the Moorreesburg area since 1965. He has served on various managerial boards of public organisations and is currently also serving on the Board of Moorreesburgse Koringboere.

Hendrik Emmanuel (Boy) Blanckenberg

Position: Independent non-executive director
Chairman of the Board
Chairman of Nomination Committee
Member of Human Resources Committee

Appointed: 20 June 1997

Age: 60

Nationality: South African

Business address: Klipheuwel Farm
PO Box 28
Klipheuwel, 7303

Qualifications: B A Trade, Agricultural Diploma, Elsenburg

Experience: Mr Blanckenberg has been farming in the Klipheuwel area since 1970. He has served as board member and chairman of various organisations in the dairy industry. He is currently a director of companies and is the chairman of the Board of Pioneer Foods.

Tertius Alwyn Carstens

Position: Executive director
Responsible for Sasko Grain, Sasko Bakeries and Sasko Pasta

Appointed: 23 May 2007

Age: 45

Nationality: South African

Business address: 32 Market Street
Paarl, 7646

Qualifications: B Eng, MBA

Experience: Member of executive management of Pioneer Foods.
13 years experience within the Group, both pre and post merger in managerial and executive capacities.

Leon Roché Cronjé

Position: Financial Director

Appointed: 28 April 1999

Age: 51

Nationality: South African

Business address: 32 Market Street
Paarl, 7646

Qualifications: CA (SA)

Experience: Member of executive management of Sasko and Pioneer Foods.
Joined the Group in 1987 as Sasko General Manager: Finance before the merger and appointed in the same role for Pioneer Foods before becoming Financial Director in 1999.
Group Financial Manager at Boland Bank 1982 – 1987.

George Douglas Eksteen

Position: Non-executive director
Member of Nomination and Human Resources Committees

Appointed: 22 February 2002

Age: 66

Nationality: South African

Business address: Droëvlei
PO Box 500
Malmesbury, 7299

Qualifications: Matric

Experience: Mr Eksteen farms in the Malmesbury area. Since 1980 he has been serving on various boards and is currently the chairman of Kaap Agri.

Johannes Nicolaas Hamman

Position: Non-executive director
Chairman of Audit and Risk Committee

Appointed: 28 April 1999

Age: 66

Nationality: South African

Business address: Wenakker Group
12C Hoop Street
Hermanus, 7200

Qualifications: BA LLB

Experience: After he was admitted to the Bar as advocate in 1965, Mr Hamman worked at various organisations as legal advisor. In 1970 he was one of the four founders of Finansbank and was Managing Director until 1980. In 1980 he joined Federated Insurance Group and became Chief Executive Officer of the Fedsure Group in 1986. He joined Finansbank again in 1989 as Managing Director and retired in 1992 whereafter he attended to his own business affairs and is currently a director of various companies.

Wouter André Hanekom

Position: Managing Director

Appointed: 1 January 1999

Age: 49

Nationality: South African

Business address: 32 Market Street
Paarl, 7646

Qualifications: CA (SA)

Experience: Joined the group with Bokomo Breakfast Cereals and in 1994 he was appointed Chief Executive Officer of Bokomo.
After the merger, André was the Executive: Sasko Milling & Baking before being appointed as Chief Executive Officer of the Group in 1999.

Jacobus Adriaan (Nols) Louw

Position: Independent non-executive director
Vice-chairman of the Board
Chairman of Human Resources Committee

Appointed: 28 April 1999

Age: 64

Nationality: South African

Business address: PO Box 1770
Somerset West, 7129

Qualifications: B.Sc Hons; B (B + A) (Hons)

Experience: Mr Louw served as executive director of Malbak from 1969 to 1985. In 1986 he became Managing Director of Pepcor and became vice-chairman of Pepcor in 1992. Mr Louw became chairman of Pep Limited in 1996, a position he held until 1997. Currently Mr Louw has various farming operations and is a director of companies, *inter alia*, of Shoprite Holdings Limited.

Nonhlanhla Sylvia Mjoli-Mncube

Position: Independent non-executive director
Member of Nomination Committee

Appointed: 25 November 2004

Age: 49

Nationality: South African

Business address: 1570 High Street
Highgate Village
Dainfern, 2055

Qualifications: MA in City planning; SPURS fellow (MIT); Cert Finance SEP Executive, Leadership Programme (Harvard USA); Cert in Techn. Man. (Warwick)

Experience: Ms Mnjoli-Mncube held various positions at the Social and Economic Science Research Centre at the Washington State University, Pullman, USA. From 1993 to 1995 she was executive director of Bernhardt Dunstan and Associates, a wholly-owned subsidiary of Murray and Roberts. From 1995 to 2003 she was executive director of the National Urban Reconstruction and Housing Agency. Currently she is a director of companies and is the Economic Advisor to the Deputy President of South Africa.

Andile Hesperus Sangqu

Position: Independent non-executive director
Member of Audit and Risk Committee

Appointed: 24 February 2006

Age: 41

Nationality: South African

Business address: Kagiso Trust Investments (Proprietary) Limited
PO Box 55276
Northlands, 2115

Qualifications: B Com (Acc); B Compt Hons; CTA; Higher Dipl Tax MBL

Experience: After having completed his articles with PricewaterhouseCoopers (formerly Coopers & Lybrand), Mr Sangqu spent fourteen years in various financial management positions. He is currently the Group Executive Director at Kagiso Trust Investments and serves on various boards of companies.

Amanda Cecilia Singleton

Position: Independent non-executive director
Member of Audit and Risk Committee

Appointed: 24 February 2006

Age: 45

Nationality: South African

Business address: PO Box 148
Vredenburg, 7380

Qualifications: BA Communication; Cert in Management Development; Cert in Strategic Leadership

Experience: 23 years in strategic organisational communication with specific focus on culture change and reputational management.

Dr Franklin Abraham Sonn

Position: Independent non-executive director
Member of Human Resources Committee

Appointed: 28 April 1999

Age: 68

Nationality: South African

Business address: Imalivest (Proprietary) Limited
1st Floor, 17 Termo Avenue, Technopark
Stellenbosch, 7600

Qualifications: BA (Hn) Teacher's Diploma; FIAC/LLD (h.c.); Dr Humane Letters (h.c.);
Dr Laws (h.c.); Dr Educ (h.c.); Hon Doct Humanities; Dr Humanities

Experience: Mr Sonn held, *inter alia*, the following positions:
Deputy President: Chamber of Commerce and Industry of South Africa; President: Afrikaanse Handelsinstituut; Chairman and Trustee of Impumelelo Innovations Awards Trust; Trustee of the Legal Resources Trust; Executive in Residence at the University of Cape Town Graduate School of Business; Chancellor of the University of the Free State; Trustee of the Nelson Mandela Foundation; Ambassador to the United States of America.
Currently he serves on the boards of various companies.

Dr Mohammed Iqbal Survé

Position: Independent non-executive director
Member of Human Resources Committee

Appointed: 25 November 2004

Age: 45

Nationality: South African

Business address: Sekunjalo Investments (Proprietary) Limited
PO Box 31344
Tokai, 7966

Qualifications: MBChB; B.Sc (Med) (Hons) Sports Medicine; Fellow of American College of Sports Medicine; Senior Executive Programme (Harvard/Wits); MBA (UCT).

Experience: Prior to founding the Sekunjalo Group in 1997, Dr Survé was a practicing medical doctor and sports medicine specialist. He has been appointed to numerous government advisory boards and institutions. Dr Survé is a Fellow of the Africa Leadership Initiative, a Fellow of the HRH the Prince of Wales Business and Environment Programme and was appointed by President Bill Clinton to the Board of Governance on the Clinton Global Initiative. He has also been a participant member of the World Economic Forum. He is currently a director of various companies.

Martin Tertius Swanepoel

Position:	Executive director Responsible for Marketing
Appointed:	20 February 2003
Age:	53
Nationality:	South African
Business address:	32 Market Street Paarl, 7646
Qualifications:	B Econ
Experience:	Member of executive management of Bokomo and Pioneer Foods since 1997. General Manager: Bokomo Cereals 1992 – 1996. Assistant Manager: Bokomo Cereals 1989 – 1992.

Jacobus Hendrik (Kosie) van Niekerk

Position:	Non-executive director Member of Nomination Committee
Appointed:	24 February 2006
Age:	51
Nationality:	South African
Business address:	PO Box 71 Porterville, 6810
Qualifications:	Pilot South African Air Force
Experience:	After serving as a pilot in the South African Air Force, Mr Van Niekerk started farming in 1980 and has extended the business to seven farms. He has served on various boards of companies and is currently serving, <i>inter alia</i> , on the Board of Kaap Agri.

Details of other directorships held by the Directors are set out in Annexure 5 to this pre-listing statement.

19. DIRECTORS' DECLARATIONS

None of the Directors mentioned in paragraph 18 above have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt or sequestrated in any jurisdiction;
- at any time been a party to scheme or arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
- ever received public criticisms from statutory or regulatory authorities, including professional bodies, and have ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- ever been barred from entry into a profession or occupation; or
- ever been convicted in any jurisdiction of any criminal offence.

All the Directors have submitted completed director's declarations in compliance with Schedule 21 of the Listings Requirements.

20. SENIOR MANAGEMENT

The full names, functions, nationality, business addresses, qualifications and experience of the Operating Company's senior management are set out in the table below:

Tertius Alwyn Carstens

Position:	Executive: Sasko Grain, Sasko Bakeries and Sasko Pasta
Appointed:	1995 (year of joining the Group)
Age:	45
Nationality:	South African
Business address:	32 Market Street Paarl, 7646
Qualifications:	B Eng, MBA
Experience:	Member of executive management of Pioneer Foods. 13 years experience within the Group, both pre and post merger in managerial and executive capacities.

Leon Roché Cronjé

Position:	Financial Director
Appointed:	1997 (year of joining the Group)
Age:	51
Nationality:	South African
Business address:	32 Market Street Paarl, 7646
Qualifications:	CA (SA)
Experience:	Member of executive management of Sasko and Pioneer Foods. Joined the Group in 1987 as Sasko General Manager: Finance before the merger and appointed in the same role for Pioneer Foods before becoming Financial Director in 1999. Group Financial Manager at Boland Bank 1982 – 1987.

Patrick Mkuseli Dlikilili

Position:	Executive: Human Resources
Appointed:	2003
Age:	43
Nationality:	South African
Business address:	32 Market Street Paarl, 7646
Qualifications:	BAdmin (Hons) MA
Experience:	Held various positions in Human Resources; Member of executive management of Pioneer Foods since 2003.

Willem Pieter Hanekom

Position: Executive: The Ceres Beverage Company
Appointed: 1993
Age: 43
Nationality: South African
Business address: 32 Market Street
Paarl, 7646
Qualifications: CA (SA)
Experience: Member of executive management of Pioneer Foods.
Joined the Group from Distillers Corporation in 1993 as Financial Manager at Bokomo. He has since fulfilled numerous managerial roles in the packaging and Agri businesses before being appointed Chief Executive Officer of The Ceres Beverage Company in 2000.

Wouter André Hanekom

Position: Managing Director
Appointed: 1988 (year of joining the Group)
Age: 49
Nationality: South African
Business address: 32 Market Street
Paarl, 7646
Qualifications: CA (SA)
Experience: Joined the Group with Bokomo Breakfast Cereals and in 1994 he was appointed Chief Executive Officer of Bokomo.
After the merger, André was the Executive: Sasko Milling & Baking before being appointed as Chief Executive Officer of the Group in 1999.

Felix Lombard

Position: Executive: Bokomo Foods and SAD
Appointed: 1995
Age: 39
Nationality: South African
Business address: 32 Market Street
Paarl, 7646
Qualifications: CA (SA), M Com (Tax)
Experience: Member of executive management of Pioneer Foods since 2000.
Financial Manager, Sasko Maize Mills 1999 – 2000.
Head of Information Systems, Bokomo and Pioneer Foods post-merger 1995 – 1999.

Hendrik Albertus Lourens

Position: Executive: Agri
Appointed: 1996
Age: 44
Nationality: South African
Business address: 32 Market Street
Paarl, 7646
Qualifications: B Com (Hons), M Com, B Proc
Experience: Held various positions in Human Resources. General Manager of Sasko Grain since 2005. Member of executive management of Pioneer Foods since 2007.

Thiroshnee Naidoo

Position: Executive: Corporate Strategy
Appointed: 2003
Age: 34
Nationality: South African
Business address: 32 Market Street
Paarl, 7646
Qualifications: B Proc; Diploma in Financial Management; Executive Development Programme; International Trade Law and Economics Programme (Bern, Switzerland)
Experience: Executive Legal and Company Secretary of Ceres Fruit Juices; Member of executive management of Pioneer Foods since January 2007.

Petrus Jacobus Stofberg

Position: Executive: Company Secretary and Legal Services
Appointed: 1981
Age: 54
Nationality: South African
Business address: 32 Market Street
Paarl, 7646
Qualifications: BA, LLB
Experience: Member of executive management of Sasko from 1993 to 1997.
Member of executive management of Pioneer Foods since 2003.

Martin Tertius Swanepoel

Position: Executive: Marketing
Appointed: 1989 (year of joining the Group)
Age: 53
Nationality: South African
Business address: 32 Market Street
Paarl, 7646
Qualifications: B Econ
Experience: Member of executive management of Bokomo and Pioneer Foods since 1997.
General Manager: Bokomo Cereals 1992 – 1996.
Assistant Manager: Bokomo Cereals 1989 – 1992.

21. SENIOR MANAGEMENT'S DECLARATIONS

None of the senior managers of Pioneer Foods mentioned in paragraph 20 above have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been declared bankrupt or sequestered in any jurisdiction;
- at any time been a party to a scheme or arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
- ever received public criticisms from statutory or regulatory authorities, including professional bodies, and have ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- ever been barred from entry into a profession or occupation; or
- ever been convicted in any jurisdiction of any criminal offence.

22. QUALIFICATION, REMUNERATION, BORROWING POWERS AND APPOINTMENT OF DIRECTORS

22.1 Extracts from the articles of association relating to Directors

The relevant provisions of the articles of association of Pioneer Foods concerning the qualification, remuneration, borrowing powers and appointment of the Directors are set out in Annexure 4 to this pre-listing statement.

22.2 Borrowing powers

The Directors' borrowing powers have not been exceeded during the past three years and may only be varied by way of a special resolution passed by the ordinary shareholders of Pioneer Foods in general meeting.

22.3 Directors' emoluments

The total remuneration and benefits received by each of the Directors during the financial year ended 30 September 2007 are shown in the table below:

Director	Basic salary R'000	Travel allowance R'000	Bonuses R'000	Fringe benefits R'000	Provident fund contributions R'000	Directors' fees R'000	Consulting and legal fees R'000	Gains on exercise of share options R'000	Total emoluments R'000
Executive									
A H Bishop*	535.6	40.0	–	–	–	–	–	–	575.6
L R Cronjé	1 340.1	152.0	289.2	150.0	182.3	–	–	–	2 113.6
W A Hanekom	2 867.4	88.5	586.7	5.4	431.2	–	–	1 326.0	5 305.2
M T Swanepoel	1 306.0	195.8	289.2	14.2	173.3	–	–	–	1 978.5
T A Carstens*	499.3	53.3	310.1	–	68.9	–	–	–	931.6
Sub-total	6 548.4	529.6	1 475.2	169.6	855.7	–	–	1 326.0	10 904.5
Non-executive									
W A Agenbach	–	10.9	–	–	–	110.0	–	–	120.9
H E Blanckenberg	–	31.3	–	–	–	200.0	–	–	231.3
G D Eksteen	–	23.3	–	–	–	110.0	–	–	133.3
J N Hamman	–	32.8	–	–	–	132.0	–	–	164.8
J A Louw	–	22.4	–	–	–	132.0	–	–	154.4
N S Mjoli-Mncube	–	18.4	–	–	–	92.2	–	–	110.6
A H Sangqu	–	33.5	–	–	–	110.0	–	–	143.5
A C Singleton	–	9.5	–	–	–	92.2	–	–	101.7
Dr F A Sonn	–	11.9	–	–	–	110.0	–	–	121.9
Dr M I Survé	–	11.6	–	–	–	110.0	–	–	121.6
C Truter**	–	4.8	–	–	–	110.0	–	–	114.8
J H van Niekerk	–	6.3	–	–	–	110.0	–	–	116.3
Total	6 548.4	746.3	1 475.2	169.6	855.7	1 418.4	–	1 326.0	12 539.6

* Was not a director for the full financial year.

** C Truter resigned on 22 February 2008 at the annual general meeting of Pioneer Foods.

All director's fees and remuneration that would have been payable to Mr A H Sangqu are paid to Kagiso Trust Investments (Proprietary) Limited. Besides the aforementioned, no fees have been paid, accrued or are proposed to be paid to any third party *in lieu* of directors' fees. Furthermore, no payment has been made to any director or proposed director in the three years preceding the last practicable date as an inducement to become a director.

There will be no variation in the remuneration receivable by any of the Directors as a consequence of the listing.

22.4 Directors' service contracts and restraints of trade

The Directors are appointed either by a resolution of the Board (to fill casual vacancies) or elected at the annual general meeting of the Company. A letter of appointment is usually written to the new director evidencing such appointment.

The executive directors of Pioneer Foods are bound by their service contracts and subject to a one month notice period. The non-executive directors of Pioneer Foods are not bound by service contracts. A copy of the standard service contract will lie open for inspection.

It is compulsory for all permanent employees, to belong to the Pioneer Food Group Retirement Fund, or the Pioneer Foods Provident Fund. Both the Pioneer Food Group Retirement Fund and the Pioneer Foods Provident Fund are defined contribution funds to which both the employee and the Company contributes. Membership of a medical scheme is voluntary for all employees and post-retirement funding for medical aid is for the account of the employee.

There are no restraint of trade payments associated with director appointments.

The Operating Company has entered into agreements with each of the executive directors relating to termination of their employment on the grounds of corporate action involving the Group. Should the company terminate the employment of an executive director, the Operating Company shall pay him a lump sum equal to twelve months' remuneration less such tax as may have to be deducted from such lump sum payment. Copies of the said agreements will lie open for inspection.

Besides the standard service agreement there are no existing or proposed contracts relating to the directors' and managerial remuneration.

The relevant provision of the articles of association concerning the terms of the office, remuneration and other benefits of the non-executive directors are set out in Annexure 4 to this pre-listing statement.

23. INTERESTS OF DIRECTORS

23.1 Directors' interests in shares

The interests of the Directors in Pioneer Foods ordinary shares at the financial year-end at 30 September 2007 are set out in the table below.

Directors	Direct beneficial	Indirect beneficial	Total	Percentage of issued ordinary share capital
W A Agenbach **	20 000	–	20 000	0.01%
A W Bester **	–	–	–	–
H E Blanckenberg ***	153 014	226 595	379 609	0.21%
T A Carstens *	100 999	–	100 999	0.06%
L R Cronjé *	345 000	55 000	400 000	0.22%
G D Eksteen **	–	520 416	520 416	0.29%
J N Hamman **	–	300 000	300 000	0.17%
W A Hanekom *	524 999	423 842	948 841	0.52%
J A Louw ***	–	60 000	60 000	0.03%
N S Mjoli-Mncube ***	–	–	–	–
A H Sangqu ***	–	–	–	–
A C Singleton ***	–	–	–	–
F A Sonn ***	–	31 700	31 700	0.02%
M I Survé ***	–	–	–	–
M T Swanepoel *	200 000	–	200 000	0.11%
J H van Niekerk **	–	–	–	–

* denotes executive directors.

** denotes non-executive directors.

*** denotes independent non-executive directors.

The only change in directors' shareholdings between 30 September 2007 and the last practicable date is that M T Swanepoel acquired an additional 30 000 Pioneer Foods ordinary shares, bringing his direct and total beneficial interest to 230 000 Pioneer Foods ordinary shares, being 0.13% of the issued ordinary share capital of Pioneer Foods. Save for the above there has been no other changes in directors' shareholdings between 30 September 2007 and the last practicable date.

The Pioneer Foods ordinary share options of the Directors at the last practicable date are set out in the table below:

Directors	Number of options	Date awarded	Strike price (cents)	Strike date	Options exercised	Options redeemed	Options outstanding
T A Carstens	374 500	2004/05/27	865	2005/05/27	374 500	–	374 500
	66 300	2004/12/24	1 405	2005/12/24	–	–	66 300
	30 492	2006/01/25	2 186	2007/01/25	–	–	30 492
	22 677	2007/02/12	3 142	2008/02/12	–	–	22 677
L R Cronjé	275 900	2004/05/27	865	2005/05/27	367 900	92 000	275 900
	43 950	2004/12/24	1 405	2005/12/24	–	–	43 950
	32 716	2006/01/25	2 186	2007/01/25	–	–	32 716
	21 006	2007/02/12	3 142	2008/02/12	–	–	21 006
W A Hanekom	662 500	2004/05/27	865	2005/05/27	722 500	60 000	662 500
	73 550	2004/12/24	1 405	2005/12/24	–	–	73 550
	78 545	2006/01/25	2 186	2007/01/25	–	–	78 545
	47 740	2007/02/12	3 142	2008/02/12	–	–	47 740
M T Swanepoel	279 500	2004/05/27	865	2005/05/27	374 500	95 000	279 500
	44 600	2004/12/24	1 405	2005/12/24	–	–	44 600
	29 686	2006/01/25	2 186	2007/01/25	–	–	29 686
	21 006	2007/02/12	3 142	2008/02/12	–	–	21 006

23.2 Directors' interests in transactions

The following Directors have the following interests in transactions:

Dr M I Survé

The Operating Company entered into an agreement with Premier Fishing in terms of which it acquired the business of Premier Fishing as a going concern with effect as from 29 August 2005. For the purposes of the agreement, "business" is defined as "the business of manufacturing, selling and marketing of fish and meat spread products by Premier Fishing from the premises".

Sekunjalo Investments Limited holds approximately 80% of the issued share capital of Premier Fishing. Dr M I Survé in turn holds 2 000 000 A ordinary shares in Sekunjalo Investments Limited and through the Haras Trust, holds 50 600 225 non-beneficial B ordinary shares and 2 500 beneficial B ordinary shares.

With effect from 29 August 2005, the Operating Company entered into a service agreement with Premier Fishing in terms of which, *inter alia*, Premier Fishing will produce, package and store certain fish and meat spreads for the Operating Company. The service agreement which came into operation on 29 August 2005 will endure for an indefinite period subject to 12 months' written termination notice by any of the parties.

In the absence of breach by Premier Fishing, should the agreement be terminated for any reason, the Operating Company will be obliged to make payment to Premier Fishing an amount of R6 million.

Besides the above-mentioned case, no director has or had any material beneficial interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

24. CORPORATE GOVERNANCE

Pioneer Foods is committed to the principles of openness, integrity and accountability in its dealings with all stakeholders and supports the Code of Corporate Practices and Conduct as recommended by the King II Report on Corporate Governance.

Extracts of the corporate governance policies adopted by Pioneer Foods are set out in Annexure 6 to this pre-listing statement.

PART D: SHARE CAPITAL

25. AUTHORISED AND ISSUED SHARE CAPITAL

The authorised and issued share capital of the Company, at the last practicable date, is set out below:

Pioneer Food Group Limited	R'000
<i>Authorised share capital</i>	
400 000 000 ordinary shares of 10 cents each	40 000
18 130 000 Class A Ordinary Shares of 10 cents each	1 813
<i>Issued share capital – ordinary shares</i>	
181 183 898 ordinary shares of 10 cents each	18 118
Treasury shares held by the share incentive trusts	(845)
Treasury shares held by subsidiary	(1 798)
<i>Issued share capital – Class A Ordinary Shares</i>	
13 504 680 Class A Ordinary Shares of 10 cents each	1 350
Shares held by the BEE Trust	(1 350)
Share premium – ordinary shares	733 042
Share premium – treasury shares held by the share incentive trusts	(84 214)
Share premium – treasury shares held by subsidiary	(161 315)
Total	502 988

On the date of listing, no Pioneer Foods ordinary shares will be listed on any stock exchange other than the JSE. The Class A Ordinary Shares will remain unlisted.

26. ALTERATIONS TO SHARE CAPITAL

26.1 Creation of Class A Ordinary Shares

On 19 January 2006 the shareholders of Pioneer Foods approved the creation of 18 130 000 Class A Ordinary Shares for the specific purpose of introducing BEE ownership to Pioneer Foods through the BEE Trust. Further details on the Class A Ordinary Shares are contained in Annexure 4 and Annexure 7 to this pre-listing statement.

26.2 Consolidation and sub-division of shares

There have been no consolidations or sub-divisions of Pioneer Foods ordinary shares during the last three financial years ended 30 September 2007.

26.3 Share issues, offers and repurchases

The summarised changes to Pioneer Foods' issued share capital during the three financial years ended 30 September 2007 are set out below:

Changes to issued share capital	Number of shares	Issue/ Repurchase price per share (Rand)
2007		
Issued ordinary shares at end of year	181 183 898	
Issued Class A Ordinary Shares at end of year	14 213 080	
Repurchase and cancellation of Class A Ordinary Shares	2 120 370	2.83
Issue of Class A Ordinary Shares	120 750	0.10
Shares repurchased by Pioneer Foods (Proprietary) Limited from Lebaka Share Trust	177 140	2.90
2006		
Issued ordinary shares at end of year	181 183 898	
Issued Class A Ordinary Shares at end of year	16 212 700	
Repurchase and cancellation of Class A Ordinary Shares	1 292 830	3.86
Issue of Class A Ordinary Shares	17 505 530	0.10
2005		
Issued ordinary shares at end of year	181 183 898	
Issued Class A Ordinary Shares at end of year	–	
Ordinary shares cancelled	2 055 588	–
Shares repurchased by Pioneer Foods (Proprietary) Limited from Senwes Limited	12 081 948	10.00
Shares repurchased by Pioneer Foods (Proprietary) Limited from Afgri Limited	5 071 146	12.50
Issued ordinary shares at start of year	183 239 486	
Issued Class A Ordinary Shares at start of year	–	

No Pioneer Foods ordinary shares have been issued or repurchased between 30 September 2007, being the end of the preceding financial year, and the last practicable date. Changes to the Class A Ordinary Shares issued share capital is shown below:

Changes to issued share capital	Number of shares	Issue/ Repurchase price per share (Rand)
Repurchase and cancellation of Class A Ordinary Shares	708 400	1.93

The summarised changes to Pioneer Foods subsidiaries' issued share capital during the three financial years ended 30 September 2007 are set out below:

Changes to issued share capital	Number of shares	Issue/ Repurchase price (per share)
2007		
Bokomo Botswana:		
Issue of ordinary shares	1 000	P500
Issue of ordinary shares	1 000	P500
Bokomo Foods (United Kingdom):		
Issue of ordinary shares	1 000 000	GBP 1
Bokomo Namibia:		
Issue of ordinary shares	5 004 000	N\$ 1
2006		
None	–	–
2005		
Bokomo Foods (United Kingdom):		
Issue of ordinary shares	1 500 000	GBP 1
Bokomo Namibia:		
Issue of ordinary shares	5 000 000	N\$ 1

Securities were issued to all securities holders in proportion to their holdings, except for the issue of ordinary shares in Bokomo Namibia during 2007 which were issued to the new Namibian local resident joint venture partner. Previously Bokomo Namibia was a 100% subsidiary of the Operating Company.

The summarised changes to Pioneer Foods subsidiaries' issued share capital between 30 September 2007, being the end of the preceding financial year, and the last practicable date, are set out below:

Changes to issued share capital	Number of shares	Issue/ Repurchase price (per share)
2008		
Bokomo Botswana:		
Issue of ordinary shares	1 000	P2 650
Issue of ordinary shares	1 000	P2 650

Securities were issued to all securities holders in proportion to their holding.

27. COMMISSIONS

No commission or consideration, including underwriting commission in respect of the allotment or issue of shares has been paid by Pioneer Foods in the three years preceding the date of this pre-listing statement.

28. **RIGHTS ATTACHING TO SHARES AND POWER TO ISSUE SHARES**

With the prior approval of the Company in a general meeting and subject to the articles of association, and the approval of the Issuer Services Division of the JSE (where necessary) any securities in the Company authorised but unissued from time to time may be issued by the Directors to such person/(s) on such terms and conditions and with such rights or restrictions attached thereto as the Directors may determine. There are currently 41 428 571 of the authorised but unissued Pioneer Foods ordinary shares under the control of the Directors until the next annual general meeting subject to the provisions of section 221 of the Companies Act and, upon listing, the Listings Requirements.

There are no founders or deferred shares. Pioneer Foods' authorised and issued share capital comprises two classes of shares, namely ordinary shares and Class A Ordinary Shares. Except for the limitations that applies to the Class A Ordinary Shares, the issued shares in each class rank *pari passu*.

Details of the rights attaching to the Class A Ordinary Shares are set out in Annexures 4 and 7 to this pre-listing statement.

A general meeting, or the Directors with the prior approval of a general meeting may, by resolution issue any shares (whether with or without any preferred, deferred or other special right or restriction in regard to dividends, voting, return of capital or otherwise), issue preference shares, which are to be redeemed, or are redeemable at the instance of the company; and grant options over any such shares to such persons and on such terms and conditions as may be determined by that resolution or that may be determined by the Board of directors. If at any time the share capital of the Company is divided into different classes of shares the rights attached to any class may be varied only with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class or with the prior written consent of three quarters of the holders of the issued shares of that class.

In accordance with the articles of association, at any general meeting of Pioneer Foods shareholders, every shareholder present in person or by proxy shall have one vote on a show of hands. On a poll, every shareholder present in person or by proxy shall have that proportion of the total votes in the Company that the aggregate amount of the nominal value of the shares held by that member bears to the aggregate of the nominal value of all shares issued by the Company at that time.

The relevant provisions of the articles relating to voting procedures at general meeting, rights of shares, the power to issue shares and the variation of rights are set out in Annexure 4 to this pre-listing statement.

Except as contemplated in the Pioneer Foods Share Incentive Schemes described in paragraph 29 below, neither Pioneer Foods nor any of its subsidiaries are party to any contract or arrangement (or proposed contract or arrangement) whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any Pioneer Foods ordinary shares.

29. **SHARE INCENTIVE SCHEMES**

The Group currently has a share option scheme for qualifying management of the Group. Options are exercisable at a price equal to the averaged quoted market price of the Company's shares on the grant date. No option premium is payable by scheme participants in the Pioneer Foods Share Incentive Scheme for receipt of such options.

The Board has resolved to discontinue the existing scheme and going forward the Group has adopted a phantom share plan, which will replace the existing scheme. No further share options will be awarded as part of the existing scheme.

In accordance with the Listings Requirements, ordinary shares held by the share incentive schemes of Pioneer Foods will not have their votes at general/annual meetings taken into account for Listings Requirements resolution approval purposes.

The table below provides a summary of the options granted as part of the existing scheme:

	SHARE OPTIONS GRANTED	SHARE OPTIONS EXERCISED/ SOLD	SHARE OPTIONS EXPIRED	SHARE OPTIONS NOT YET EXERCISED AT 29/02/2008
Scheme dated 05/07/1999 to 05/07/2009, issue price R3.80 per share	3 514 558	2 768 269	651 784	94 505
Scheme dated 06/07/1999 to 06/07/2009, issue price R2.80 per share	2 967 261	1 793 333	1 089 007	84 921
Scheme dated 07/07/1999 to 07/07/2009, issue price R2.80 per share	825 000	825 000	–	–
Scheme dated 29/09/2000 to 29/09/2010, issue price R3.30 per share	813 483	614 483	199 000	–
Scheme dated 01/02/2000 to 01/02/2010, issue price R4.70 per share	524 657	346 017	168 950	9 690
Scheme dated 27/05/2004 to 27/05/2014, issue price R8.65 per share	7 366 900	6 878 360	388 040	100 500
Scheme dated 24/12/2004 to 24/12/2014, issue price R14.05 per share	1 481 690	115 970	55 370	1 310 350
Scheme dated 25/01/2006 to 25/01/2016, issue price R21.86 per share	1 125 189	38 803	52 136	1 034 250
Scheme dated 12/02/2007 to 12/02/2017, issue price R31.42 per share	624 959	1 789	59 898	563 272
Total	19 243 697	13 382 024	2 664 185	3 197 488

The salient terms and conditions of the existing scheme and phantom share plan are set out in Annexure 8 and Annexure 9 to this pre-listing statement.

PART E: GENERAL INFORMATION

30. SUBSIDIARY COMPANIES

Details of Pioneer Foods' subsidiary companies are set out in Annexure 10 to this pre-listing statement.

31. PRINCIPAL IMMOVABLE PROPERTY

31.1 Principal immovable property owned or leased

Details of the principal immovable properties owned or leased by Pioneer Food Group and its subsidiaries are set out in Annexure 11 to this pre-listing statement.

31.2 Acquisitions and disposals of property

There have been no material properties acquired or disposed of by Pioneer Food Group within the three years preceding the last practicable date of this pre-listing statement.

32. ROYALTIES

There are no existing or proposed material contracts relating to royalties or secretarial or technical fees payable by Pioneer Food Group.

33. PROMOTERS

Pioneer Foods has not entered into any promoters' agreements during the three years preceding the date of issue of this pre-listing statement. Accordingly, there were no payments made to promoters within the three years prior to the last practicable date nor are there any promoters' interests in the securities or property of Pioneer Foods.

34. MATERIAL CONTRACTS

There are no material contracts that have been entered into by the Company or its subsidiaries within the two years immediately preceding the date of this pre-listing statement, other than in the ordinary course of business, which are, or may be, material to Pioneer Foods or its subsidiaries at the date of this pre-listing statement. No material assets were acquired by Pioneer Foods during the three years preceding the date of this pre-listing statement or are proposed to be acquired.

35. LITIGATION STATEMENT

Pursuant to an investigation conducted by the Competition Commission into the bread market in the Western Cape, it referred a complaint to the Competition Tribunal under section 51 of the Competition Act of 1998 on the basis of a prohibited restrictive practice under the Competition Act allegedly involving, *inter alia*, Pioneer Foods and its competitor Tiger Brands Limited. Pioneer Foods has opposed the complaint referral and the relief sought on several grounds. No date for the hearing has as yet been determined. Should Pioneer Foods ultimately not be successful in its defences against the complaint, an administrative penalty may be imposed in terms of section 59 of the Competition Act. The amount of the administrative penalty would be determined by taking into account the factors listed in section 59(3) of the Competition Act, but may not exceed 10% of the annual turnover of Pioneer Foods in its preceding financial year.

Besides the above-mentioned Competition Commission investigation, no legal or arbitration proceedings have been instituted that may have or have had in the last 12 months, a material effect on Pioneer Food Group's financial position nor is Pioneer Foods aware of any such proceedings that are pending or threatened. It must be mentioned however, that the Competition Commission indicated that further complaint referrals will be made involving Pioneer Foods for alleged restrictive practices in the national bread, wheat milling and maize milling markets. None of these complaint referrals have been received as yet.

36. **SHARE TRADING HISTORY**

The over-the-counter share trading history of Pioneer Foods up to 31 March 2008 is set out in Annexure 12 to this pre-listing statement.

37. **EXPENSES**

The cash expenses of the Listing, as detailed below, are estimated to be R4.050 million. All the fees payable to the parties below are inclusive of VAT.

Details	R'000
Investment bank and transaction sponsor – Standard Bank	1 710.0
Legal advisors – Jan S. de Villiers Attorneys	775.0
Reporting accountants and auditors – PricewaterhouseCoopers Inc.	313.5
Printing and publication costs – Ince, College Hill, various	512.0
JSE listing and documentation fees – JSE	433.1
Transfer secretarial fees – Computershare	106.9
Sponsor fees – Barnard Jacobs Mellet	199.5
Total	4 050.0

These costs will be borne by Pioneer Foods.

38. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of Pioneer Foods, whose names are set out in paragraph 18 commencing on page 22 of this pre-listing statement, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this pre-listing statement contains all information required by law and the Listings Requirements.

39. **EXCHANGE CONTROL REGULATIONS**

Currency and shares are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations. The following guidelines are not a comprehensive statement of the Exchange Control Regulations and merely reflect Pioneer Foods' understanding of the Exchange Control Regulations at the date of this pre-listing statement. Pioneer Foods ordinary shareholders who have any doubt as to the action they must take, should consult their professional advisors.

In the case of Pioneer Foods shareholders whose registered addresses are outside the Common Monetary Area, the following will apply in respect of the listing:

39.1 **Emigrants from the Common Monetary Area**

Share certificates in respect of Pioneer Foods ordinary shares issued to any emigrant ordinary shareholders of Pioneer Foods will be endorsed restrictively and deposited with the authorised dealer controlling such emigrants' blocked assets. In terms of the Exchange Control Regulations, such Pioneer Foods ordinary shares are not freely transferable from the Common Monetary Area. Your CSDP or broker will ensure that all requirements of Exchange Control are adhered to in respect of their clients falling into this category of investor in respect of shareholders who dematerialise their ordinary shares.

In terms of the Exchange Control Regulations, dividends and residual payments based on the emigrant's shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets.

39.2 **All other non-residents of the Common Monetary Area**

Share certificates in respect of Pioneer Foods ordinary shares issued to non-resident Pioneer Foods ordinary shareholders will be endorsed with the words "non-resident". Your CSDP or broker will ensure that all requirements of Exchange Control are adhered to in respect of their clients falling into this category of investor in respect of shareholders who dematerialise their ordinary shares.

40. **CONSENTS**

Each of the advisors mentioned on the inside front cover of this pre-listing statement have consented in writing to act in the capacities stated and to their names being included in this pre-listing statement and have not withdrawn their consent prior to the publication of this pre-listing statement.

The reporting accountants and auditors have given, and have not withdrawn, their consent to the issue of this pre-listing statement with their report included herein in the form and context in which it appears.

41. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the South African registered office of Pioneer Foods and the office of Standard Bank during normal business hours (excluding Saturdays, Sundays and public holidays) from the date of issue of this pre-listing statement up to and including Tuesday, 29 April 2008:

- the memorandum and articles of association of Pioneer Foods and each of its subsidiaries;
- the annual financial statements of Pioneer Foods for the three financial years ended 30 September 2007;
- the signed reporting accountants' report on the historical consolidated financial information of Pioneer Foods;
- the Group's existing scheme and future phantom share plan;
- a copy of the standard directors' service agreement;
- copies of employment termination agreements;
- powers of attorney signed by each of the directors of Pioneer Foods;
- the BEE Trust Deed;
- the latest sworn appraisals or valuations relative to movable and immovable property and items of a similar nature;
- the written consents of the investment bank and transaction sponsor, independent sponsor, legal advisors, reporting accountants and auditors and transfer secretaries to the inclusion of their names in this document in the context and form in which they appear; and
- a signed copy of this pre-listing statement (available in English only).

SIGNED IN PAARL ON BEHALF OF THE BOARD OF DIRECTORS OF PIONEER FOODS.

W A Hanekom
Managing Director

15 April 2008

HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF PIONEER FOODS

1. INTRODUCTION

The financial information of Pioneer Foods for the three years ended 30 September 2005, 30 September 2006 and 30 September 2007 is set out below. The annual financial statements of Pioneer Food Group for the last three financial years have been audited by PricewaterhouseCoopers Inc. An unqualified audit opinion was issued in all three years.

The report on this historical financial information is the responsibility of the Directors of Pioneer Foods.

There has been no material change in the nature of business of Pioneer Foods during the past five years. No material fact or circumstance has occurred between the latest financial year-end of Pioneer Foods and the date of the pre-listing statement.

No adjustments concerning the correction of fundamental errors or application of changes in accounting policies have been made in preparing the report of historical financial information. Non-material adjustments have been made for comparative purposes only.

There have been no subsidiaries, foreign subsidiaries included, whose financial reports were not completed according to IFRS.

The financial year-end of the Group did not change at any time during the last three years.

2. BASIS OF PREPARATION

The financial statements are prepared in accordance with the accounting policies of the Company.

The financial statements represent the consolidated financial statements of Pioneer Foods.

3. COMMENTARY

2007

Income statement

Revenue for the reporting period increased by 20.8% to R11 676.6 million. This above average growth is the result of a combination of increased sales prices and increased sales volumes. Sales price increases of specifically grain-based products were well above inflation on the back of the substantially increased world grain prices. World grain stock levels are at the lowest levels in decades due to demand constantly exceeding supply for a combination of macro reasons. Abnormal world weather conditions and the newly developed application of maize for the manufacturing of ethanol, as an alternative source of energy, contributed to the supply shortage and resulting higher prices. The increased sales volumes virtually across all divisions' product ranges were particularly pleasing. Revenue was further boosted by export sales at an average weaker Rand than in the previous period.

The decrease in the gross profit margin by more than 2.1 percentage points to 29.6% illustrates that increased raw material costs were not yet sufficiently recovered in sales prices. The Group's operating profit margin decreased from 7.7% in 2006 to 7.1% in 2007 as a result of above inflation increases in staff and energy costs, as well as increased depreciation charges.

Operating profit, before items of a capital nature, increased by 11.4% to R832.0 million. This lower growth rate than the 20.8% increase in revenue, illustrates the competitive environment and the constant pressure on profit margins in the industries where the Group competes. Depreciation increased with R54 million to R251 million as the process to create additional production capacity and enhanced production efficiencies are demanding substantial capital expenditure. This expenditure, along with the increased investment in working capital, resulted in increased debt levels. Together with increased interest rates, this caused net finance charges to increase by R48.5 million to R115.7 million for the year.

The effective income tax rate increased to 29.4%, mainly as a result of an increase in secondary tax on the increased dividend payment. The tax rate in the comparative period also benefited from the inclusion of capital gains tax at a lower rate than other taxable income.

Headline earnings increased by 1.8% to R502.6 million, with headline earnings per share marginally increasing to 328.4 cents per share from 325.9 cents per share. The decrease in net profit attributable to ordinary shareholders by 11.4% to R506.2 million, is the result of the profit made from the sale of Craft Box in the previous year and has been accounted for as such in the comparative period. The number of ordinary shares in issue was unchanged at 181.2 million shares. The weighted average number of ordinary shares increased from 151.4 million to 153.1 million shares as a result of shares under option in terms of the management share scheme being sold to management. The number of Class A Ordinary Shares, issued in terms of the broad-based employee share scheme, decreased from 16.2 million shares to 14.2 million shares. This is the result of employees leaving the Group's service and the Class A Ordinary Shares being cancelled as a result. Apart from dividends of R4.1 million to participants in the scheme, R6.8 million was paid in the year under review to qualifying employees in terms of the rules of the scheme on termination of their service.

Balance sheet

The substantial increase in fixed capital as part of the expansion programme, along with the time lag between spending the capital and expected contribution to earnings as a result of such expenditure, resulted in a decreased return on average net assets of 17.1%. The after tax return on average shareholders funds was similarly affected and decreased to 14.8%. Net interest-bearing debt increased from R903.3 million to R1 194.8 million, mainly due to an increased investment in working capital and non-current assets. The ratio of net interest-bearing debt to equity weakened from 28.3% to 33.1% at year-end.

Although this debt level is still acceptable, an analysis of the Group's debt capacity, taking into account the abnormally high expansion capital programme planned for the next couple of years, resulted in the Board's decision to attract new shareholder capital of R600 million. The intention is further to restructure the remainder of the Group debt, to a substantially larger degree than in the past, in longer term funding in order to align the debt to the long-term nature of the capital expenditure. Short-term borrowing facilities will ensure liquidity for, and be aligned to, working capital funding needs.

Cash flow statement

Net cash generated by operations increased by R381.7 million to R830.9 million. This increase in cash generation was mainly the net result of cash profit from operating activities increasing by 14.8% to R1 117.4 million, and an increased investment of R350.7 million in working capital. Although physical stockholding of specifically raw material was substantially lower than in the previous year, the material increase in raw material costs and resultant increase in selling prices caused the increased working capital investment.

After payment of R225.5 million in income tax and net cash flow from investment activities of R645.9 million, a net cash deficit of R40.5 million for the year was recorded. This deficit along with the repayment of long-term borrowings, dividends and interest was funded with short-term funding, resulting in cash and cash equivalents decreasing by R375.4 million.

2006

Excerpts from the 2006 Annual Report have been used for the 2006 commentary below, but numbers for 2006 were adjusted in accordance with restatement of comparatives made during the 2007 financial year.

Income statement

Revenue increased by 14.4% to R9 664.4 million in the year under review. Exclusion of new acquisitions in the previous year would have limited the revenue increase to 9%. This increase in comparable revenue is mainly due to volume growth in maize meal products, breakfast cereals, beverages and dried fruit products. The Group's gross profit margin decreased from 32.2% to 31.7% and the comparable operating profit margin, before items of a capital nature, decreased from 8.7% to 7.7%. This is firstly the result of the lag in recovering substantial increases in raw material, energy and staff costs in final product prices. Secondly, the contribution in operating profit from some new acquisitions and expansions is not

yet in relation to their revenue contribution. A significant investment was made in brand building as well as manufacturing facilities to enhance quality, efficiency and capacity. Lastly, the cost of industrial action had a further negative effect on profit margins.

Operating profit increased to R823.6 million. After exclusion of the cost of the newly implemented broad based employee share scheme, as well as items of a capital nature, the comparable operating profit increased to R762.6 million. This moderate growth in relation to revenue growth of 14.4%, illustrates the increased pressure on profit margins during the year under review. Depreciation increased with R17.5 million to R197.0 million on the back of substantial capital expenditure in creating additional production capacity and enhancing production efficiencies. The effective income tax rate of 24.6% was positively affected by capital gains tax payable on the sale of Craft Box at a lower rate than other taxable income.

Headline earnings increased by 1.2% to R493.5 million. After exclusion of the cost of the broad based employee share scheme, headline earnings increased by 4.4% to R509.3 million. Headline earnings per share increased to 325.9 cents per share. The number of ordinary shares in issue was unchanged at 181.2 million shares. The weighted average number of ordinary shares decreased from 155.6 million to 151.4 million shares. This is the result of shares bought back in the previous year from two major shareholders and which is for the first time consolidated for a full year. These shares are held as treasury shares and are together with the shares under option in terms of the employee share incentive scheme, consolidated in terms of IFRS principles. The larger increase in net profit attributable to ordinary shareholders of 13.2% to R571.4 million, is mainly the result of the profit made from the sale of Craft Box.

Balance sheet

The lag in contribution from new acquisitions also resulted in a decrease in comparable return on average net assets of 18.3%. The after-tax return on average shareholders' funds was also affected and decreased to 16.9%. Net interest-bearing debt increased from R588.1 million to R903.3 million, mainly the result of an increased investment in working capital of R573.7 million. The ratio of net interest-bearing debt to equity weakened from 22.2% to 28.3% at year-end.

Although this debt level is still acceptable, the responsibility is to ensure adequate liquidity of available funds in certain peak periods of the year for working capital needs. Acquisitions and expansions of the past two years were fully funded by short term borrowings. A long term loan of R300 million, repayable over five years, was entered into during the year to partially refinance these long-term investments. Thereby the need for liquidity for working capital funding was specifically addressed.

Cash flow statement

Net cash profit from operating activities increased by 3.9% to R973.3 million. A major increase in working capital by R573.7 million limited the contribution of net cash generated from operations to R449.2 million, as opposed to a contribution of R1 064.4 million in the previous year. The increased investment in working capital was mainly the result of the substantially increased cost of wheat and especially maize, along with a considerable larger physical stockholding than in the previous year. Capital expenditure on additions to and replacements of property, plant, equipment and intangible assets was the core of the Group's investments for the year and amounted to R535.0 million. The net cash flow from investment activities, however, was limited to R354.4 million, mainly as a result of the cash received with the sale of Craft Box. The net positive cash flow from financing activities, which includes the payment of interest and dividends, amounted to R74.5 million, after net proceeds from borrowings of R274.6 million. This amount includes the receipt of the R300 million long-term loan. The net decrease in cash, cash equivalents and bank overdrafts for the year under review was therefore limited to R40.6 million.

2005

The 2004 historical information was not required to be restated for IFRS. Excerpts from the 2005 Annual Report have been used for the 2005 commentary below, but numbers for 2005 were adjusted in accordance with restatements of comparatives made during the 2006 and 2007 financial years.

Income statement

Group revenue increased by 11.3% to R8 446.3 million, inclusive of the new acquisitions during the past year. Ignoring the revenue contribution from these new businesses in the year, as well as that of Moir's which was acquired in September 2004, Group revenue would have increased by 4%, in line with the

lower inflation environment. The increase in the operating profit margin to 8.8% was mainly due to increased margins in the staple foods businesses. Favourable procurement positions for raw materials in the declining wheat and maize markets in the first half of the year, as well as a balance in supply and demand in both the egg and chicken businesses, were the major contributors to the improved margins. Consumer spending also favoured the higher margin branded products, increasing the sales volumes of the existing branded products. The combination of the increased revenue and improved operating profit margins resulted in an increase in operating profit, before items of a capital nature, to R730.9 million.

Net interest cost increased by R27.8 million to R77.8 million, lower than projected because of the strong cash flow generated from operations and sustained low interest rates. A combination of the lowering of the income tax rate from 30% to 29% and a provision for the future utilisation of an assessed loss which was previously uncertain, contributed to the decline in the effective tax rate to 25.9%. Net profit for the year, attributable to equity holders of the Group increased to R504.6 million and headline earnings to R487.8 million.

Headline earnings per share, however, increased to 313.5 cents per share, materially more than the percentage increase in total headline earnings. The reason for this is that 19.2 million shares were bought back during the year from two major shareholders, Senwes and Afgri. Two million of these shares have been cancelled and the balance are held as treasury shares and consolidated as such in term of IFRS principles. The effect of this accounting treatment is an abnormal enhancement of 20.0 cents in earnings per share. Treasury shares now account to 10% of the total number of shares in issue.

Balance sheet

Despite the healthy growth in operating profit for the Group, the return on net average assets decreased from 25.1% to 21.7%. This is the result of the profit contribution from new businesses not matching the historic returns from existing businesses immediately after incorporation into the divisions. The return on average shareholders equity increased by 0.4% to 19.0%. The net interest-bearing debt of the Group increased by R244 million to R588 million. The effect on Group debt of the new expansions and investments during the past year was to a large extent limited by the healthy growth in cash generated from operations. Although the ratio of net interest-bearing debt to equity weakened from 17.0 % to 22.2% because of the increased debt, it still is within acceptable limits.

Cash flow statement

Cash profit from operating activities increased to R936.8 million during the past year. Along with the unlocking of R113.6 million from working capital, mainly due to a combination of a decrease in stock levels and raw material prices, more than R1 billion in cash was generated from operations. After payment of net interest costs, dividends and taxes, R768.1 million was available for investment in activities within the Group. The total net amount invested for the past year in the addition and replacement of fixed assets and payment for the new acquisitions, amounted to R788.3 million.

4. ACCOUNTING POLICY FOR THE YEAR ENDED 30 SEPTEMBER 2007

1. BASIS OF PREPARATION

The annual financial statements have been compiled on the historical cost basis, except where noted otherwise, in accordance with International Financial Reporting Standards ("IFRS").

The Group's annual financial statements for the year ended 30 September 2005 was prepared in accordance with South African Statements of Generally Accepted Accounting Practice. Comparative information for the year ended 30 September 2005, as presented in Annexure 1 of the pre-listing statement, represents the restated comparative information presented in the Group's IFRS financial statements for the year ended 30 September 2006.

Accounting policies have been applied consistently with those of the previous year.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 2 to the financial statements.

Standards, interpretations and amendments to published standards that are not yet effective:

The following are published new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting periods beginning on or after 1 November 2006 or later periods, but which the Group has not earlier adopted voluntarily:

IFRS 7 – Financial Instruments: Disclosures, Consequential Amendment to IFRS 4, Implementation Guidance and a complementary Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective from 1 January 2007)

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces *IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions*, and disclosure requirements in *IAS 32 – Financial Instruments: Disclosure and Presentation*. The amendment to *IAS 1* introduces disclosures about the level of an entity's capital and how it manages capital. The adoption of this standard will impact the format and extent of disclosures presented.

IFRS 8 – Operating segments (effective from 1 January 2009)

IFRS 8 replaces *IAS 14* and aligns segment reporting with the requirements of the US standard SFAS 131, *Disclosures about Segments of an Enterprise and Related Information*.

IFRIC Interpretation 10 – Interim Financial Reporting and Impairment (effective from 1 November 2006)

IFRIC 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply *IFRIC 10* from 1 October 2007, but it is not expected to have any impact on the Group's accounts.

IFRIC Interpretation 11 – IFRS 2 – Group and Treasury Share Transactions (effective from 1 March 2007)

The interpretation addresses how to apply *IFRS 2, Share-based Payments* to share-based payment arrangements involving an entity's own equity instruments or equity instruments of another entity in the same group.

IFRS 3 (revised) – Business Combinations (effective from 1 October 2009)

IFRS 3 (revised) will be effective for the Group's business combinations with an acquisition date on or after 1 October 2009. Assets and liabilities that arose from business combinations whose acquisition dates preceded 1 October 2009 will not be adjusted upon application of *IFRS 3* (revised).

IAS 23 – Borrowing Costs (effective from 1 January 2009)

The standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. The option of immediately expensing these borrowing costs will be removed. The Group is currently assessing the impact of this standard.

The following standards, interpretations and amendments will not affect the Group's reported results or financial position:

IFRIC Interpretation 12 - Service Concession Arrangements (effective 1 January 2008)

Use of adjusted measures

The measure explained below (items of a capital nature) is presented as management believes it to be relevant to the understanding of the Group's financial performance. These measures are used for internal performance analysis and provide additional useful information on underlying trends to equity holders. These measures are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS.

Items of a capital nature

Income or expenditure of a capital nature on the face of the income statement, being all income statement items of a capital nature excluded in the calculation of headline earnings per share. The principal items that will be included under this measurement are: gains and losses on disposal and scrapping of property, plant and equipment, intangible assets and assets held-for-sale; impairments or reversal of impairments; any non-trading items such as gains and losses on disposal of investments, operations and subsidiaries.

2. BASIS OF CONSOLIDATION

Subsidiaries

The consolidated annual financial statements include those of the Company and all its subsidiaries. Subsidiaries are those entities in which the Group has an interest of more than 50% of the voting rights or otherwise has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the net assets acquired in the subsidiary is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Subsidiaries are excluded from consolidation when control is intended to be temporary because the subsidiary is acquired and held exclusively with the view to its subsequent disposal in the next 12 months.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated and considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The investments in subsidiaries are recorded at cost in the Company's separate financial statements.

Treasury shares

The cost of treasury shares is presented as a deduction from equity. Shares under option already allocated to staff and unallocated shares are considered as treasury shares and are consolidated as such as part of the Group's results.

Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity. Gains or losses on disposals to minority interests are also recorded in equity. For disposals to minority interests, differences between proceeds received and the relevant share of minority interests are also recorded in equity.

Joint ventures

The Group's interest in jointly controlled entities are accounted for by proportionate consolidation. The Group combines its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the Group financial statements. The Group recognises the portion of gains and losses on the sale of assets by the Group to the joint venture to the extent that it is attributable to other venturers. The Group does not recognise the share

of profits or losses from the joint venture that result from the Group's purchase of assets from the joint venture until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Associates

Associates are all entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. PROPERTY, PLANT AND EQUIPMENT

Land and buildings comprise mainly of factories, depots, warehouses, offices and silos. All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which it is incurred.

Land is not depreciated. Depreciation on property, factory buildings, machinery, vehicles, furniture and equipment is calculated on a straight-line basis at rates deemed appropriate to write off the cost of the assets over their expected useful lives.

The expected useful lives are as follows:

- Buildings 10 – 25 years
- Poultry houses 25 years
- Plant, machinery and equipment 3 – 30 years
- Vehicles 3 – 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals of fixed assets are determined by comparing proceeds with the carrying amounts. These are included in the income statement.

4. INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of the acquisition. Goodwill arising from business combinations is included in intangible assets whereas goodwill on acquisition of associates is included in investments in associates.

The excess of the purchase price over the carrying amount of minority interest, when the Group increases its interest in an existing subsidiary, is recognised in equity. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill based on the business segments in which it operates.

Trademarks and intellectual property

Trademarks and intellectual property are shown at historical cost. Trademarks and intellectual property have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and intellectual property over their estimated useful lives of between five to fifty years.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of between two to five years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives of between one to five years.

5. IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered impairment, are reviewed for possible reversal of the impairment at each reporting date.

6. FINANCIAL ASSETS

The Group classifies its financial assets in the following categories:

- at fair value through profit or loss;
- loans and receivables;
- available-for-sale financial assets; and
- held-to-maturity investments.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if it was acquired principally for the purpose of selling it in the short term or if so designated by management.

Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as "trade and other receivables" in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. They are included in non-current assets unless the maturity date is within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest and dividend income, are presented in the income statement in the period in which they arise. Gains or losses arising from changes in the fair value of available-for-sale financial assets are presented in the statement of changes in equity in the period in which they arise.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities, calculated using the effective interest rate method, is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in the income statement. Impairment losses on equity instruments recognised in the income statement are not reversed through the income statement.

7. **BIOLOGICAL ASSETS**

Biological assets are stated at fair value less estimated point-of-sale costs. Fair value changes are included in net profit or loss for the period in which it arises. All costs incurred in maintaining the assets are included in net profit or loss for the period in which it arises. All costs incurred in acquiring biological assets are capitalised, except for finance charges.

Fair values of livestock held for breeding, lay-hens, broilers and hatching eggs are determined with reference to market prices of livestock of similar age, breed and genetic material.

Fair value of vineyards is calculated as the future expected net cash flows, discounted at an appropriate rate, over the remaining useful life of the vineyards.

8. **INVENTORIES**

Inventory is valued at the lower of cost or net realisable value. Cost in each category is determined as follows:

- Raw material at actual cost on a weighted average cost basis;
- Own manufactured products at direct raw material and labour cost plus an appropriate portion of production overheads, on a weighted average cost basis;
- Consumable and trading stock at actual cost on a weighted average cost basis; and
- Eggs purchased and pulp are valued at actual cost on a weighted average cost basis.

The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Costs of inventories include the transfer from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw materials.

9. **TRADE RECEIVABLES**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement within 'other operating expenses'.

10. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

11. **SHARE CAPITAL**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Group's equity holders until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders.

12. **BORROWINGS**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the

borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

13. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

14. DEFERRED INCOME TAX

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets relating to unused tax losses are recognised to the extent that it is probable that future taxable profits will be available against which the unused losses can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

15. REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, estimated returns, rebates and discounts and after elimination of sales within the Group. Revenue is recognised as follows:

Sale of goods

Sale of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured. No element of financing is deemed present as sales are made within credit terms which are consistent with market practice.

Sale of services

Sale of services is recognised in the accounting period in which the services are rendered, by reference to the completion of services provided as a proportion of the total services to be provided.

16. RECOGNITION OF INTEREST INCOME

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest on impaired loans is recognised using the original effective interest rate.

17. RECOGNITION OF DIVIDEND INCOME

Dividend income is recognised when the right to receive payment is established.

18. RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technical feasibility and its costs can be measured reliably. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised, from the point at which the asset is ready for use, on a straight-line basis over its useful life, not exceeding five years.

Development assets are tested for impairment annually, in accordance with *IAS 36*.

19. FOREIGN EXCHANGE TRANSACTIONS

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates ("the functional currency"). The consolidated financial statements are presented in South African Rand, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in profit or loss and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency of South African Rand are translated into South African Rand, as follows:

- assets and liabilities for each balance sheet presented (including comparatives) are translated at the closing rate at the date of that balance sheet;
- income and expenditure for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenditure are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to equity on consolidation. When a foreign operation is sold or on repayment of loans, such exchange differences are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

20. ACCOUNTING FOR LEASES: GROUP COMPANY IS THE LESSEE

Finance leases

Leases of property, plant and equipment, where the Group assumes substantially all the benefits and risks of ownership, are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and the finance charges to achieve a constant rate on the capital balance outstanding. The corresponding rental obligations, net of finance charges, are included in long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease contracts, are depreciated over the shorter of the lease term or the useful life of the assets.

Operating leases

Leases of assets under which a significant portion of the risks and benefits of ownership are effectively retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty, is recognised as an expense in the period in which termination takes place.

21. ACCOUNTING FOR LEASES: GROUP COMPANY IS THE LESSOR

Operating leases

Operating lease assets are included in property, plant and equipment in the balance sheet. These assets are depreciated over their expected useful lives on a basis consistent with similar property, plant and equipment. Rental income is recognised on a straight-line basis over the period of the lease.

22. EMPLOYEE BENEFITS

Retirement scheme arrangements

The policy of the Group is to provide retirement benefits for all its employees in the form of a defined contribution plan. A defined contribution plan is a retirement scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the retirement benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly or privately administered retirement schemes on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Post-retirement medical benefits

The Group provided post-retirement medical benefits to some employees, some employed prior to 31 December 1994 and others prior to 31 March 1997, by way of a percentual contribution to their monthly costs. Such benefits are not available to employees employed after these dates. Provision is made for the total accrued past service cost.

Independent actuaries annually determine the accumulated post-retirement medical aid obligation and the annual cost of these benefits. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions, are recognised in the income statement over the expected remaining working life of the related existing employees, if such gains and losses exceed the closing balance of the prior year provision by more than 10%. Actuarial gains and losses relating to former employees are recognised immediately in profit or loss.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised.

Broad-based employee share scheme

The Group introduced a broad-based employee share scheme for all employees, other than management, qualifying for the share-based compensation plan. In terms of the scheme employees received Class A Ordinary Shares with full voting rights and limited dividend rights until such time as a notional debt has been repaid. Once the notional debt has been repaid, Class A Ordinary Shares will have all the rights similar to ordinary shares.

The fair value of employee services received in exchange for the issue of Class A Ordinary Shares is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of shares issued, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions about the number of Class A Ordinary Shares that will eventually grow into ordinary shares. At each balance sheet date, the Group revises its estimates of the number of Class A Ordinary Shares that are expected to grow into ordinary shares. It recognises the impact of the revision of original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Other long-term employee benefits

The Group provides for long-service awards that accrue to employees. Independent actuaries calculate the liability recognised in the balance sheet in respect of long-service awards annually. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised immediately in the income statement.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision when contractually obliged or where there is a past practice that has created a constructive obligation.

23. FINANCIAL INSTRUMENTS: DEFINITIONS AND VALUATION METHODS

Derivative financial instruments are mainly used to manage operational exposure to interest rate, foreign exchange and commodity price risks. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 18. Movements on the hedging reserve in shareholders' equity are shown in Note 23. The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability if the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as current assets or liabilities.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in the income statement within 'finance costs'. The gain or loss relating to the ineffective portion is recognised in the income statement within 'other operating income/expenses'. Changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk are recognised in the income statement within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used, is amortised to profit or loss over the period to maturity.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss. However, when the forecast transaction that is hedged, results in the recognition of a non-financial asset or a liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred immediately to the income statement.

Embedded derivatives

An embedded non-option derivative is separated from its host contract on the basis of its stated or implied substantive terms, so as to result in a fair value of zero at initial recognition. Embedded option-based derivatives are initially recognised at fair value. Subsequently, all embedded derivatives are re-measured to fair value, with the related gains or losses recognised directly in the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement within 'other operating income/expenses'.

24. GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in current liabilities as deferred government grants and are credited to the income statement on a straight-line basis over the expected lives of the related assets.

25. DIVIDEND DISTRIBUTION

Dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

26. SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

27. BORROWING COSTS

Borrowing costs are expensed in the income statement during the period in which it is incurred.

**Income statement
for the year ended 30 September 2007**

	Notes	2007 R'000	GROUP 2006 R'000	2005 R'000
Revenue		11 676 598	9 664 362	8 446 308
Cost of goods sold		(8 225 770)	(6 602 927)	(5 723 194)
Gross profit		3 450 828	3 061 435	2 723 114
Other income		110 978	86 199	80 914
Biological assets fair value adjustments	3	74 968	115 649	125 621
Distribution costs		(1 002 845)	(845 215)	(667 259)
Administrative expenses		(234 120)	(221 415)	(217 119)
Other operating expenses		(1 567 834)	(1 449 748)	(1 314 322)
Items of a capital nature	4	1 063	76 735	15 430
Operating profit	3	833 038	823 640	746 379
Investment income	5	16 803	14 635	29 437
Finance costs	6	(131 592)	(80 797)	(90 702)
Profit from associated companies		72	510	998
Profit before income tax		718 321	757 988	686 112
Income tax expense	7	(211 308)	(186 135)	(177 866)
Profit for the year		507 013	571 853	508 246
<i>Attributable to:</i>				
Equity holders of the Group		506 187	571 384	504 648
Minority interest		826	469	3 598
		507 013	571 853	508 246
Earnings per ordinary share for profit attributable to the equity holders of the Group:				
Earnings per ordinary share (cents)	8	330.7	377.4	324.3
Diluted earnings per ordinary share (cents)	8	320.5	364.2	318.2
Dividend per ordinary share (cents)	9	93.0	85.2	74.8

**Balance sheet
at 30 September 2007**

	Notes	GROUP		
		2007	2006	2005
		R'000	R'000	R'000
ASSETS				
Non-current assets		3 326 719	2 917 525	2 635 344
Property, plant and equipment	11	2 540 645	2 163 558	1 879 836
Intangible assets	12	695 652	684 603	693 052
Biological assets	13	7 913	5 004	1 584
Interest in joint ventures	14	13 187	11 244	21 915
Investment in associates	15	1 772	–	998
Available-for-sale financial assets	16	34 830	25 155	18 479
Trade and other receivables	19	7 196	4 578	2 060
Deferred income tax assets	25	25 524	23 383	17 420
Current assets		3 500 047	2 976 521	2 259 379
Inventories	17	1 622 334	1 380 234	970 478
Biological assets	13	111 245	96 969	94 623
Derivative financial instruments	18	5 441	19 181	4 326
Trade and other receivables	19	1 510 212	1 209 443	1 017 317
Cash and cash equivalents	20	250 815	270 694	172 635
Total assets		6 826 766	5 894 046	4 894 723
EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the Group		3 609 221	3 186 652	2 650 500
Share capital	21	18 118	18 118	18 118
Share premium		734 358	741 199	747 128
Treasury shares		(249 555)	(253 806)	(261 073)
Other reserves	23	149 370	104 692	21 975
Retained earnings		2 956 930	2 576 449	2 124 352
Minority interest		5 784	4 958	4 725
Total equity		3 615 005	3 191 610	2 655 225
Non-current liabilities		674 675	739 312	531 340
Borrowings	24	187 362	272 375	67 515
Deferred income tax liabilities	25	415 427	397 979	387 262
Provisions for other liabilities and charges	26	71 886	68 958	76 563
Current liabilities		2 537 086	1 963 124	1 708 158
Trade and other payables	27	1 213 457	988 174	933 587
Current income tax liabilities		46 482	61 642	74 538
Borrowings	24	1 258 297	901 619	693 191
Derivative financial instruments	18	18 544	11 313	6 406
Dividends payable		306	376	436
Total liabilities		3 211 761	2 702 436	2 239 498
Total equity and liabilities		6 826 766	5 894 046	4 894 723

**Statement of changes in equity
for the year ended 30 September 2007**

	Share capital R'000	Share premium R'000	Treasury shares R'000	GROUP Other reserves R'000	Retained earnings R'000	Minority interest R'000	Total R'000
Balance at 1 October 2006	18 118	741 199	(253 806)	104 692	2 576 449	4 958	3 191 610
Net income/(expenses) recognised directly in equity	-	-	-	23 671	(223)	-	23 448
Cash flow hedging							
Transfer to net profit	-	-	-	(37 181)	-	-	(37 181)
Fair value gains at year-end	-	-	-	86 796	-	-	86 796
Current income tax on fair value gains	-	-	-	(29 428)	-	-	(29 428)
Deferred income tax on foreign exchange contracts	-	-	-	4 257	-	-	4 257
Fair value adjustment on available-for-sale financial assets	-	-	-	8 155	-	-	8 155
Deferred income tax on fair value adjustment of available-for-sale financial assets	-	-	-	(1 227)	-	-	(1 227)
Currency translation differences	-	-	-	(7 924)	-	-	(7 924)
Statutory transfer	-	-	-	223	(223)	-	-
Profit for the year	-	-	-	-	506 187	826	507 013
Employee share scheme – repurchase of Class A Ordinary Shares from leavers	-	(6 841)	-	-	-	-	(6 841)
Disposal of shares of management share incentive scheme	-	-	-	-	8 500	-	8 500
Dividends paid	-	-	-	-	(133 769)	-	(133 769)
Employee share scheme – dividend paid	-	-	-	(4 055)	-	-	(4 055)
Employee share scheme – stamp duty on share transactions	-	-	-	-	(214)	-	(214)
Recognition of share-based payments	-	-	-	25 062	-	-	25 062
Movement of ordinary shares on share incentive trusts	-	-	4 251	-	-	-	4 251
Balance at 30 September 2007	18 118	734 358	(249 555)	149 370	2 956 930	5 784	3 615 005
Balance at 1 October 2005	18 118	747 128	(261 073)	21 975	2 124 352	4 725	2 655 225
Net income/(expenses) recognised directly in equity	-	-	-	59 604	70	-	59 674
Cash flow hedging							
Transfer to net profit	-	-	-	(1 947)	-	-	(1 947)
Fair value gains at year-end	-	-	-	52 368	-	-	52 368
Current income tax on fair value gains	-	-	-	(15 187)	-	-	(15 187)
Fair value adjustment on available-for-sale financial assets	-	-	-	5 329	-	-	5 329
Deferred income tax on fair value adjustment of available-for-sale financial assets	-	-	-	(717)	-	-	(717)
Currency translation differences	-	-	-	19 828	-	-	19 828
Statutory transfer	-	-	-	(70)	70	-	-
Profit for the year	-	-	-	-	571 384	469	571 853
Employee share scheme – repurchase of Class A Ordinary Shares from leavers	-	(5 929)	-	-	-	-	(5 929)
Disposal of shares of management share incentive scheme	-	-	-	-	4 231	-	4 231
Dividends paid	-	-	-	-	(122 293)	(236)	(122 529)
Employee share scheme – dividend paid	-	-	-	(1 368)	-	-	(1 368)
Employee share scheme – stamp duty on share transactions	-	-	-	-	(1 295)	-	(1 295)
Recognition of share-based payments	-	-	-	24 481	-	-	24 481
Movement of ordinary shares on share incentive trusts	-	-	7 267	-	-	-	7 267
Balance at 30 September 2006	18 118	741 199	(253 806)	104 692	2 576 449	4 958	3 191 610

	Share capital R'000	Share premium R'000	Treasury shares R'000	GROUP Other reserves R'000	Retained earnings R'000	Minority interest R'000	Total R'000
Balance at 1 October 2004	18 324	772 617	(59 657)	1 860	1 740 569	37 377	2 511 090
Net income/(expenses) recognised directly in equity	-	-	-	11 962	510	-	12 472
Cash flow hedging							
Transfer to net profit	-	-	-	7 881	-	-	7 881
Fair value gains at year-end	-	-	-	2 742	-	-	2 742
Tax on fair value gains	-	-	-	(795)	-	-	(795)
Fair value adjustment on available-for-sale financial assets	-	-	-	6 920	-	-	6 920
Deferred income tax on fair value adjustment of available-for-sale financial assets	-	-	-	(1 234)	-	-	(1 234)
Currency translation differences	-	-	-	(3 042)	-	-	(3 042)
Statutory transfer	-	-	-	(510)	510	-	-
Profit for the year	-	-	-	-	504 648	3 598	508 246
Dividends paid	-	-	-	-	(90 905)	(237)	(91 142)
Purchase of treasury shares by subsidiary	-	-	(182 803)	-	-	-	(182 803)
Ordinary share capital bought back	(206)	(25 489)	-	-	-	-	(25 695)
Recognition of share-based payments	-	-	-	8 153	-	-	8 153
Movement of ordinary shares on share incentive trusts	-	-	(18 613)	-	-	-	(18 613)
Derecognition of negative goodwill	-	-	-	-	24 215	23 016	47 231
Acquisition from minority interests	-	-	-	-	(54 685)	(59 029)	(113 714)
Balance at 30 September 2005	18 118	747 128	(261 073)	21 975	2 124 352	4 725	2 655 225

**Cash flow statement
for the year ended 30 September 2007**

	Notes	2007 R'000	GROUP 2006 R'000	2005 R'000
NET CASH FLOW FROM OPERATING ACTIVITIES		605 495	239 263	932 490
Net cash profit from operating activities	34	1 117 431	973 253	936 800
Working capital changes	35	(350 669)	(573 680)	113 570
Cash effect from hedging activities		64 185	49 626	14 001
Net cash generated from operations		830 947	449 199	1 064 371
Income tax paid	37	(225 452)	(209 936)	(131 881)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		(645 940)	(354 427)	(768 093)
Additions to property, plant and equipment		(227 262)	(206 866)	(193 656)
Replacements of property, plant and equipment		(367 855)	(315 859)	(175 498)
Additions to intangible assets		(16 455)	(12 311)	(6 428)
Proceeds on disposal of property, plant equipment and intangible assets	38	49 711	167 425	20 460
Proceeds on disposal of investments	39	2 475	2 848	183 309
Net disposal of subsidiary	40	8 250	–	1 051
Business combinations	41	(102 222)	(10 957)	(497 016)
Additional interest in existing subsidiaries acquired		–	–	(113 086)
Net (investment in)/repayments received from joint ventures		(1 943)	10 671	(415)
Investment in other financial assets and associates		(4 824)	(1 495)	(16 868)
Loans (granted to)/repayments received from other parties		(2 618)	(2 518)	617
Interest received		15 946	13 618	12 858
Dividends received		857	1 017	16 579
NET CASH FLOW FROM FINANCING ACTIVITIES		(331 961)	74 531	(627 896)
(Repayments of)/Proceeds from borrowings		(68 171)	274 596	(218 674)
Ordinary shares bought back		–	–	(25 695)
Treasury shares – share incentive trusts		4 251	7 267	(18 613)
Treasury shares – subsidiary		–	–	(182 803)
Employee share scheme – stamp duty on share transactions		(214)	(1 295)	–
Disposal of management share incentive scheme shares		8 500	4 231	–
Employee share scheme – repurchase of class A ordinary shares from leavers		(6 841)	(5 929)	–
Interest paid		(131 592)	(80 797)	(90 702)
Dividends paid to Group ordinary shareholders	36	(133 839)	(122 174)	(91 409)
Employee share scheme – dividend paid		(4 055)	(1 368)	–
Net cash and short-term borrowings on disposal of subsidiary		(3 046)	–	–
Net cash and short-term borrowings from business combinations		–	–	(4 418)
Net decrease in cash, cash equivalents and bank overdrafts		(375 452)	(40 633)	(467 917)
Net cash, cash equivalents and bank overdrafts at beginning of year		(510 087)	(469 454)	(1 537)
Net cash, cash equivalents and bank overdrafts at end of year	20	(885 539)	(510 087)	(469 454)

GROUP

1. ACCOUNTING POLICIES

The principal accounting policies incorporated in the preparation of these financial statements, are set out on pages 46 to 58.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key assumptions and critical judgements

Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy for goodwill. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Refer to Note 12 for key assumptions used.

Provision for post-retirement medical benefits and long service awards

These provisions are determined by annual actuarial calculations. Refer to Note 26 for estimates used in these calculations.

Property, plant and equipment

These items are depreciated over their useful lives, taking into account the residual value at the end of the item's useful life. Residual values and useful lives are based on industry knowledge and past experience with similar assets.

Other intangible assets

These items are amortised over their useful lives that are based on industry knowledge and past experience with similar assets.

Share-based payments

The fair value of employee services received in exchange for the grant of options or Class A Ordinary Shares is determined by reference to the fair value of the options granted and the shares issued. Refer to Note 22 for assumptions used in these calculations.

Assessment of control over contract growers

The Group assesses whether it exercises control over contract growers based on an analysis of the activities of these entities, the Group's decision-making powers, its ability to obtain benefits from these entities and the residual risks regarding these entities that are retained by the Group. Based on this analysis the Group concluded that it does not control the activities of any such contract grower.

Contingent liabilities – Complaint referral by the Competition Commission of South Africa

Based on legal opinion obtained, the Group determined that the complaint referral by the Competition Commission as described in Note 29 is a contingent liability and no provision was raised.

	2007	GROUP	
	R'000	2006	2005
		R'000	R'000

3. OPERATING PROFIT

Operating profit is calculated after taking into account items of a capital nature (refer to Note 4) as well as the following:

3.1 Operating income

Foreign exchange differences	23 749	20 146	11 084
Forward foreign exchange contract fair value adjustments	21 228	11 307	3 569
Agricultural produce fair value adjustment	1 004	1 724	1 357
Administration fees received	1 268	943	1 006
Government grant amortisation	1 025	706	1 012
Fair value of embedded derivative financial instruments	–	555	8 828
Change in provision for impairment of trade receivables	1 281	–	–
Reversal of inventory previously written off	11	–	456
Post-retirement medical benefits (refer to Note 26)	–	11 917	–

3.2 Operating expenditure

Staff costs	1 573 979	1 428 398	1 246 436
Wages and salaries	1 366 814	1 232 319	1 094 722
Termination benefits	2 900	3 084	2 378
Other personnel costs	88 154	73 502	57 689
Pension costs	91 049	95 012	83 494
Share-based payments	25 062	24 481	8 153
Technical services from non-employees	15 742	17 037	15 047
Auditors' remuneration	10 488	10 859	8 184
Audit – current year	7 754	7 543	6 328
– under provision previous year	444	265	151
Tax related services	707	1 130	809
Other consultation services	1 583	1 921	896
Machine rental	14 896	14 145	12 420
Rental of premises	64 462	56 996	50 045
Depreciation and amortisation (Appendix D)	250 539	197 006	179 504
Own assets	246 817	196 656	179 127
Leased assets	3 722	350	377
Inventory written off	102 658	61 243	46 003
Post-retirement medical benefits (refer to Note 26)	1 334	–	6 973
Change in provision for impairment of trade receivables	–	8 269	2 041
Foreign exchange differences	21 828	12 413	16 758
Forward foreign exchange contract fair value adjustments	7 200	15 178	4 601
Research and development costs	5 049	4 102	3 311
Fair value of embedded derivative financial instruments	–	3 233	–

3.3 Biological assets fair value adjustment

The adjustment of biological assets from cost to fair value includes a realised and unrealised component. The unrealised portion is accounted for against the carrying amount of biological assets in the balance sheet and the realised portion is accounted for in cost of sales.

	2007	GROUP	
	R'000	2006	2005
		R'000	R'000
4. ITEMS OF A CAPITAL NATURE			
Net profit on disposal of property, plant, equipment and intangible assets	7 679	86 775	12 763
Gross	6 083	87 735	14 489
Tax effect	1 596	(960)	(1 726)
Net profit on disposal of investments	755	1 021	5 856
Gross	871	1 194	6 133
Tax effect	(116)	(173)	(277)
Net (loss)/profit on disposal of subsidiary	(1 139)	–	76
Gross	(1 139)	–	76
Tax effect	–	–	–
Impairment of property, plant and equipment	(2 541)	(4 570)	–
Gross	(3 571)	(6 323)	–
Tax effect	1 030	1 753	–
Impairment of trademarks	–	(2 370)	(6 236)
Gross	–	(2 370)	(8 628)
Tax effect	–	–	2 392
Impairment of goodwill	(1 181)	(3 501)	(1 664)
Gross	(1 181)	(3 501)	(1 664)
Tax effect	–	–	–
Goodwill: prior year business combination restated	–	–	10 357
Gross	–	–	10 357
Tax effect	–	–	–
Goodwill reversal due to deferred income tax asset recognised	–	–	(5 333)
Gross	–	–	(5 333)
Tax effect	–	–	–
Items of a capital nature before items of associates	3 573	77 355	15 819
Gross	1 063	76 735	15 430
Tax effect	2 510	620	389
Items of associates:			
Reversal of prior impairment of loan to associate	–	510	998
Gross	–	510	998
Tax effect	–	–	–
Group total	3 573	77 865	16 817
Gross	1 063	77 245	16 428
Tax effect	2 510	620	389

Detail in respect of impairments is available at the Company's registered office. Items of associates are included in profit from associated companies in the income statement.

	2007	GROUP	2005
	R'000	2006	R'000
		R'000	R'000
5. INVESTMENT INCOME			
Interest received	15 946	13 618	12 858
Joint ventures	2 717	2 512	1 722
Amortised cost adjustment	19	–	–
Call accounts and other	13 210	11 106	11 136
Dividends received	857	1 017	16 579
Listed shares	767	662	649
Unlisted shares	90	355	15 930
	16 803	14 635	29 437
6. FINANCE COSTS			
Interest paid			
Joint ventures	1 511	587	–
Non-current borrowings	33 157	6 390	30 527
Interest rate swap agreement	–	–	17
Amortised cost adjustment	–	279	1 585
Provisions: unwinding of discount	5 780	6 458	8 656
Call loans and bank overdrafts	91 144	67 083	49 917
	131 592	80 797	90 702
7. INCOME TAX EXPENSE			
Current income tax	177 825	171 912	157 498
Current year	177 718	173 557	153 538
Under/(Over) provision previous years	107	(1 645)	3 960
Deferred income tax	15 257	3 487	11 486
Current year	15 265	4 464	19 019
(Under)/Over provision previous years	(8)	(977)	393
Rate change	–	–	(7 926)
Secondary Taxation on Companies	18 226	10 736	8 882
Current year	18 226	10 736	8 882
	211 308	186 135	177 866

	2007	2006	2005
	%	%	%
The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory rate of 29% as follows:			
Standard rate for companies	29.0	29.0	29.0
Increase/(Decrease) in rate:			
Exempt income	(0.1)	(0.1)	(0.7)
Effect of assessed losses	0.3	(0.3)	(0.7)
Secondary Taxation on Companies	2.5	1.4	1.3
(Over)/Under provision previous years	–	(0.2)	0.6
Non-deductible expenditure	1.6	1.6	1.3
Rate change	–	–	(1.2)
Other non-taxable income	(0.4)	(0.7)	(0.5)
Effect of Capital Gains Tax	(0.2)	(3.0)	(0.3)
Other differences	(3.3)	(3.1)	(2.9)
Effective rate	29.4	24.6	25.9

	2007	2006	2005
	R'000	R'000	R'000
Gross calculated tax losses of certain subsidiaries at the end of the financial year available for utilisation against future taxable income of those companies	210 707	164 227	167 841
Less: Utilised in reduction of deferred income tax	(150 628)	(115 968)	(120 649)
Net calculated tax losses carried forward	60 079	48 259	47 192
Tax relief at current tax rates	17 948	13 995	13 686

Utilisation of tax losses is dependent on sufficient taxable income being earned in future by subsidiaries concerned.

8. EARNINGS PER ORDINARY SHARE

Basic

The calculation of earnings per ordinary share is based on earnings attributable to equity holders of the Group of R506 187 225 (2006: R571 384 289; 2005: R504 648 538) and 153 058 770 (2006: 151 412 367; 2005: 155 614 914) weighted average ordinary shares in issue during the year.

Diluted

Share options issued in terms of share incentive schemes, as well as Class A Ordinary Shares issued in terms of an employee share scheme, have a dilutive effect on earnings per ordinary share. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options as well as Class A Ordinary Shares. The calculation of diluted earnings per ordinary share is based on earnings attributable to equity holders of the Group of R506 187 225 (2006: R571 384 289; 2005: R504 648 538) and 157 946 496 (2006: 156 871 527; 2005: 158 594 252) weighted average ordinary shares in issue during the year.

	Number	Number	Number
Reconciliation of weighted average ordinary shares in issue during the year:			
Weighted average ordinary shares	153 058 770	151 412 367	155 614 914
Adjusted for share options	4 887 726	5 459 160	2 979 338
Weighted average ordinary shares for diluted earnings	157 946 496	156 871 527	158 594 252
	2007	2006	2005
	R'000	R'000	R'000

Reconciliation between earnings and headline earnings:

Adjustments are after tax and minority interest.

Earnings attributable to equity holders of the Group	506 187	571 384	504 648
Items of a capital nature – Note 4	(3 573)	(77 865)	(16 817)
Headline earnings	502 614	493 519	487 831
Headline earnings per ordinary share (cents)	328.4	325.9	313.5
Diluted earnings per ordinary share (cents)	320.5	364.2	318.2
Net asset value per share (cents)	2 338.6	2 087.6	1 757.6
Tangible net asset value per share (cents)	1 887.9	1 639.1	1 298.0

9. **DIVIDEND PER ORDINARY SHARE**

Interim

27.0 cents (2006: 25.2 cents; 2005: 19.6 cents)
per ordinary share

48 920 45 631 36 000

Final

66.0 cents (2006: 60.0 cents; 2005: 55.2 cents)
per ordinary share

119 581 108 710 100 000

168 501 154 341 136 000

Dividends payable are not accounted for until they have been declared by the board of directors. The statement of changes in equity does not reflect the final dividend payable. The final dividend for the year ended 30 September 2007 will be accounted for as an appropriation of retained earnings in the year ending 30 September 2008. Secondary Tax on Companies ("STC") will be applicable to the dividend paid at a rate of 10.0%.

	2007	2006	2005
	R'000	R'000	R'000

10. DIRECTORS' REMUNERATION

Non-executive directors

Fees	1 635	1 468	1 040
Executive directors paid by subsidiaries	9 579	8 780	10 497
Salaries	7 248	6 736	5 821
Retirement benefits	856	760	678
Performance bonuses	1 475	1 284	3 998
Annual remuneration	11 214	10 248	11 537
Profit from share incentive scheme	1 326	5 771	3 046
Total remuneration	12 540	16 019	14 583
Paid by subsidiaries	(9 579)	(8 780)	(10 497)
Non-cash profit from share incentive scheme	(1 326)	(5 771)	(3 046)
Paid by Company	1 635	1 468	1 040

	Number	Number	Number
	'000	'000	'000

Executive directors' share incentive scheme

Beginning of year	1 986	2 150	2 242
Change in directorship	76	–	–
Redeemed	(60)	(323)	(277)
New offer at R14.05 per share	–	–	185
New offer at R21.86 per share	–	159	–
New offer at R31.42 per share	132	–	–
End of year	2 134	1 986	2 150
At R2.80 per share exercisable up to 6 July 2009	–	38	130
At R8.65 per share exercisable up to 27 May 2014	1 622	1 604	1 835
At R14.05 per share exercisable up to 24 December 2014	228	185	185
At R21.86 per share exercisable up to 25 January 2016	171	159	–
At R31.42 per share exercisable up to 12 February 2017	113	–	–
Shares under option in terms of option scheme	2 134	1 986	2 150

Refer to paragraph 22.3 of this pre-listing statement for details of directors' emoluments.

Refer to paragraph 3.2 of Annexure 3 of this pre-listing statement for details of loans made for the benefit of directors.

	2007	2006	2005
	R'000	R'000	R'000

11. PROPERTY, PLANT AND EQUIPMENT

Land and buildings	640 531	566 091	518 057
Plant, machinery and equipment	1 629 074	1 341 567	1 130 690
Vehicles	271 040	255 900	231 089
Net book value	2 540 645	2 163 558	1 879 836

Property, plant and equipment include items leased by the Group to third parties under operating leases with the following carrying amounts:

Cost

At beginning of year	69 864	68 039	58 996
Additions and transfers	1 631	1 871	9 043
Disposals	(4 542)	(46)	–
	66 953	69 864	68 039

Accumulated depreciation

At beginning of year	20 724	17 052	10 608
Charge for year	3 595	3 672	6 444
Transfers	(174)	–	–
Disposals	(1 626)	–	–
	22 519	20 724	17 052
Book value	44 434	49 140	50 987

Refer to Appendix D for further details.

Property, plant and equipment in the course of construction amounts to R169 912 640 (2006: R71 747 327; 2005: R46 748 121). A register with full detail of property, plant and equipment is available at the Company's registered office.

Refer to Appendix A for details of property, plant and equipment encumbered by borrowings from financial institutions.

Leased assets with a book value of R1 423 732 (2006: R5 169 525; 2005: R5 514 274) serve as security for capitalised lease agreements.

No major change in the nature of property, plant and equipment or change in the policy regarding the use thereof took place during the 2007 financial year.

	2007	2006	2005
	R'000	R'000	R'000
12. INTANGIBLE ASSETS			
Trademarks	373 047	380 361	396 194
Goodwill	280 246	271 815	269 892
Intellectual property	16 891	11 954	11 280
Computer software	25 468	20 473	15 686
Net book value	695 652	684 603	693 052

Refer to Appendix D for further details.

Included in trademarks are the following trademarks with their carrying values and remaining amortisation periods:

Moir's – 47 years (2006: 48 years; 2005: 49 years)	55 741	56 929	58 117
Marmite – 47.5 years (2006: 48.5 years; 2005: 49.5 years)	33 288	33 989	34 690
Bovril – 47.5 years (2006: 48.5 years; 2005: 49.5 years)	33 886	34 599	35 313
Pecks – 47.5 years (2006: 48.5 years; 2005: 49.5 years)	19 245	19 647	20 049
Redro – 47.5 years (2006: 48.5 years; 2005: 49.5 years)	14 239	14 536	14 834
Smash – 27 years (2006: 28 years; 2005: 29 years)	21 506	22 306	23 105
Maizena – 47.8 years (2006: 48.8 years; 2005: 49.8 years)	18 820	19 213	19 607
ProNutro – 1.7 years (2006: 2.7 years; 2005: 3.7 years)	3 450	5 520	7 590
Nature's Source – 1.2 years (2006: 2.2 years; 2005: 3.2 years)	2 650	4 770	6 890
Wild Island – 21 years (2006: 22 years; 2005: 23 years)	17 144	17 906	18 668
W Daly and W Daly & Sons – 21 years (2006: 22 years; 2005: 23 years)	8 969	9 368	9 766
Ceres Fruit Juices trademarks – 47 years (2006: 48 years; 2005: 49 years)	121 654	124 284	126 915
Other – 1.2 to 47.5 years (2006: 2.2 to 48.5 years; 2005: 3.2 to 49.5 years)	22 455	17 294	20 650
	373 047	380 361	396 194

Annual re-assessment of useful lives of intangible assets

The useful lives of intangible assets are re-assessed annually. This process may result in some intangibles being reclassified as having indefinite lives, whilst the estimated useful lives of others may be reduced.

Impairment test for goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the Group's cash-generating units ("CGUs") that are expected to benefit from the business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

Staple foods (several CGUs)	33 713	36 200	36 188
Branded products (several CGUs)	246 533	235 615	233 704
	280 246	271 815	269 892

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the food industry in which the CGU operates.

Key assumptions used for value-in-use calculations:

Growth rates from 5.0% to 10.0% (2006: 0.0% to 8.0%; 2005: 0.0% to 10.0%).

Discount rates from 14.3% to 18.6% (2006: 16.0% to 20.0%; 2005: 11.8% to 13.0%).

These assumptions have been used for the analysis of each CGU within the business segment. Management determined the budgeted gross margins based on past performance and its expectations for market development. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

	2007	2006	2005
	R'000	R'000	R'000
13. BIOLOGICAL ASSETS			
Vineyards	7 559	4 699	1 493
Livestock – cattle	354	305	91
Livestock – poultry	111 245	96 969	94 623
	119 158	101 973	96 207
Less: Realisable within 12 months, transferred to current assets	(111 245)	(96 969)	(94 623)
	7 913	5 004	1 584

Poultry includes point-of-lay hens, day-old chicks, broilers and eggs.

The Group is engaged in dried fruit and poultry production for supply to various customers.

	Number	Number	Number
At 30 September, the Group held the following biological assets:			
Chickens – laying	3 550 566	3 848 805	3 878 747
Chickens – broilers	3 830 075	3 553 534	3 735 322
Chickens – grand parents	5 162	5 253	2 388
Hatching eggs	5 877 204	5 499 778	5 157 979
Vineyards – hectares	118	99	85
Land (vegetables) – hectares	34	34	34
Cattle	106	98	111

The following is the agricultural produce of the Group for the year ended 30 September:

Dozens of eggs	27 897 221	29 209 088	31 197 657
Kilograms meat	51 229 149	49 596 008	50 424 075
Number of day-old chicks	45 337 228	45 275 296	48 341 947
Number of point-of-lay hens	6 522 890	6 463 450	5 875 202
Number of culls	1 373 697	1 212 353	1 386 376
Rand value of vegetables produced	878 465	823 540	726 994
Kilograms fresh grapes produced	1 017 227	1 302 385	1 045 704

	2007 R'000	2006 R'000	2005 R'000
14. INTEREST IN JOINT VENTURES (APPENDIX B)			
Unsecured loans	13 187	11 244	21 915
Proportionately consolidated amounts of joint ventures included in the financial statements:			
Non-current borrowings	(6 454)	(859)	(13 722)
Deferred income tax liabilities	(6 539)	(4 551)	(1 153)
Property, plant, equipment and intangible assets	114 457	96 963	94 338
Current assets	122 100	69 277	69 247
Current liabilities	(89 751)	(62 484)	(50 773)
Net assets	133 813	98 346	97 937
Revenue	379 618	274 571	219 111
Expenses	(361 250)	(263 654)	(219 194)
Profit after income tax	18 368	10 917	(83)
Net cash generated	21 668	12 489	14 190

15. INVESTMENT IN ASSOCIATES (APPENDIX C)

Unlisted shares at cost	1 700	–	–
Interest in retained earnings	72	–	–
Unsecured loans	–	–	998
	1 772	–	998

16. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Shares in other companies			
<i>Listed</i>	27 594	20 573	15 558
At cost	9 813	8 303	7 192
Fair value adjustment at end of year	17 781	12 270	8 366
<i>Unlisted</i>	7 236	4 582	2 921
At cost	952	942	706
Fair value adjustment at end of year	6 284	3 640	2 215
Available-for-sale financial assets at fair value	34 830	25 155	18 479
Market value of listed shares	27 594	20 573	15 558

A register with full details is available at the Company's registered office.

17. INVENTORIES

Raw material	937 384	856 274	461 445
Manufactured products	505 668	365 996	381 596
Packaging and consumables	179 282	157 964	127 437
	1 622 334	1 380 234	970 478

Inventory carried at fair value less cost to sell amounts to R8 115 605 (2006: R8 588 644; 2005: R19 290 047).

The Group reversed R nil (2006: R9 092 205; 2005: R887 661) of a previous write-down to net realisable value.

	2007	2006	2005
	R'000	R'000	R'000

18. DERIVATIVE FINANCIAL INSTRUMENTS

Embedded derivatives	–	–	2 678
Forward foreign exchange contracts – not earmarked for hedging	3 592	(7 210)	(4 758)
Forward foreign exchange contracts – cash flow hedges	(16 695)	15 078	–
	(13 103)	7 868	(2 080)

For the purposes of the balance sheet derivative financial instruments are presented as follows:

Current assets	5 441	19 181	4 326
Current liabilities	(18 544)	(11 313)	(6 406)
	(13 103)	7 868	(2 080)

Trading derivatives are classified as a current asset or liability. The fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability, if the maturity of the hedged item is less than 12 months.

Refer to Appendix E for further details.

19. TRADE AND OTHER RECEIVABLES

Trade receivables	1 475 642	1 177 723	977 377
Provision for impairment	(36 780)	(38 061)	(29 792)
Net trade receivables	1 438 862	1 139 662	947 585
Staff	864	1 212	952
Prepayments	12 199	13 779	13 526
Receivables from related parties (refer to Note 33)	28 678	16 273	18 282
Value-added tax	13 267	12 224	10 025
Other	23 538	30 871	29 007
	1 517 408	1 214 021	1 019 377
Non-current portion:	(7 196)	(4 578)	(2 060)
Loans to other parties	(7 196)	(4 578)	(2 060)
	1 510 212	1 209 443	1 017 317

The carrying value of trade and other receivables approximates their fair value at the balance sheet date.

	2007	2006	2005
	R'000	R'000	R'000

20. **CASH AND CASH EQUIVALENTS**

Cash at bank and on hand	163 763	182 710	76 414
Short-term bank deposits	87 052	87 984	96 221
	250 815	270 694	172 635

The effective interest rate at the balance sheet date on short-term bank deposits was between 7.5% and 10.1% (2006: 7.2% and 8.2%; 2005: 6.9% and 7.0%). These deposits have an average maturity of 42 days (2006: 55 days; 2005: 75 days).

For the purposes of the cash flow statement, the year-end cash, cash equivalents and bank overdrafts comprised of the following:

Cash and short-term investments	250 815	270 694	172 635
Short-term borrowings	(1 136 354)	(780 781)	(642 089)
Bank overdraft	(12 354)	(4 781)	(11 089)
Call loans	(1 124 000)	(776 000)	(631 000)
	(885 539)	(510 087)	(469 454)

	2007	2006	2005
	R'000	R'000	R'000
21. SHARE CAPITAL			
<i>Authorised – ordinary shares</i>			
400 000 000 (2006: 400 000 000; 2005: 400 000 000) ordinary shares of 10 cents each	40 000	40 000	40 000
<i>Authorised – Class A Ordinary Shares</i>			
18 130 000 (2006: 18 130 000; 2005: nil) Class A Ordinary Shares of 10 cents each	1 813	1 813	–
<i>Issued and fully paid – ordinary shares</i>			
181 183 898 (2006: 181 183 898; 2005: 181 183 898) ordinary shares of 10 cents each	18 118	18 118	18 118
Net treasury shares held by share incentive trusts			
1 543 608 sold (2006: 1 851 410 sold; 2005: 107 306 bought) ordinary shares of 10 cents each	(887)	(1 041)	(1 227)
Net treasury shares held by subsidiary			
136 334 sold (2006: nil bought or sold; 2005: 16 818 485 bought) ordinary shares of 10 cents each	(1 798)	(1 812)	(1 812)
	15 433	15 265	15 079
<i>Issued and fully paid – Class A Ordinary Shares of 10 cents each</i>			
16 212 700 (2006: nil; 2005: nil) shares held by BEE Trust at beginning of year	1 622	–	–
120 750 (2006: 17 505 530; 2005: nil) issued during year	12	1 751	–
2 120 370 (2006: 1 292 830; 2005: nil) bought back and cancelled	(212)	(129)	–
14 213 080 (2006: 16 212 700; 2005: nil) shares held by BEE Trust at end of year	1 422	1 622	–
<i>Reconciliation of ordinary shares outstanding</i>			
At beginning of year	181 183 898	181 183 898	183 239 486
Shares cancelled during year	–	–	(2 055 588)
At the end of year	181 183 898	181 183 898	181 183 898

During the year the Company issued 120 750 (2006: 17 505 530; 2005: nil) Class A Ordinary Shares. 20 000 000 (2006: 20 000 000; 2005: 20 000 000) unissued ordinary shares are under control of the directors until the next annual general meeting.

During the year the Company acquired 167 682 (2006: nil; 2005: 17 153 094) of its own shares through a wholly-owned subsidiary. These transactions were in accordance with the Company's constitution and complied with all aspects of the South African Companies Act. The total amount paid was R442 840 (2006: R nil; 2005: R185 152 036).

2007	2006	2005
Number	Number	Number
'000	'000	'000

22. SHARE-BASED PAYMENTS

22.1 Employee share incentive scheme

The Group has a share option scheme for qualifying management of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's shares on the grant date. The vesting period is 5 years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee resigns from the Group before the options vest.

Number of shares made available

Unallocated under control of directors	322	310	1 359
Shares allotted in terms of purchase scheme:			
At R3.80 per share, redeemable up to 30 September 2007	137	326	398
Shares under option in terms of option scheme:			
Number at end of year	8 412	9 779	10 509
Number at beginning of year	9 779	10 509	10 977
Redeemed	(1 682)	(1 792)	(1 784)
Expired	(310)	(63)	(168)
New offer at R14.05 per share	–	–	1 484
New offer at R21.86 per share	–	1 125	–
New offer at R31.42 per share	625	–	–
	8 871	10 415	12 266

Number of options

At R3.80 per share, exercisable up to 5 July 2009	290	525	967
At R2.80 per share, exercisable up to 6 July 2009	248	415	668
At R4.70 per share, exercisable up to 1 February 2010	10	10	10
At R3.30 per share, exercisable up to 18 October 2010	40	114	285
At R8.65 per share, exercisable up to 27 May 2014	4 828	6 150	7 107
At R14.05 per share, exercisable up to 24 December 2014	1 363	1 460	1 472
At R21.86 per share, exercisable up to 25 January 2016	1 055	1 105	–
At R31.42 per share, exercisable up to 12 February 2017	578	–	–
	8 412	9 779	10 509

	2007 Number	2006 Number	2005 Number
The weighted average share price at the date of exercise for share options exercised during the year was R30.64 (2006: R24.72; 2005: R13.77).			
624 959 (2006: 1 125 191; 2005: 1 468 890) options were granted on 12 February 2007 (2006: 25 January 2006; 2005: 24 December 2004). The estimated weighted average fair value of the options granted on this date is R8.40 (2006: R8.38; 2005: R3.97) per option.			
These fair values were calculated using the <i>Actuarial Binomial Option Pricing Model</i> . The principal assumptions were as follows:			
Weighted average share price per share (cents)	1 269	1 153	973
Weighted average exercise price per share (cents)	1 214	1 094	955
Expected volatility	20.0% to 33.8%	20.7% to 33.8%	22.0% to 33.8%
Expected life (years)	4 to 6	4 to 6	4 to 6
Risk free rate	7.2% to 9.7%	7.2% to 9.7%	7.5% to 9.7%
Expected dividend yield	2.7% to 4.4%	2.9% to 4.4%	3.7% to 4.4%

Expected volatility was determined by calculating the historical volatility of the share price of a similar JSE listed entity in the food sector over the previous 6 years.

22.2 Broad-based employee share scheme

During 2006 the Group introduced a broad-based employee share scheme for all employees, other than management, qualifying for the share-based compensation scheme. In terms of the scheme, employees received Class A Ordinary Shares with full voting rights and dividend rights equal to 30% of that of ordinary shares. Once the notional threshold debt has been repaid, Class A Ordinary Shares will convert into ordinary shares. The vesting period is expected to be approximately 20 years.

In case of termination of employment prior to the final date the resultant actions depend on whether the employee is considered to be a "good leaver" or an "other leaver".

An employee is considered to be a "good leaver" if employment is terminated because of:

- Death
- Permanent disability
- Retirement
- Retrenchment
- Sale of business

	2007 Number	2006 Number	2005 Number
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- Termination for a reason that in the discretion of the Board has the effect of qualifying the employee as a “good leaver”
- Any other reason after the lapse of a period of 5 years

An employee is considered to be an “other leaver” in the event that termination takes place within a period of 5 years for any reason other than that constituting a “good leaver”, or an employee fails to adhere to the provisions of the scheme.

The Class A Ordinary Shares of “good leavers” will be purchased by the Company at a price equal to the market value of an ordinary share, less the notional threshold debt. The purchase price will, at the option of the Company, either be settled in cash, or utilised on behalf of the “good leaver” to subscribe for ordinary shares at the market value of ordinary shares.

The Class A Ordinary Shares of “other leavers” will be purchased by the Company at R0.01.

Reconciliation of number of class A ordinary shares:

Balance at beginning of the year	16 212 700	–	–
Issued during the year	120 750	17 505 530	–
Good leavers:			
purchased by the Company	(661 710)	(776 020)	–
Other leavers:			
purchased by the Company	(1 458 660)	(516 810)	–
Outstanding at year-end	14 213 080	16 212 700	–

The estimated fair value of a Class A Ordinary Share on 19 January 2006, when this scheme was approved by the ordinary shareholders, was R9.99. The fair value per Class A Ordinary Share was used to calculate the total cost of the scheme in terms of *IFRS 2 – Share-based payments*. The cost accounted for in the current year amounts to R17 795 000 (2006: R15 792 000; 2005: R nil).

These fair values were calculated using the *Actuarial Binomial Option Pricing Model*.

The principal assumptions are as follows:

Expected weighted average ordinary share price per share (cents)	2 508	2 508	–
Ordinary share price per share at date of implementation (cents)	2 508	2 508	–
Notional loan amount per share at date of implementation (cents)	2 050	2 050	–
Expected volatility	17.2% to 32.0%	17.2% to 32.0%	–
Expected duration to repay notional debt	20 years	20 years	–
Expected dividend yield	3.2%	3.2%	–
Risk free rate	6.8% to 7.3%	6.8% to 7.3%	–

	2007 Number	2006 Number	2005 Number
Expected volatility was determined by calculating the volatility of a JSE listed share in the food industry.			
The principal assumptions used to calculate the expected number of shares that will vest, are as follows:			
Expected rate of "other leavers"	5% per annum	5% per annum	–
Expected rate of "leavers" (including "other leavers")	10% per annum	10% per annum	–

	2007 R'000	2006 R'000	2005 R'000
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23. OTHER RESERVES

Statutory reserve	3 161	2 938	3 008
Fair value reserve	20 884	13 956	9 344
Reserve relating to translation of foreign currency	8 862	16 786	(3 042)
Hedging reserve	61 625	37 181	1 947
Equity compensation reserve	54 838	33 831	10 718
	149 370	104 692	21 975

24. BORROWINGS

Non-current

Secured financing (Appendix A)	187 362	271 919	66 935
Lease agreements	11	82	117
Hire purchases	–	589	1 235
Other	187 351	271 248	65 583
Unsecured financing (Appendix A)	–	456	580
Total non-current	187 362	272 375	67 515

Current

Secured financing (Appendix A)	100 752	107 052	38 937
Lease agreements	68	71	56
Hire purchases	–	591	934
Other	100 684	106 390	37 947
Unsecured financing (Appendix A)	21 191	13 786	12 165
Bank overdraft	12 354	4 781	11 089
Call loans	1 124 000	776 000	631 000
Total current	1 258 297	901 619	693 191
Total borrowings	1 445 659	1 173 994	760 706

The maturity of non-current borrowings is as follows:

Between 1 and 2 years	63 003	90 848	47 040
Between 2 and 5 years	124 359	181 527	20 178
Over 5 years	–	–	297
	187 362	272 375	67 515

The carrying value of borrowings approximates their fair value at the balance sheet date.

Refer to paragraph 3.1 of Annexure 3 of this pre-listing statement for additional details on borrowings.

	2007 R'000	2006 R'000	2005 R'000
25. DEFERRED INCOME TAX			
Balance at beginning of year	374 596	369 842	239 147
Charge in income statement	15 257	3 487	19 412
Adjustment to prior year business combination	–	–	39 455
Foreign exchange translation adjustment	(13)	260	(236)
Deferred income tax on foreign exchange contracts charged to equity	(4 257)	–	–
Deferred income tax on fair value adjustment of available-for-sale financial assets charged to equity	1 227	717	1 234
Subsequent recognition of deferred income tax on prior year business combinations	–	–	24 904
Business combinations	3 782	290	53 627
Rate change	–	–	(7 926)
Disposal of subsidiary	(689)	–	–
Adjustment due to changes of interest in subsidiaries	–	–	225
	389 903	374 596	369 842
Due to the following timing differences:			
Capital allowances, including trademarks	472 833	414 828	386 943
Inventories	3 938	3 611	3 253
Biological assets	29 889	25 612	25 377
Assessed losses utilised	(43 480)	(32 344)	(35 119)
Other	(73 277)	(37 111)	(10 612)
	389 903	374 596	369 842
For the purposes of the balance sheet deferred income tax is presented as follows:			
Non-current assets	25 524	23 383	17 420
Non-current liabilities	(415 427)	(397 979)	(387 262)
	(389 903)	(374 596)	(369 842)
26. PROVISIONS FOR OTHER LIABILITIES AND CHARGES			
<i>Post-retirement medical benefits</i>	52 697	52 726	60 411
Balance at beginning of year	52 726	60 411	56 105
Interest	4 319	4 532	6 640
Actuarial loss/(gain)	1 060	(12 198)	–
Service cost	274	281	333
Increase due to acquisition of subsidiary	–	2 461	–
Payments	(5 682)	(2 761)	(2 667)
<i>Long service awards</i>	19 189	16 232	16 152
Balance at beginning of year	16 232	16 152	16 801
Interest	1 461	1 926	2 016
Service cost	5 800	3 343	3 184
Payments	(4 304)	(5 189)	(5 849)
	71 886	68 958	76 563
<i>Post-retirement medical benefits</i>			
The amount recognised in the balance sheet was determined as follows:			
Present value of unfunded obligations	51 099	51 799	50 358
Unrecognised actuarial gain	1 598	927	10 053
	52 697	52 726	60 411

	2007	2006	2005
	R'000	R'000	R'000

Long service awards

The amount recognised in the balance sheet was determined as follows:

Present value of unfunded obligations	19 189	16 232	16 152
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Existing provisions are based on the following important assumptions:

Post-retirement medical benefits

Medical inflation rate: 9.5% (2006: 9.0%; 2005: 9.0%) p.a.
Investment rate of return: 9.5% (2006: 9.0%; 2005: 9.0%) p.a.
The date of the most recent actuarial valuation is 1 October 2007.

Long service awards

Discount rate: 9.5% (2006: 9.0%; 2005: 12.0%) p.a.
Salary increases: 5.5% (2006: 5.0%; 2005: 8.0%) p.a.
Normal retirement age: 60 years
The date of the most recent actuarial valuation is 1 October 2007.

27. TRADE AND OTHER PAYABLES

Trade payables	865 550	689 249	609 396
Accrued expenses	80 203	82 768	111 624
Related parties (refer to Note 33)	7 108	1 202	1 511
Deferred revenue	12 924	10 091	2 154
Value-added Tax	1 024	428	1 139
Other	246 648	204 436	207 763
	1 213 457	988 174	933 587

28. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: interest rate risk, credit risk, liquidity risk and foreign currency risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

28.1 Interest rate risk

The Group borrows at both fixed and variable rates of interest. The interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates.

The interest rate profile as at 30 September is summarised as follows:

Variable rate	1 445 659	1 173 415	117 982
Fixed rate	–	579	635
Total loans	1 445 659	1 173 994	118 617

	2007 %	2006 %	2005 %
Percentage of total loans:			
Variable rate	100.0	99.9	99.5
Fixed rate	–	0.1	0.5
Total loans	100.0	100.0	100.0

Refer to Appendix A for details regarding interest rates.

The Group's financial assets subject to interest rate risk include cash, short-term bank deposits, loans to associated companies and loans to joint ventures. Cash and short-term bank deposits are invested at variable rates. At 30 September 2007 R87 051 613 (2006: R87 983 604; 2005: R96 220 802) was invested at rates that varied from 7.5% to 10.1% (2006: 7.2% to 8.2%; 2005: 6.9% to 7.0%).

Loans to associates and joint ventures were granted interest free or at variable rates from 11.0% to 14.0% (2006: 9.0% to 15.8%; 2005: 6.7% to 10.5%) at year-end.

The Group periodically uses interest rate swap transactions to achieve a suitable interest rate profile. No such transactions were undertaken during 2007 and 2006.

As at 30 September 2004 the Group was a party to an interest rate swap agreement. The principal amount of R109 million for a loan with variable interest rates of 8.1% and 7.5%, linked to Jibar interest rates, was exchanged for a fixed interest rate of 9.2%. This agreement expired during 2005.

28.2 Credit risk

Financial assets that potentially subject the Group to a concentration of credit risk consist principally of cash, short-term deposits and trade receivables. The Group's cash equivalents and short-term deposits are placed with creditable financial institutions.

Trade receivables are presented net of an allowance for impairment. Trade receivables are subject to credit limits, control and approval procedures. Credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base and their dispersion across different industries and geographical areas. Consequently, the Group has no significant concentration of credit risk.

28.3 Liquidity risk

In order to mitigate any liquidity risk that the Group may face, the Group's policy has been to maintain substantial unutilised banking facilities and reserve borrowing capacity as well as significant liquid resources.

The Group tends to have significant fluctuations in short-term borrowings due to seasonal factors. Consequently, Group policy requires that sufficient borrowing facilities are available to exceed projected peak borrowings.

	2007 R'000	2006 R'000	2005 R'000
The Group's unutilised borrowing facilities are as follows:			
Total borrowing facilities	3 512 587	3 011 540	2 325 393
Net interest-bearing liabilities	(1 194 844)	(903 300)	(588 071)
	2 317 743	2 108 240	1 737 322

28.4 Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro. The Group manages short-term foreign currency exposure relating to trade imports and exports, in terms of approved policy limits. The net uncovered Rand value exposure at 30 September 2007 was R20 304 534 (2006: R10 865 002; 2005: R10 250 385). The Group's policy is to hedge all material asset imports. All other significant foreign trade positions in the Group were fully covered with foreign exchange contracts at 30 September 2007.

Refer to Appendix E for material forward foreign exchange contracts.

28.5 Fair values

The carrying amounts of cash, trade and other receivables, trade and other payables and short-term borrowings, approximate their fair values due to the short term until maturity of these assets and liabilities.

The fair values of available-for-sale financial assets are presented in Note 16. The fair values of other long-term investments and long-term borrowings are not materially different from the carrying amounts.

28.6 Commodity risk

Commodity contracts to buy specific quantities of wheat and maize at predetermined prices are entered into by the Group to cover its physical commodity requirements.

Generally, it is the Group's intent to hedge the cost of such commodities, in order to manage any price risk arising from fluctuations in commodity prices. The objective of the pricing and procurement process is to flatten the price curve of commodity price movements. Hedging is achieved by buying the underlying commodity or by using an appropriate derivative commodity instrument.

Commodities are hedged within the limits approved by the board of directors. The policy is sufficiently flexible to allow management to rapidly adjust hedges following possible changes in raw material requirements.

Refer to Appendix E for material commodity instruments.

	2007	2006	2005
	R'000	R'000	R'000
29. CONTINGENT LIABILITIES			
Guarantees in terms of loans by third parties to contracted service providers	149 769	203 958	206 292
Other guarantees	14 036	13 692	17 708
	163 805	217 650	224 000

Complaint referral by the Competition Commission of South Africa

During February 2007 Pioneer Foods (Pty) Limited, a subsidiary of the Group, received a complaint referral by the Competition Commission for alleged restrictive practices in contravention of section 4(1)(b)(i) and section 4(1)(b)(ii) of the Competition Act of 1998. The relief sought is *inter alia* for the imposition of an administrative penalty of 10% of the 2006 revenue from the production and sale of bread in the Western Cape. Revenue of the Western Cape baking division of the Group amounted to R384 million for the year ended 30 September 2006.

Pioneer Foods prepared and delivered its answer to the complaint referral within the set time limits. Independent legal advice has indicated that Pioneer Foods has reasonable prospects of a successful defense against all or some of the charges made in the complaint referral. Accordingly, no provision has been made for the payment of any penalties in the year under review.

The Competition Commission indicated that further complaint referrals will be made involving Pioneer Foods for alleged restrictive practices in the national bread, wheat milling and maize milling markets. As at the date of approval of the financial statements, no further complaints have been received.

National revenue from the Group's baking and milling business amounted to R3.4 billion for the year ended 30 September 2006. The maximum cash outflow for the Group, if any, in relation to all complaints, could be up to 10% of this amount. This liability only arises if such complaint referrals are ultimately proven against Pioneer Foods. Until any complaints are received and investigated, it is imprudent to comment on the prospects of its successful defence to these charges.

The Group's legal advisors have furthermore been in regular contact with the Commission in endeavours to resolve the complaint referral relating to the Western Cape and to establish the ambit of the other charges to be made against it.

To ensure proper corporate governance, the Board has appointed a committee of non-executive directors, most of whom are independent, to investigate all related matters with the assistance of external consultants.

Land Claims

Regional Land Claim Commissioners acknowledged claims against the land of two Group companies, in terms of the provisions of sections 2 and 11 of the Restitution of Land Rights Act of 1994 (as amended), on 3 October 2004, as well as during 2007.

Claim received before the 2007 financial year:

The company has followed the procedures prescribed by this Act with no specific course of action negotiated or agreed with the Commissioner or the claimants to date. Although the process is expected to continue for an undetermined length of time, it is not expected to have a material impact on this Group company's ability to conduct business as usual in the foreseeable future.

Claims received during the 2007 financial year:

The valuations of the Commissioners were accepted for the two farms involved and the proposed sale for R10.5 million is in progress. The impact of discontinuing production at these two units is immaterial.

It is not anticipated that any material transactions will arise from these land claims.

	2007	2006	2005
	R'000	R'000	R'000

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

Not later than 1 year	36 126	30 133	25 520
Later than 1 year, but not later than 5 years	73 685	67 839	68 206
Later than 5 years	9 735	14 968	17 468
	119 546	112 940	111 194

Operating lease receivables

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

Not later than 1 year	1 823	3 818	2 241
Later than 1 year, but not later than 5 years	4 277	11 513	7 096
Later than 5 years	2 554	2 554	3 748
	8 654	17 885	13 085

30. **FUTURE CAPITAL COMMITMENTS**

Contractually committed	588 614	265 883	201 413
Approved by the Board, but not yet contractually committed	664 786	555 869	330 322
Items of joint ventures	18 500	5 100	5 646
	1 271 900	826 852	537 381

Allocated as follows:

Property, plant and equipment	1 271 414	825 095	534 916
Biological assets	486	1 757	2 465
	1 271 900	826 852	537 381

The expenditure will be financed from operating income and borrowed funds, in accordance with a budget approved by the board of directors.

31. RETIREMENT BENEFITS

The Group contributes to retirement and provident funds for all its employees which are administered by several service providers. These retirement and provident funds are defined contribution plans which are arranged and governed by the Pension Funds Act of 1956.

	2007	2006	2005
	R'000	R'000	R'000

32. GOVERNMENT GRANTS

Cumulative amounts received	6 256	5 410	3 324
Cumulative amounts amortised	(2 901)	(1 876)	(1 170)
Receipts deferred	3 355	3 534	2 154

The Group obtained and deferred as income a government grant of R845 564 (2006: R2 086 205; 2005: R2 761 946).

The Group benefits from such assistance for capital expenditure.

33. RELATED PARTY TRANSACTIONS

During the financial year the Company and its subsidiaries conducted numerous transactions with joint ventures, associates, parties exercising significant influence and key management personnel.

33.1 Sale of goods

Key management personnel	4 977	3 763	2 959
Joint ventures	99 033	59 382	39 980
Associates	11 458	–	–
Parties exercising significant influence	20 054	16 907	12 182

33.2 Purchase of goods

Key management personnel	4 018	3 714	2 439
Joint ventures	15 124	12 139	11 246
Associates	11 883	–	–
Parties exercising significant influence	170 058	38 261	34 108

33.3 Net interest received

Joint ventures	1 206	1 925	1 722
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33.4 Key management personnel compensation

	100 242	112 590	101 067
Salaries and other short-term employee benefits	85 352	94 767	84 919
Termination benefits	–	191	–
Post-employment benefits	8 151	11 089	9 972
Other long-term benefits	221	842	708
Share-based payments	6 518	5 701	5 468

	2007 R'000	2006 R'000	2005 R'000
33.5 Year-end balances arising from sales/purchases of goods/services			
<i>Receivable from related parties</i>	28 678	16 273	18 282
Parties exercising significant influence	1 700	1 320	990
Key management personnel	451	171	138
Associates	1 964	–	–
Joint ventures	24 563	14 782	17 154
<i>Payable to related parties</i>	7 108	1 202	1 511
Parties exercising significant influence	571	70	346
Associates	5 278	–	–
Joint ventures	1 259	1 132	1 165

33.6 Loans to related parties

Loans to joint ventures

Beginning of year	11 244	21 915	21 500
Loans advanced during year	184 551	138 422	82 356
Loan repayments received	(181 421)	(146 889)	(82 901)
Interest charged	1 511	587	1 761
Interest received	(2 717)	(2 512)	(363)
IAS 39 adjustment	19	(279)	(438)
End of year	13 187	11 244	21 915

Above-mentioned amounts are included in the amounts disclosed in the Group financial statements.

34. NET CASH PROFIT FROM OPERATING ACTIVITIES

Reconciliation of profit before income tax and net cash profit from operating activities:

Profit before income tax	718 321	757 988	686 112
<i>Adjusted for:</i>			
Depreciation	250 539	197 006	179 504
Impairment of property, plant, equipment and intangible assets	4 752	12 194	10 292
Net profit on disposal of property, plant, equipment and intangible assets	(6 083)	(87 735)	(14 489)
Net profit on disposal of investments	(871)	(1 194)	(6 133)
Net loss/(profit) on disposal of subsidiary	1 139	–	(76)
Unrealised losses on forward foreign exchange contracts and on foreign exchange	1 131	2 128	5 992
Fair value of embedded derivative financial instruments	–	–	(2 678)
Change in provision for impairment of trade receivables	(1 281)	8 269	2 041
Share-based payments	25 062	24 481	8 153
Changes in provisions for post-retirement medical benefits and long service awards	12 914	(2 116)	12 173
Goodwill reversal due to deferred income tax asset recognised subsequent to business combinations	–	–	5 333
Goodwill written back	–	–	(10 357)
Biological non-current asset adjustments	(2 909)	(3 420)	666
Dividends received	(857)	(1 017)	(16 579)
Interest received	(15 946)	(13 618)	(12 858)
Interest paid	131 592	80 797	90 702
Profit from associated companies	(72)	(510)	(998)
	1 117 431	973 253	936 800

	2007 R'000	2006 R'000	2005 R'000
35. WORKING CAPITAL CHANGES			
(Increase)/Decrease in inventory	(238 188)	(409 102)	124 492
Increase in trade and other receivables	(307 527)	(200 364)	(119 065)
Increase in trade and other payables	230 044	55 697	141 228
Increase in current biological assets	(15 095)	(2 346)	(15 372)
Increase in derivative financial instruments (assets)	(10 116)	(4 523)	(4 581)
Increase/(Decrease) in derivative financial instruments (liabilities)	199	(7 553)	(4 616)
Provisions paid	(9 986)	(5 489)	(8 516)
	(350 669)	(573 680)	113 570
36. DIVIDENDS PAID TO GROUP ORDINARY SHAREHOLDERS			
Amounts unpaid at beginning of year	(376)	(257)	(940)
As disclosed in statement of changes in equity	(133 769)	(122 293)	(90 905)
Amounts unpaid at end of year	306	376	436
	(133 839)	(122 174)	(91 409)
37. INCOME TAX PAID			
Amounts unpaid at beginning of year	(61 642)	(74 538)	(33 937)
As disclosed in the income statement	(196 051)	(182 648)	(166 380)
Disposal of subsidiaries	–	–	(449)
Business combinations	–	–	(1 480)
Current income tax on hedging reserve	15 187	795	(3 378)
As disclosed in the statement of changes in equity – hedging reserve	(29 428)	(15 187)	(795)
Amounts unpaid at end of year	46 482	61 642	74 538
	(225 452)	(209 936)	(131 881)
38. PROCEEDS ON DISPOSAL OF PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS			
Book value of property, plant, equipment and intangible assets	43 628	79 690	5 971
Net profit on disposal of property, plant, equipment and intangible assets	6 083	87 735	14 489
	49 711	167 425	20 460
39. PROCEEDS ON DISPOSAL OF INVESTMENTS			
Book value of investments	1 604	1 654	177 176
Net profit on disposal of investments	871	1 194	6 133
	2 475	2 848	183 309

	2007	2006	2005
	R'000	R'000	R'000
40. NET DISPOSAL OF SUBSIDIARIES			
Effect on movement of:			
Property, plant and equipment	(13 352)	–	–
Investment in associates	–	–	(1 292)
Loans granted	15 737	–	–
Inventories	(5 090)	–	(4 838)
Current income tax assets	–	–	(449)
Biological assets	(819)	–	–
Trade and other receivables	(13 039)	–	(4)
Minority interest	–	–	546
Non-current borrowings	–	–	5 158
Trade and other payables	9 531	–	129
Cash and cash equivalents	(3 046)	–	–
Deferred income tax liabilities	689	–	(225)
Net loss/(profit) on disposal of subsidiary	1 139	–	(76)
Total proceeds	(8 250)	–	(1 051)

41. BUSINESS COMBINATIONS

(Refer to Note 44 for details)

Effect on movement of:

Property, plant and equipment	70 311	9 408	135 396
Intangible assets	23 734	1 290	285 602
Biological assets	–	–	23 061
Inventories	9 002	654	88 695
Trade and other receivables	5 000	31	43 320
Cash and cash equivalents	–	–	(4 418)
Trade and other payables	(2 043)	(136)	(19 533)
Current income tax liabilities	–	–	(1 480)
Deferred income tax liabilities	(3 782)	(290)	(53 627)
	102 222	10 957	497 016

42. SEGMENT INFORMATION

The primary segmental disclosure is business segments.

Business segments are divided into the following:

- Staple foods
- Branded products

Staple foods include: Sasko, Agri, S.A.D non-branded products and Africa business.

Branded products include: Bokomo Foods, The Ceres Beverage Company, Heinz and S.A.D branded products.

The secondary segment comprises mainly South Africa.

Segment assets consist of property, plant and equipment, intangible assets, inventories, trade and other receivables, derivative financial instrument assets and cash and cash equivalents, and exclude available-for-sale financial assets, interest in joint ventures, investment in associates, deferred income tax assets and loans receivable.

Segment liabilities consist of trade and other payables, provisions and derivative financial instrument liabilities, and exclude borrowings, taxation liabilities, deferred income tax liabilities and dividends payable.

Segment capital expenditure consists of additions and replacements of property, plant and equipment and intangible assets.

Unallocated amounts include non-qualifying business segments.

	2007 R'000	2006 R'000	2005 R'000
<i>Primary reporting format – business segments</i>			
Segment revenue	11 843 863	9 868 591	8 629 998
Staple foods	8 322 946	6 830 004	6 252 655
Branded products	3 520 917	2 826 514	2 179 631
Unallocated	–	212 073	197 712
Less: Internal revenue	(167 265)	(204 229)	(183 690)
Staple foods	(97 942)	(81 519)	(70 334)
Branded products	(69 323)	(50 029)	(43 465)
Unallocated	–	(72 681)	(69 891)
External revenue	11 676 598	9 664 362	8 446 308
Segment results (before items of a capital nature)	831 975	746 905	730 949
Staple foods	615 714	588 204	564 100
Branded products	256 481	204 085	199 044
Unallocated	(40 220)	(45 384)	(32 195)
Total segment assets	5 607 903	5 048 905	4 191 762
Staple foods	4 013 377	3 475 285	2 699 074
Branded products	2 484 415	2 107 793	1 804 436
Unallocated	(889 889)	(534 173)	(311 748)
Total segment liabilities	1 303 887	1 068 445	1 016 556
Staple foods	726 785	575 627	637 921
Branded products	492 746	427 905	287 072
Unallocated	84 356	64 913	91 563
Total segment capital expenditure (excluding business combinations)	611 572	535 036	375 582
Staple foods	389 694	305 450	257 974
Branded products	188 525	196 018	86 397
Unallocated	33 353	33 568	31 211
Total segment depreciation	250 539	197 006	179 504
Staple foods	139 826	109 422	95 587
Branded products	82 015	70 031	63 401
Unallocated	28 698	17 553	20 516
Non-cash results	5 815	88 929	25 722
Staple foods	1 189	(11 392)	14 486
Branded products	(1 303)	(936)	6 916
Unallocated	5 929	101 257	4 320
Impairment of property, plant, equipment and intangible assets	4 752	12 194	10 292
Staple foods	2 665	1 101	7 859
Branded products	1 804	11 093	2 433
Unallocated	283	–	–

	2007 R'000	2006 R'000	2005 R'000
<i>Secondary reporting format – geographical segments</i>			
Segment revenue	11 843 863	9 868 591	8 629 998
South Africa	11 361 392	9 536 286	8 385 342
Foreign countries	482 471	332 305	244 656
Less: Internal revenue	(167 265)	(204 229)	(183 690)
South Africa	(167 265)	(204 046)	(180 731)
Foreign countries	–	(183)	(2 959)
External revenue	11 676 598	9 664 362	8 446 308
Total segment assets	5 607 903	5 048 905	4 191 762
South Africa	5 297 412	4 800 684	4 000 434
Foreign countries	310 491	248 221	191 328
Total segment capital expenditure (excluding business combinations)	611 572	535 036	375 582
South Africa	594 753	517 173	363 634
Foreign countries	16 819	17 863	11 948

43. EVENTS AFTER THE BALANCE SHEET DATE

A final dividend of 66 cents (2006: 60 cents; 2005: 55.2 cents) per ordinary share has been declared for the year. This will only be reflected in the statement of changes in equity for 2008. Refer to Note 9.

No other events that may have a material effect on the Group occurred after the balance sheet date.

44. ACQUISITIONS

During the course of the year the following businesses were acquired and all assets and liabilities relating to these acquisitions have been accounted for on an acquisition basis.

44.1 Savoury Foods

The assets of this business were acquired on 1 November 2006 and can be summarised as follows:

Carrying Value:

As the Group acquired the assets of this business rather than the shares of the legal entity that previously owned such assets, it is impracticable to disclose the carrying amounts in the books of the previous owners prior to the acquisition. In these circumstances the Group does not have access to such carrying values.

Fair value:

Property, plant and equipment	46 030	–	–
Intellectual property	6 159	–	–
Computer software	70	–	–
Inventory	6 156	–	–
Deferred income tax liabilities	(1 786)	–	–
Trade and other payables	(1 814)	–	–
	54 815	–	–
Goodwill	8 627	–	–
Purchase consideration – settled in cash	63 442	–	–

	2007	2006	2005
	R'000	R'000	R'000
Goodwill will be tested for impairment on an annual basis and adjusted if necessary.			
Contribution since acquisition:			
Revenue	65 374	–	–
Operating profit before finance charges and tax	12 720	–	–
<i>Pro forma</i> contribution assuming the acquisition was at the beginning of the year:			
Revenue	71 317	–	–
Operating profit before finance charges and tax	13 876	–	–

44.2 **Crossbow**

The assets of this business were acquired on 1 October 2006 and can be summarised as follows:

Carrying Value:

As the Group acquired the assets of this business rather than the shares of the legal entity that previously owned such assets, it is impracticable to disclose the carrying amounts in the books of the previous owners prior to the acquisition. In these circumstances the Group does not have access to such carrying values.

Fair Value:

Property, plant and equipment	618	–	–
Trademarks	6 882	–	–
Trade and other receivables	5 000	–	–
Inventory	2 498	–	–
Trade and other payables	(208)	–	–
Deferred income tax liabilities	(1 996)	–	–
	12 794	–	–
Goodwill	1 996	–	–
Purchase consideration – settled in cash	14 790	–	–

Goodwill will be tested for impairment on an annual basis and adjusted if necessary.

Contribution since acquisition:

Revenue	24 786	–	–
<i>Pro forma</i> contribution assuming the acquisition was at the beginning of the year:			
Revenue	24 786	–	–

It is impracticable to disclose the operating profit since acquisition for this business due to the extent of integration into existing businesses.

44.3 **Vrede Broiler Farm**

The assets of this business were acquired on 1 December 2006 and can be summarised as follows:

Carrying Value:

As the Group acquired the assets of this business rather than the shares of the legal entity that previously owned such assets, it is impracticable to disclose the carrying amounts in the books of the previous owners prior to the acquisition. In these circumstances the Group does not have access to such carrying values.

	2007	2006	2005
	R'000	R'000	R'000
Fair Value:			
Property, plant and equipment	23 663	–	–
Inventory	348	–	–
Trade and other payables	(21)	–	–
Purchase consideration – settled in cash	23 990	–	–
Contribution since acquisition:			
Revenue	42 578	–	–
Operating profit before finance charges and tax	2 715	–	–
<i>Pro forma</i> contribution assuming the acquisition was at beginning of year:			
Revenue	51 094	–	–
Operating profit before finance charges and tax	3 258	–	–

44.4 **Noogy Foods**

The assets of this business were acquired on 1 June 2006 and can be summarised as follows:

Carrying Value:

As the Group acquired the assets of this business rather than the shares of the legal entity that previously owned such assets, it is impracticable to disclose the carrying amounts in the books of the previous owners prior to the acquisition. In these circumstances the Group does not have access to such carrying values.

Fair Value:

Property, plant and equipment	–	9 408	–
Intangible assets	–	1 000	–
Inventories	–	654	–
Trade and other receivables	–	31	–
Trade and other payables	–	(136)	–
Deferred income tax liabilities	–	(290)	–
Goodwill	–	10 667	–
	–	290	–
Purchase consideration – settled in cash	–	10 957	–
Goodwill will be tested for impairment on an annual basis and adjusted if necessary.			
Contribution since acquisition:			
Revenue	–	6 588	–
Operating profit	–	1 902	–
<i>Pro forma</i> contribution assuming the acquisition was at the beginning of the year:			
Revenue	–	19 764	–
Operating profit	–	5 706	–

44.5 **Refer to Appendix F for information on businesses acquired during the 2005 financial year.**

2007	2006	2005
R'000	R'000	R'000

45. RESTATEMENT OF COMPARATIVE FIGURES

45.1 Restatement of administration expenses

Certain expenditure previously disclosed as administration expenses were restated to various income statement line items during the current year and the comparative figures for 2006 were restated to ensure consistency in presentation. The impact of this restatement on the prior year figures is as follows:

Increase in revenue	–	60 551	–
Increase in distribution costs	–	(46 967)	–
Decrease in administration expenses	–	19 576	–
Increase in other operating expenses	–	(33 160)	–

45.2 Unwinding of discounts relating to provisions

The effect of the unwinding of discount relating to the post-retirement medical benefit and long service awards provisions was previously not separately disclosed as finance costs. The comparative figures for 2006 were restated to reflect these amounts as such. The impact of this restatement on the prior year figures is as follows:

Increase in other operating income	–	6 378	8 656
Decrease in other operating expenses	–	80	–
Increase in finance costs	–	(6 458)	(8 656)

45.3 IFRIC 4 – Determining whether an Arrangement contains a Lease

This interpretation became effective on 1 January 2006.

IFRIC 4 requires the determination of whether an arrangement is or contains a lease based on the substance of the arrangement. Following the implementation of *IFRIC 4* some of the payments to contract growers are now reflected as operating leases. The impact on the current year disclosable income statement items for leases, and on the restated figures for 2006, is as follows:

Increase in machine rental	921	921	970
Increase in rental of premises	34 939	32 457	30 667

BORROWINGS

			GROUP		
	Year of redemption	Interest rate at year-end %	2007 R'000	2006 R'000	2005 R'000
1. SECURED FINANCING			288 114	378 971	105 872
1.1 Lease agreements			79	153	173
Monthly payments Instalment of R5 658 (2006: R5 878; 2005: R4 556). Property, plant and equipment with a book value of R159 035 (2006: R223 512; 2005: R219 132) are encumbered.	2009	21.0	79	153	173
1.2 Hire purchases			–	1 180	2 169
Monthly payments Instalment of R nil (2006: R44 902; 2005: R112 851). Secured by suretyship from minority shareholders of Maitland Vinegar Works (Pty) Limited and by notarial covering bonds for R nil (2006: R3 000 000; 2005: R3 000 000) over certain property, plant and equipment.	2007	–	–	1 180	2 169
1.3 Other			288 035	377 638	103 530
Monthly payments Instalment of R200 776 (2006: R nil; 2005: R nil). Secured by mortgages over land and buildings and a deed of hypothecation over movable assets.	2011	14.75	7 885	–	–
Monthly payments Instalment of R nil (2006: R nil; 2005: R18 653). Secured by mortgages over land and buildings.	2006	–	–	–	565
Monthly payments Instalment of R79 684 (2006: R83 664; 2005: R80 605).	2008	14.75	817	1 668	2 283

GROUP					
	Year of redemption	Interest rate at year-end %	2007 R'000	2006 R'000	2005 R'000
Secured by mortgages over land and buildings and a deed of hypothecation over movable assets.					
Monthly payments	2008	6.8 – 7.5	29 637	28 257	18 919
Various loans with fixed repayment dates.					
Secured by a letter of comfort from the holding company of the specific subsidiary.					
Monthly payments	2007	–	–	744	1 582
Variable instalment.					
Secured by a notarial bond over movable assets amounting to R nil (2006: R2 479 524; 2005: R2 628 731).					
Monthly payments	2007	–	–	1 726	2 083
Instalment of R nil (2006: R44 902; 2005: R46 742).					
Secured by suretyships from minority shareholders of Maitland Vinegar Works (Pty) Limited and a notarial bond of R nil (2006: R3 000 000; 2005: R3 000 000) over certain property, plant and equipment.					
Semi-annual payments	2011	10.5	240 217	300 225	–
Instalment of R30 000 000 (2006: R30 000 000; 2005: R nil).					
Secured by a guarantee.					
Quarterly payments	2008	10.1	9 479	45 018	78 098
Instalment of R9 445 023 (2006: R9 383 473; 2005: R9 940 307).					
Secured by a guarantee.					

			GROUP		
	Year of redemption	Interest rate at year-end %	2007 R'000	2006 R'000	2005 R'000
2. UNSECURED FINANCING			21 191	14 242	12 745
Loans			9 831	2 303	750
Variable interest rates with no fixed terms of repayment.					
Loans			11 360	11 360	11 360
Interest free loans with no fixed terms of repayment.					
Monthly payment	2007	–	–	579	635
Instalment of R nil (2006: R16 133; 2005: R16 133).					
Loan at fixed interest rates.					
Total amount owing			309 305	393 213	118 617
Portion of liabilities payable within one year included in current liabilities			(121 943)	(120 838)	(51 102)
Secured financing					
Lease agreements			(68)	(71)	(56)
Hire purchases			–	(591)	(934)
Other			(100 684)	(106 390)	(37 947)
Unsecured financing					
Loans			(21 191)	(13 786)	(12 165)
			187 362	272 375	67 515
Note:					
Book value of machinery and vehicles encumbered in terms of lease agreements as per Appendix D			1 424	5 169	5 515

				GROUP		
		Capital R'000	Interest cost R'000	Instalment R'000		
3. MINIMUM LEASE PAYMENTS AND HIRE PURCHASE PAYMENTS						
2007						
Not later than 1 year		68	22	90		
Later than 1 year and not later than 5 years		11	4	15		
		79	26	105		
2006						
Not later than 1 year		662	125	787		
Later than 1 year and not later than 5 years		671	150	821		
		1 333	275	1 608		
2005						
Not later than 1 year		988	201	1 189		
Later than 1 year and not later than 5 years		1 354	237	1 591		
		2 342	438	2 780		

INTEREST IN SUBSIDIARIES AND JOINT VENTURES

Name of subsidiary (Pty) Limited (except where indicated otherwise)	Country of incorporation	GROUP					
		Issued share capital of subsidiary			Percentage Interest		
		2007 R	2006 R	2005 R	2007 %	2006 %	2005 %
(Except where indicated otherwise)							
1. SUBSIDIARIES							
1.1 Manufacturing							
Agri Protein Processing Belso's Holdings Limited	South Africa € United Kingdom	100	100	100	100	100	100
Deferred ordinary shares		–	GBP1 002	GBP1 002	–	100	100
Ordinary shares		GBP1	USD625	USD625	100	100	100
Belso's (UK) Cereals Limited	€ United Kingdom	GBP1	GBP1 000	GBP1 000	100	100	100
Belso's Properties Limited	€ United Kingdom	GBP1	GBP2	GBP2	100	100	100
Belso's One Limited	@ United Kingdom	–	GBP100	–	–	100	–
Belso's Two Limited	@ United Kingdom	–	GBP100	–	–	100	–
Belso's Three Limited	@ United Kingdom	–	GBP100	–	–	100	–
Bokomo Foods (UK) Limited	United Kingdom	GBP1 500 120	GBP1 500 120	GBP1 500 120	100	100	100
Grain Health Foods	€ United Kingdom	GBP1	GBP1	GBP1	100	100	100
Credin Bakery Supplies	€ South Africa	10 000	10 000	10 000	100	100	100
Ceres Fruit Juices	South Africa	100 000	100 000	100 000	100	100	100
Retail Brands InterAfrica	South Africa	1 000	1 000	1 000	100	100	100
Continental Beverages	South Africa	1 000	1 000	1 000	100	100	100
Thomson Broilers	* South Africa	1 000	1 000	1 000	100	100	100
Pioneer Foods	South Africa	252	252	252	100	100	100
Bokomo Namibia	€ Namibia	–	5 004 000	4 000	–	100	100
Bokomo Zambia Limited	Zambia						
Ordinary shares		K1 800 000	K1 800 000	K1 800 000	100	100	100
Preference shares		K200 000	K200 000	K200 000	100	100	100
Bokomo Uganda	Uganda	US\$20 000	US\$20 000	US\$20 000	100	100	100
Sasko Pasta	South Africa	1 000	1 000	1 000	100	100	100
Sugarbird	* South Africa						
Ordinary shares		1	1	100	100	100	100
Preference shares		–	–	20 000	–	–	100
S.A.D Vine Fruit	€ South Africa	1 000	1 000	1 000	100	100	100
S.A.D Tree Fruit	* South Africa	1 000	1 000	1 000	100	100	100
Barvale	South Africa	92 200	92 200	92 200	100	100	100
Cape Dried Fruit	* South Africa	6 000	6 000	6 000	100	100	100
Laeveld Neute	€ South Africa	1	1	74 000	100	100	100
Maitland Vinegar Works	South Africa	460 593	460 593	460 593	68	68	68
Nature's Source	* South Africa	1	1	1	100	100	100
Sador Boerdery	* South Africa	1	1	1	100	100	100
Safari Nuts	South Africa	204	204	204	100	100	100
Werda Produkte	* South Africa	1	1	500	100	100	100
Golden Lay Foods	§ South Africa	100	100	100	100	100	100

GROUP

Name of subsidiary (Pty) Limited (except where indicated otherwise)	Country of incorporation	Issued share capital of subsidiary			Percentage Interest		
		2007	2006	2005	2007	2006	2005
		R	R	R	%	%	%
(Except where indicated otherwise)							
1.2	Properties and letting						
Saslink	South Africa	1	1	1	100	100	100
Sasned	€ South Africa	2	2	2	100	100	100
1.3	Investments						
Pioneer Foods Holdings Limited	South Africa	220	220	220	100	100	100
S.A.D Holdings Limited	& South Africa	100	82 087 000	82 087 000	100	100	100
S.A.D Groepbeleggings	& South Africa	2	100 000	100 000	100	100	100
S.A.D Foods Limited	& South Africa	1	100 000	100 000	100	100	100
Ceres Fruit Juices Investment Holdings	€ South Africa	200	200	200	100	100	100
Ceres Investment Company	€ South Africa	195 000	195 000	195 000	100	100	100
1.4	Services						
Sasguard Insurance Company Limited	South Africa	30 000	30 000	30 000	100	100	100
1.5	Packaging						
Craft Box Corrugated	€ South Africa	200	200	200	100	100	100
1.6	Marketing and sales						
S.A.D Food Exports	* South Africa	6	6	6	100	100	100
S.A.D Food Sales	* South Africa	100	100	100	100	100	100
S.A.D Food Services	* South Africa	400	400	400	100	100	100

	Country of incorporation	Percentage Interest			Loans		
		2007 %	2006 %	2005 %	2007 R'000	2006 R'000	2005 R'000
2. JOINT VENTURES							
Manufacturing							
Bokomo Botswana	Botswana	50	50	50	–	3 026	3 126
Bowman Ingredients (SA)	South Africa	50	50	50	6 024	6 448	7 222
Bokomo Namibia	[£] Namibia	50	–	–	7 318	–	–
Lohmann Breeding SA	South Africa	50	50	50	750	750	750
Sosoy	South Africa	50	50	50	1 762	1 183	1 461
Heinz Foods SA	South Africa	50	50	50	(2 667)	(163)	9 356
					13 187	11 244	21 915

Notes:

* Dormant at 30 September 2007 and in process of deregistration.

€ Dormant at 30 September 2007.

Dormant at 30 September 2007 after assets and liabilities were transferred to another Group company during the year in terms of section 45 of the Income Tax Act, Act 58 of 1962 (as amended).

& Dormant at 30 September 2007. Share capital was reduced by the Company during the year in terms of section 85 of the Companies Act, Act 61 of 1973.

@ Companies were struck off the UK register during the year in term of Section 652A of the UK Companies Act 1985.

[£] This wholly-owned subsidiary became a joint venture during the year after the same number of shares than already issued were issued to a new shareholder.

\$ Dormant at 30 September 2007 after assets and liabilities were sold to another Group company during the year.

Refer to Annexure 10 of this pre-listing statement for detail of the profits and losses of subsidiaries, joint ventures and associates.

Appendix C

INTEREST IN ASSOCIATED COMPANIES

GROUP										
Name of associated company (Pty) Limited (except where indicated otherwise)	Country of incorporation	Percentage interest			Cost of shares			Loans		
		2007 %	2006 %	2005 %	2007 R'000	2006 R'000	2005 R'000	2007 R'000	2006 R'000	2005 R'000
1. PROPERTIES AND LETTING										
Barberton Bakery Property	€ South Africa	50	50	50	–	–	–	–	–	998
2. MANUFACTURING										
Heinz Wellington's Bergsig Breeders	@ South Africa South Africa	– 28	40 –	40 –	– 1 700	– –	– –	– –	– –	– –
Total					1 700	–	–	–	–	998
Interest in retained profit and reserves:					72	–	–			
Balance beginning of year					–	–	426			
Profit for year					72	–	–			
Disposal of associate					–	–	(426)			
Loans granted					–	–	998			
					1 772	–	998			
Directors' valuation of unlisted shares					1 772	–	–			
The following are the combined, summarised balance sheets of above-mentioned associated companies as per their audited financial statements:										
Non-current assets					16 271	1	1			
Current assets					12 915	–	1 452			
Total assets					29 186	1	1 453			
Non-current liabilities					17 344	323	2 756			
Current liabilities					4 943	305	21			
Total liabilities					22 287	628	2 777			
Capital and reserves					6 899	(627)	(1 324)			
Total equity and liabilities					29 186	1	1 453			
The following are the combined, summarised income statements of these associated companies (after interest was acquired):										
Revenue					10 447	–	–			
Operating profit					853	–	–			
Net profit		#			258	697	–			

Notes:

€ Dormant at 30 September 2007.

Profit for 2006 recognised in prior years in Group income statement.

@ Deregistered at 30 September 2007.

PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

	GROUP				
	Own Assets			Leased Assets	
	Land and buildings	Plant, machinery and equipment	Vehicles	Plant, machinery and equipment	Vehicles
	R'000	R'000	R'000	R'000	R'000
30 September 2007					
Cost					
At 1 October 2006	727 470	2 209 384	383 832	7 405	40
Additions	98 150	444 656	52 311	–	–
Transfers	17 853	(18 357)	112	–	–
Disposal of subsidiary	(7 397)	(7 483)	(534)	–	–
Business combinations	9 570	59 657	1 084	–	–
Foreign exchange adjustment	(967)	(6 647)	63	–	–
Disposals	(25 892)	(46 789)	(16 453)	(117)	–
At 30 September 2007	818 787	2 634 421	420 415	7 288	40
Accumulated depreciation					
At 1 October 2006	161 379	872 984	127 934	2 238	38
Charge for year	22 012	167 194	30 747	3 720	2
Transfers	–	(392)	–	–	–
Disposal of subsidiary	(536)	(1 360)	(166)	–	–
Impairments	–	2 522	1 049	–	–
Foreign exchange adjustment	(199)	(3 172)	(60)	–	–
Depreciation on disposals	(4 400)	(31 005)	(10 129)	(94)	–
At 30 September 2007	178 256	1 006 771	149 375	5 864	40
Net book value at 30 September 2007	640 531	1 627 650	271 040	1 424	–
Total – 2007	<u>2 539 221</u>			<u>1 424</u>	
Total property, plant and equipment – 2007	<u>2 540 645</u>				
30 September 2006					
Cost					
At 1 October 2005	668 424	1 931 405	346 878	7 410	32
Additions and transfers	55 827	392 480	64 444	–	9
Business combinations	–	9 241	167	–	–
Foreign exchange adjustment	7 654	4 820	(90)	–	–
Disposals	(4 435)	(128 562)	(27 567)	(5)	(1)
At 30 September 2006	727 470	2 209 384	383 832	7 405	40

GROUP					
	Own Assets			Leased Assets	
	Land and buildings	Plant, machinery and equipment	Vehicles	Plant, machinery and equipment	Vehicles
	R'000	R'000	R'000	R'000	R'000
Accumulated depreciation					
At 1 October 2005	150 367	806 230	115 789	1 895	32
Charge for year	16 811	132 050	26 085	343	7
Transfers	(1 626)	(9 235)	903	–	–
Impairments	–	6 323	–	–	–
Foreign exchange adjustment	(1 943)	1 453	(10)	–	–
Depreciation on disposals	(2 230)	(63 837)	(14 833)	–	(1)
At 30 September 2006	161 379	872 984	127 934	2 238	38
Net book value at 30 September 2006	566 091	1 336 400	255 898	5 167	2
Total – 2006	<u>2 158 389</u>			<u>5 169</u>	
Total property, plant and equipment – 2006	<u>2 163 558</u>				
30 September 2005					
Cost					
At 1 October 2004	569 617	1 626 632	299 611	12 091	2 265
Additions and transfers	67 875	249 350	58 645	(4 483)	(2 233)
Business combinations	38 489	97 875	7 867	–	–
Foreign exchange adjustment	(2 634)	(3 600)	(80)	–	–
Disposals	(4 923)	(38 852)	(19 165)	(198)	–
At 30 September 2005	668 424	1 931 405	346 878	7 410	32
Accumulated depreciation					
At 1 October 2004	132 328	718 316	110 893	2 984	532
Charge for year	17 511	118 006	22 839	611	(234)
Transfers	6	1 496	265	(1 502)	(266)
Business combinations	3 179	5 589	67	–	–
Foreign exchange adjustment	(79)	(1 031)	(30)	–	–
Depreciation on disposals	(2 578)	(36 146)	(18 245)	(198)	–
At 30 September 2005	150 367	806 230	115 789	1 895	32
Net book value at 30 September 2005	518 057	1 125 175	231 089	5 515	–
Total – 2005	<u>1 874 321</u>			<u>5 515</u>	
Total property, plant and equipment – 2005	<u>1 879 836</u>				

GROUP

Intangible Assets

	Trademarks	Goodwill	Intellectual property	Computer software
	R'000	R'000	R'000	R'000
30 September 2007				
Cost				
At 1 October 2006	473 425	275 316	12 500	65 337
Additions	–	–	–	16 455
Transfers	–	–	–	392
Business combinations	6 882	10 623	6 159	70
Foreign exchange adjustment	(81)	(1 011)	–	–
Disposals	(2 500)	–	–	(11)
At 30 September 2007	477 726	284 928	18 659	82 243
Accumulated depreciation				
At 1 October 2006	93 064	3 501	546	44 864
Charge for year	14 112	–	1 222	11 530
Transfers	–	–	–	392
Impairments	–	1 181	–	–
Foreign exchange adjustment	(2)	–	–	–
Depreciation on disposals	(2 495)	–	–	(11)
At 30 September 2007	104 679	4 682	1 768	56 775
Net book value at 30 September 2007	373 047	280 246	16 891	25 468
Total intangible assets – 2007	695 652			
30 September 2006				
Cost				
At 1 October 2005	473 531	269 892	11 500	44 833
Additions and transfers	14	–	–	22 262
Business combinations	–	290	1 000	–
Foreign exchange adjustment	416	5 134	–	–
Disposals	(536)	–	–	(1 758)
At 30 September 2006	473 425	275 316	12 500	65 337
Accumulated depreciation				
At 1 October 2005	77 337	–	220	29 147
Charge for year	14 086	–	128	7 496
Transfers	(198)	–	198	9 958
Impairments	2 370	3 501	–	–
Foreign exchange adjustment	5	–	–	–
Depreciation on disposals	(536)	–	–	(1 737)
At 30 September 2006	93 064	3 501	546	44 864
Net book value at 30 September 2006	380 361	271 815	11 954	20 473
Total intangible assets – 2006	684 603			

GROUP

Intangible Assets

	Trademarks	Goodwill	Intellectual property	Computer software
	R'000	R'000	R'000	R'000
30 September 2005				
Cost				
At 1 October 2004	170 990	331 784	700	39 185
Additions and transfers	671	–	–	5 757
Adjustments to prior year business combination	131 518	(69 047)	–	–
Deferred income tax asset recognised subsequent to business combination	–	(5 333)	–	–
Business combinations	170 424	104 378	10 800	–
Subsequent recognition of deferred income tax liability	–	24 904	–	–
Foreign exchange adjustment	(72)	(971)	–	–
Transfer from accumulated depreciation	–	(115 823)	–	–
Disposals	–	–	–	(109)
At 30 September 2005	473 531	269 892	11 500	44 833
Accumulated depreciation				
At 1 October 2004	52 860	124 516	42	24 511
Charge for year	15 849	–	178	4 744
Transfers	–	–	–	1
Transfer to cost	–	(115 823)	–	–
Impairments	8 628	1 664	–	–
Reversal of goodwill amortisation	–	(10 357)	–	–
Depreciation on disposals	–	–	–	(109)
At 30 September 2005	77 337	–	220	29 147
Net book value at 30 September 2005	396 194	269 892	11 280	15 686
Total intangible assets – 2005	693 052			

GROUP

Negative goodwill

	2007	2006	2005
	R'000	R'000	R'000
Cost			
At 1 October 2004	–	–	(28 782)
Derecognised to reserves	–	–	28 782
At 30 September 2005	–	–	–
Accumulated depreciation			
At 1 October 2004	–	–	(4 567)
Derecognised to reserves	–	–	4 567
At 30 September 2005	–	–	–
Net book value at 30 September 2005	–	–	–

Appendix E

FINANCIAL INSTRUMENTS

	GROUP								
	2007	2007	2007	2006	2006	2006	2005	2005	2005
	'000	R'000	R'000	'000	R'000	R'000	'000	R'000	R'000
	Foreign amount	Rand amount	Fair value	Foreign amount	Rand amount	Fair value	Foreign amount	Rand amount	Fair value
1. DERIVATIVE INSTRUMENTS EARMARKED FOR HEDGING (CASH FLOW HEDGES)									
<i>Commodity instruments</i>									
Options			3 713			2 772			1 657
Futures			97 762			34 518			1 085
<i>Purchases of foreign exchange contracts</i>									
United States Dollar	54 815	379 515	(16 695)	22 292	174 391	15 078	–	–	–
			84 780			52 368			2 742
Forward points recognised as finance costs			2 016			–			–
Hedging reserve			86 796			52 368			2 742
2. OTHER DERIVATIVE INSTRUMENTS									
<i>Purchases of foreign exchange contracts</i>									
United States Dollar	11 439	80 146	(1 697)	3 836	28 741	3 652	19 050	121 681	(4 468)
Euro	3 047	30 055	(152)	195	1 892	149	1 239	9 609	(374)
British Pound	–	–	–	165	2 393	301	73	821	(30)
Australian Dollar	–	–	–	–	–	–	2 707	13 192	(195)
Swiss Frank	–	–	–	–	–	–	750	3 720	(768)
<i>Sales of foreign exchange contracts</i>									
United States Dollar	12 097	84 794	5 408	15 620	121 627	(11 235)	11 069	70 489	1 056
Euro	273	2 701	33	228	2 181	(77)	207	1 605	21
3. EMBEDDED DERIVATIVE FINANCIAL INSTRUMENTS									
<i>Purchases of raw materials</i>									
United States Dollar	–	–	–	–	–	–	13 925	92 607	3 233
<i>Sales of finished products</i>									
United States Dollar	–	–	–	–	–	–	7 389	47 692	(555)

BUSINESS COMBINATIONS

30 September 2005

	GROUP			
	Accolade Trading R'000	Golden Lay R'000	Kwality Biscuits R'000	Maizena, Marmite and Bovril R'000
Property, plant and equipment	22 720	47 089	30 474	–
Trademarks	4 432	–	5 000	90 381
Intellectual property	–	–	–	10 800
Inventories	33 625	9 288	4 560	5 356
Cash resources	–	10	–	–
Trade and other receivables	30 217	87	–	–
Deferred income tax liabilities	(1 285)	–	(1 450)	(29 343)
Trade and other payables	(781)	(7 795)	–	–
Biological assets	–	23 061	–	–
Net assets acquired	88 928	71 740	38 584	77 194
Goodwill	1 285	–	1 450	38 161
Cash paid	90 213	71 740	40 034	115 355
Cash acquired from businesses	–	(10)	–	–
Net cash flow on acquisition of businesses	90 213	71 730	40 034	115 355
	Accolade Trading	Golden Lay	Kwality Biscuits	Maizena, Marmite and Bovril
Acquisition date	01/10/2004	11/10/2004	22/11/2004	01/04/2005
Interest in business acquired	100%	100%	100%	100%
Payment method	Cash	Cash	Cash	Cash
Acquired by	PF	PF	PF	PF
	R'000	R'000	R'000	R'000
Operating profit/(loss) since acquisition	6 388	*	(7 145)	6 846
<i>Pro forma</i> operating profit/(loss) assuming acquisitions at beginning of year	6 388	*	(7 410)	12 650
Revenue since acquisition	222 664	*	48 419	30 956
<i>Pro forma</i> revenue assuming acquisitions at beginning of year	222 664	*	60 092	61 297

Business Combinations (continued)
30 September 2005

	GROUP			
	Frucon R'000	Redro and Pecks R'000	Belso group of companies R'000	Total of business combinations R'000
Property, plant and equipment	20 000	4 000	11 113	135 396
Trademarks	34 301	35 000	1 310	170 424
Intellectual property	–	–	–	10 800
Inventories	27 054	5 021	3 791	88 695
Cash resources	–	–	(4 428)	(4 418)
Trade and other receivables	–	–	13 016	43 320
Deferred income tax liabilities	(9 947)	(10 150)	(1 452)	(53 627)
Current income tax liabilities	–	–	(1 480)	(1 480)
Trade and other payables	(701)	–	(10 256)	(19 533)
Biological assets	–	–	–	23 061
Net assets acquired	70 707	33 871	11 614	392 638
Goodwill	35 041	10 150	18 291	104 378
Cash paid	105 748	44 021	29 905	497 016
Cash acquired from businesses	–	–	4 428	4 418
Net cash flow on acquisition of businesses	105 748	44 021	34 333	501 434
	Frucon	Redro and Pecks	Belso group of companies	
Acquisition date	01/04/2005	29/08/2005	11/04/2005	
Interest in business acquired	100%	100%	100%	
Payment method	Cash	Cash	Cash	
Acquired by	CFJ	PF	BF	
	R'000	R'000	R'000	
Operating profit/(loss) since acquisition	5 879	576	(761)	
<i>Pro forma</i> operating profit/(loss) assuming acquisitions at beginning of year	21 984	3 175	1 559	
Revenue since acquisition	180 493	2 188	25 959	
<i>Pro forma</i> revenue assuming acquisitions at beginning of year	416 825	25 936	50 886	

PF – Pioneer Foods (Pty) Limited

CFJ – Ceres Fruit Juices (Pty) Limited

BF – Bokomo Foods (UK) Limited

* – It is impracticable to disclose information for this business due to the extent of integration into the existing business subsequent to acquisition

Appendix G

PIONEER FOOD GROUP LIMITED

INCOME STATEMENT for the year ended 30 September 2007

	Notes	COMPANY		
		2007 R'000	2006 R'000	2005 R'000
Other operating income		2 971	3 050	1 372
Administrative expenses		(2 418)	(2 683)	(1 288)
Operating profit	3	553	367	84
Investment income	4	161 673	147 000	106 000
Profit before income tax		162 226	147 367	106 084
Income tax expense	5	(111)	(92)	(45)
Profit for year		162 115	147 275	106 039

BALANCE SHEET
as at 30 September 2007

		COMPANY		
	Notes	2007 R'000	2006 R'000	2005 R'000
ASSETS				
Non-current assets				
		60 261	35 199	10 718
Investment in subsidiaries	6	60 261	35 199	10 718
Current assets				
		1 642 476	1 480 792	1 332 084
Loan to subsidiary		1 640 711	1 479 040	1 332 040
Current income tax asset		–	–	42
Cash and cash equivalents	7	1 765	1 752	2
Total assets		1 702 737	1 515 991	1 342 802
EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the Company				
		1 148 795	1 130 346	1 111 062
Share capital – ordinary shares	8	18 118	18 118	18 118
Share capital – Class A Ordinary Shares	8	1 422	1 622	–
Share premium		734 699	741 328	747 128
Other reserves		54 838	33 831	10 718
Retained earnings		339 718	335 447	335 098
Current liabilities				
		553 942	385 645	231 740
Trade and other payables	9	614	251	169
Current income tax liability		19	36	–
Current account subsidiary		553 003	384 982	231 314
Dividends payable		306	376	257
Total liabilities		553 942	385 645	231 740
Total equity and liabilities		1 702 737	1 515 991	1 342 802

STATEMENT OF CHANGES IN EQUITY for the year ended 30 September 2007

COMPANY

	Share capital ordinary shares R'000	Share capital Class A Ordinary Shares R'000	Share premium R'000	Equity compen- sation reserve R'000	Retained earnings R'000	Total R'000
Balance at 1 October 2006	18 118	1 622	741 328	33 831	335 447	1 130 346
Profit for year	–	–	–	–	162 115	162 115
Recognition of share-based payments	–	–	–	25 062	–	25 062
Issue of Class A Ordinary Shares	–	12	–	–	–	12
Employee share scheme – repurchase Class A Ordinary Shares from leavers	–	(212)	(6 629)	–	–	(6 841)
Final dividend for 2006	–	–	–	–	(108 710)	(108 710)
Interim dividend for 2007	–	–	–	–	(48 920)	(48 920)
Dividend paid Class A Ordinary Shares	–	–	–	(4 055)	–	(4 055)
Employee share scheme – stamp duty	–	–	–	–	(214)	(214)
Balance as at 30 September 2007	18 118	1 422	734 699	54 838	339 718	1 148 795
Balance at 1 October 2005	18 118	–	747 128	10 718	335 098	1 111 062
Profit for year	–	–	–	–	147 275	147 275
Recognition of share-based payments	–	–	–	24 481	–	24 481
Issue of Class A Ordinary Shares	–	1 751	–	–	–	1 751
Employee share scheme – repurchase Class A Ordinary Shares from leavers	–	(129)	(5 800)	–	–	(5 929)
Final dividend for 2005	–	–	–	–	(100 000)	(100 000)
Interim dividend for 2006	–	–	–	–	(45 631)	(45 631)
Dividend paid Class A Ordinary Shares	–	–	–	(1 368)	–	(1 368)
Employee share scheme – stamp duty	–	–	–	–	(1 295)	(1 295)
Balance as at 30 September 2006	18 118	1 622	741 328	33 831	335 447	1 130 346
Balance at 1 October 2004	18 324	–	772 617	2 565	335 059	1 128 565
Profit for year	–	–	–	–	106 039	106 039
Recognition of share-based payments	–	–	–	8 153	–	8 153
Final dividend for 2004	–	–	–	–	(70 000)	(70 000)
Interim dividend for 2005	–	–	–	–	(36 000)	(36 000)
Ordinary shares bought back	(206)	–	(25 489)	–	–	(25 695)
Balance as at 30 September 2005	18 118	–	747 128	10 718	335 098	1 111 062

CASH FLOW STATEMENT
for the year ended 30 September 2007

		COMPANY		
	Notes	2007 R'000	2006 R'000	2005 R'000
NET CASH FLOW FROM OPERATING ACTIVITIES		788	435	104
Net cash profit from operating activities	11	553	367	84
Working capital charges	12	363	82	59
Income tax paid	14	(128)	(14)	(39)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		2	–	–
Loans granted to related parties		(161 671)	(147 000)	(106 000)
Interest received		2	–	–
Dividends received		161 671	147 000	106 000
NET CASH FLOW FROM FINANCING ACTIVITIES		(777)	1 315	(104)
Proceeds on issue of ordinary shares		12	456	–
Ordinary shares bought back		–	–	(25 695)
Class A Ordinary Shares bought back		(7 055)	(5 929)	–
Dividends paid to ordinary shareholders	13	(157 615)	(145 599)	(106 505)
Dividends paid to Class A Ordinary Shares	13	(4 140)	(1 281)	–
Increase in current account with subsidiary		168 021	153 668	132 096
Net increase in cash and cash equivalents		13	1 750	–
Net cash and cash equivalents at beginning of year		1 752	2	2
Net cash and cash equivalents at end of year	7	1 765	1 752	2

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

	COMPANY		
	2007 R'000	2006 R'000	2005 R'000
1. ACCOUNTING POLICIES			
The Company applies the same principal accounting policies as the Group in the preparation of these financial statements. Refer to Note 1 of the Group financial statements.			
2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS			
The Company applied the same accounting estimates and judgements than the Group. Refer to Note 2 of the Group financial statements.			
3. OPERATING PROFIT			
Operating profit is calculated after taking into account the following:			
3.1 Operating income			
Administration fees received	2 800	3 000	2 000
3.2 Operating expenditure			
Administration fees paid	1 000	1 200	755
4. INVESTMENT INCOME			
Interest received			
Other	2	–	–
Dividends received			
Unlisted shares in subsidiary	161 671	147 000	106 000
	161 673	147 000	106 000
5. INCOME TAX EXPENSE			
Current income tax			
Current year	111	92	45
	%	%	%
The income tax on the Company's profit before income tax differs from the theoretical amount that would arise using the statutory rate of 29% as follows:			
Standard rate for companies	29.0	29.0	29.0
Decrease in rate:			
Exempt income	(28.9)	(28.9)	(29.0)
Effective rate	0.1	0.1	0.0

	COMPANY		
	2007 R'000	2006 R'000	2005 R'000
6. INVESTMENT IN SUBSIDIARIES			
Unlisted shares in other companies at cost			
Pioneer Foods Holdings Limited	–	–	–
Capital contribution towards subsidiaries			
Pioneer Foods (Pty) Limited	54 082	30 802	9 222
Ceres Fruit Juices (Pty) Limited	6 179	4 397	1 496
	60 261	35 199	10 718
7. CASH AND CASH EQUIVALENTS			
Cash at bank and on hand	1 765	1 752	2
For the purposes of the cash flow statement, the year-end cash, cash equivalents and bank overdrafts comprised of the following:			
Cash and short-term investments	1 765	1 752	2
8. SHARE CAPITAL			
Refer to Note 21 of the Group financial statements.			
9. TRADE AND OTHER PAYABLES			
Trade payables	251	251	170
Accrued expenses	363	–	–
	614	251	170
10. RELATED PARTY TRANSACTIONS			
During the year the Company conducted numerous transactions with its subsidiaries.			
10.1 Sale of services			
<i>Rendering of services</i>			
Administration fees charged to Group subsidiary	2 800	3 000	2 000
10.2 Purchase of services			
<i>Purchase of services</i>			
Administration fees charged by Group subsidiary	1 000	1 200	755
10.3 Loans to related parties			
Loan to Group subsidiary – unsecured and interest free loan with no fixed repayment terms	1 640 711	1 479 040	1 332 040
10.4 Loans from related parties			
Loan from Group subsidiary – unsecured and interest free loan with no fixed repayment terms	553 003	384 982	231 314

	COMPANY		
	2007 R'000	2006 R'000	2005 R'000
11. CASH PROFIT FROM OPERATING ACTIVITIES			
<i>Reconciliation of profit before tax and cash profit from operating activities:</i>			
Profit before tax	162 226	147 367	106 084
<i>Adjusted for:</i>			
Dividends received	(161 671)	(147 000)	(106 000)
Interest received	(2)	–	–
	553	367	84
12. WORKING CAPITAL CHANGES			
Increase in trade and other payables	363	82	59
13. DIVIDENDS PAID			
Ordinary shareholders			
Amounts unpaid at beginning of year	(289)	(257)	(762)
As disclosed in statement of changes in equity	(157 630)	(145 631)	(106 000)
Amounts unpaid at end of year	304	289	257
	(157 615)	(145 599)	(106 505)
Class A ordinary shareholders			
Amounts unpaid at beginning of year	(87)	–	–
As disclosed in statement of changes in equity	(4 055)	(1 368)	–
Amounts unpaid at end of year	2	87	–
	(4 140)	(1 281)	–
14. INCOME TAX PAID			
Amounts unpaid at beginning of year	(36)	42	48
As disclosed in the income statement	(111)	(92)	(45)
Amounts unpaid at end of year	19	36	(42)
	(128)	(14)	(39)

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF PIONEER FOODS

"10 April 2008
The Directors
Pioneer Food Group Limited
32 Market Street
Paarl
7646

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON THE HISTORICAL FINANCIAL INFORMATION OF PIONEER FOOD GROUP LIMITED AND ITS SUBSIDIARIES ("PIONEER FOODS")

Introduction

At your request and for the purpose of the pre-listing statement of Pioneer Foods to be dated on or about Tuesday, 15 April 2008 ("the Pre-listing Statement"), we present our report on the financial information included in the Report of Historical Financial Information ("the financial information") relating to Pioneer Foods for the financial years ended 30 September 2005, 30 September 2006 and 30 September 2007, as presented in Annexure 1 to the Pre-listing Statement, in compliance with the JSE Limited Listings Requirements.

Responsibility

Directors' Responsibility

The directors of Pioneer Foods are responsible for the preparation, contents and presentation of the Pre-listing Statement and the fair presentation of the financial information in accordance with International Financial Reporting Standards and in the manner required by the JSE Limited Listings Requirements. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion on the financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of financial information.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial information presented in Annexure 1 to the Pre-listing Statement, fairly presents, in all material respects, for the purposes of the Pre-listing Statement, the consolidated and separate financial position of Pioneer Food Group Limited at 30 September 2005, 30 September 2006 and 30 September 2007, its consolidated and separate financial performance and its consolidated and separate cash flows for the years then ended in accordance with International Financial Reporting Standards and in the manner required by the JSE Limited Listings Requirements.

Yours faithfully

PRICEWATERHOUSECOOPERS INC.
DIRECTOR: H ZEELIE
Registered Auditor

Zomerlust Estate
Berg River Boulevard
Paarl, 7646"

MATERIAL BORROWINGS AND LOANS RECEIVABLE

3.1 Material borrowings of Pioneer Foods and its subsidiaries at the last practicable date

Lender	Recipient	Facility size R'm	Amount outstanding R'm	Interest rate	Security	Amount, terms and conditions of repayment
ABSA	The Operating Company	460	300	Currently 11.46%, negotiable with every advance	Guarantee from Pioneer Foods	Repayable on demand
Citigroup Bank	The Operating Company	300	251	Currently 12.03% linked to JIBAR	Guarantee from Pioneer Foods	Repayable in 10 semi-annual payments of R41.8 million, redemption in year 2011
Citigroup Bank	The Operating Company	200	200	Currently 11.75%, negotiable with every advance	Guarantee from Pioneer Foods	Repayable on demand
Commerzbank	The Operating Company	250	250	Currently 12.25%, negotiable with every advance	Guarantee from Pioneer Foods	Repayable on demand
Old Mutual Bank	The Operating Company	200	200	Currently 11.75%, negotiable with every advance	Guarantee from Pioneer Foods	Repayable on demand
Total		1 410	1 201			

The borrowings arose due to the funding requirements of the Group's operations during the ordinary course of business. Debt repayable by the Group during the next twelve months will be financed from cash generated from operating activities during the ordinary course of business.

The Group had no material loans receivable at the last practicable date.

3.2 Loans to Directors of the Company at the last practicable date

The following loans were made to the Directors of the Company. The loans were made as part of a previous share incentive scheme which was replaced by the share option scheme during the course of 1998.

Lender	Recipient	Amount outstanding R	Interest rate	Security	Terms and conditions of repayment
Pioneer Foods (Pty) Limited	W A Hanekom	52 864	0%	None	Repayable upon cessation of employment
Pioneer Foods (Pty) Limited	L R Cronjé	63 942	0%	None	Repayable upon cessation of employment
Pioneer Foods (Pty) Limited	T A Carstens	28 380	0%	None	Repayable upon cessation of employment
Pioneer Foods (Pty) Limited	M T Swanepoel	30 607	0%	None	Repayable upon cessation of employment
Total		175 793			

3.3 Material inter-company loans at the last practicable date

Recipient	Lender	Facility size R'm	Amount outstanding R'm	Interest rate	Security	Amount, terms and conditions of repayment
Ceres Fruit Juices	The Operating Company	Not applicable	322	Prime minus 3%, first R27.5 million interest free	None	No fixed repayment terms
Pioneer Foods Holdings	Pioneer Foods	Not applicable	1 640	Interest free	None	No fixed repayment terms
Pioneer Foods	The Operating Company	Not applicable	553	Interest free	None	No fixed repayment terms
The Operating Company	Pioneer Foods Holdings	Not applicable	1 590	Interest free	None	No fixed repayment terms
Total			4 105			

3.4 Inter-company balances before elimination on consolidation at the last practicable date

Inter-company debtors' balances at 30 September 2007	R'000
Pioneer Foods (Pty) Limited has the following debtors:	61 858
Sasko Pasta (Pty) Limited	Subsidiary 11 625
Bokomo Zambia Limited	Subsidiary 71
Ceres Fruit Juices (Pty) Limited	Subsidiary 2 905
Bokomo Foods (UK) Limited	Subsidiary 9
Sasguard Insurance Company Limited	Other group subsidiary 1 471
Safari Nuts (Pty) Limited	Subsidiary 274
Agri Protein Processing (Pty) Limited	Subsidiary 415
Heinz Foods SA (Pty) Limited	Joint venture 2 405
Bowman Ingredients (SA) (Pty) Limited	Joint venture 1 934
Sosoy (Pty) Limited	Joint venture 193
Lohmann Breeding SA (Pty) Limited	Joint venture 1
Bokomo Botswana (Pty) Limited	Joint venture 30 971
Bokomo Namibia (Pty) Limited	Joint venture 9 584
Sasko Pasta (Pty) Limited has the following debtors:	7 503
Pioneer Foods (Pty) Limited	Subsidiary 7 469
Bokomo Botswana (Pty) Limited	Joint venture 11
Heinz Foods SA (Pty) Limited	Joint venture 23
Ceres Fruit Juices (Pty) Limited has the following debtors:	6 457
Pioneer Foods (Pty) Limited	Subsidiary 3 146
Bokomo Namibia (Pty) Limited	Joint venture 1 859
Sosoy (Pty) Limited	Joint venture 1 452
Safari Nuts (Pty) Limited has the following debtors:	4 140
Pioneer Foods (Pty) Limited	Subsidiary 4 140
Maitland Vinegar Works (Pty) Limited has the following debtors:	423
Pioneer Foods (Pty) Limited	Subsidiary 89
Heinz Foods SA (Pty) Limited	Joint venture 334
Agri Protein Processing (Pty) Limited has the following debtors:	1 120
Pioneer Foods (Pty) Limited	Subsidiary 1 120
Sasguard Insurance Company Limited has the following debtors:	6
Bowman Ingredients (SA) (Pty) Limited	Joint venture 6
Bowman Ingredients (SA) (Pty) Limited has the following debtors:	503
Pioneer Foods (Pty) Limited	Joint venture 308
Heinz Foods SA (Pty) Limited	Joint venture 195

Inter-company debtors' balances at 30 September 2007		R'000
Sosoy (Pty) Limited has the following debtors:		43
Pioneer Foods (Pty) Limited	Joint venture	2
Bokomo Botswana (Pty) Limited	Joint venture	30
Bokomo Namibia (Pty) Limited	Joint venture	11
Lohmann Breeding SA (Pty) Limited has the following debtors:		168
Pioneer Foods (Pty) Limited	Joint venture	168
Heinz Foods SA (Pty) Limited has the following debtors:		1 803
Pioneer Foods (Pty) Limited	Joint venture	1 689
Bokomo Namibia (Pty) Limited	Joint venture	114

Inter-company debit loan account balances at 30 September 2007		R'000
Pioneer Foods (Pty) Limited (lender)		1 159 718
Ceres Fruit Juices (Pty) Limited	Subsidiary	322 132
Ceres Investment Company (Pty) Limited	Subsidiary	34 250
Ceres Fruit Juices Investment Holdings (Pty) Limited	Subsidiary	53 750
Retail Brands Interafrica (Pty) Limited	Other group subsidiary	34 246
Continental Beverages (Pty) Limited	Other group subsidiary	50 883
Sasko Pasta (Pty) Limited	Subsidiary	44 642
Bokomo Foods (UK) Limited	Subsidiary	1 777
Maitland Vinegar Works (Pty) Limited	Subsidiary	5 315
Barvale (Pty) Limited	Subsidiary	819
Safari Nuts (Pty) Limited	Subsidiary	23 544
Sasguard Insurance Company Limited	Other group subsidiary	3 646
Pioneer Foods	Other group subsidiary	553 003
Lohmann Breeding SA (Pty) Limited	Joint venture	1 500
Bowman Ingredients (SA) (Pty) Limited	Joint venture	12 049
Sosoy (Pty) Limited	Joint venture	3 525
Bokomo Namibia (Pty) Limited	Joint venture	14 637
Pioneer Foods (lender)		1 640 711
Pioneer Foods Holdings Limited	Subsidiary	1 640 711
Ceres Fruit Juices (Pty) Limited (lender)		239 544
Retail Brands Interafrica (Pty) Limited	Subsidiary	188 661
Continental Beverages (Pty) Limited	Subsidiary	50 883

Inter-company credit loan account balances at 30 September 2007		R'000
Pioneer Foods (Pty) Limited (recipient)		1 599 370
Agri Protein Processing (Pty) Limited	Subsidiary	633
Credin Bakery Supplies (Pty) Limited	Subsidiary	1 750
SAD Vine Fruit (Pty) Limited	Subsidiary	1
Saslink Leasing (Pty) Limited	Subsidiary	1 975
Pioneer Foods Holdings Limited	Other group subsidiary	1 589 685
Heinz Foods SA (Pty) Limited	Joint venture	5 326

EXTRACTS FROM THE ARTICLES OF ASSOCIATION OF PIONEER FOODS

REGISTER OF MEMBERS

- 14.1 The company keeps a register of members in the place(s) and in the manner prescribed by the Act.
- 14.2 The company may also keep a branch register(s) abroad.
- 14.3 The board of directors may make regulations regarding the keeping of such branch register(s) and amend it in their discretion.
- 14.4 The company keeps (where applicable) a list of names of the members in the manner described by the Act.

VARIATION OF RIGHTS

- 35.1 If the share capital is divided into various classes of shares at any time, all or some of the special rights or privileges attached to any class of shares may:
 - 35.1.1 only be amended or revoked by means of a special resolution and with:
 - 35.1.1.1 the prior written consent of three quarters of the holders of the issued shares of that class; or
 - 35.1.1.2 the prior authorisation granted by means of a resolution passed in the same manner, *mutatis mutandis*, as a special resolution at a separate general meeting of the holders of the shares of that class;
 - 35.1.2 be amended or revoked as determined in 35.1.1, whether the company is liquidated or a liquidation thereof is intended, or not.
- 35.2 Any shares which are not equal to other shares in all respects (both regarding the dividend price and any other terms of issues) shall be deemed for the purposes of this Article to be a separate class of shares.
- 35.3 The provisions of the Articles regarding general meetings of the company shall apply to any such a separate general meeting *mutatis mutandis*, except that:
 - 35.3.1 the required quorum (unless all the shares of that class are held by 1 (one) person) shall be 2 (two) persons present, holding at least one third of the issued shares of the class or such 2 (two) persons representing at least one third of the issued shares of the class by proxy, however provided that if at any postponed meeting of such holders no quorum as described above, is present, the members who are present personally or by proxy, shall constitute a quorum;
 - 35.3.2 any holder of shares of the class who is present personally or by proxy, may demand voting by ballot and at such voting by ballot shall have 1 (one) vote for each share of the class of which he is a holder.
- 36. The special rights attached to the shares of any class, shall (unless the terms of issue of such shares expressly determine otherwise) not be deemed to have been varied by the creation or issue of further shares which:
 - 36.1 have the same rights; or
 - 36.2 have less rights,and which do not in any aspect enjoy preference over the first-mentioned shares in any respect.

PROCEEDINGS AT GENERAL MEETINGS

43. The annual general meeting shall deal with and dispose of all matters prescribed by the Act, including the approval or declaration of a dividend, the consideration of the annual financial statements, the election/appointment of directors and the appointment and remuneration of an auditor, and may deal with any other matters which are submitted to the meeting. All matters submitted to another general meeting, are deemed to be special matters.
- 44.1 No matters shall be dealt with at a general meeting unless a quorum is present. Subject to the provisions of the Act at least 3 (three) members together holding (in the form of either ordinary shares or Class A Ordinary Shares) at least 10% (ten percent) of the aggregate of the issued ordinary shares and issued Class A Ordinary Shares (as defined in Article 144 hereunder) who are personally present, shall be a quorum.
- 44.2 A juristic person, who is a member of the company and is represented by a duly appointed representative, shall be deemed for purposes of this Article to be a member who is personally present. A trust, which is a member of the company and is represented by a duly appointed representative, shall be deemed for purposes of this Article to be a member who is personally present.
45. If within half an hour after the time stipulated for the meeting no quorum is present, the meeting shall be cancelled if it was convened at the request of members; in any other case the meeting shall be adjourned to a date not earlier than 7 (seven) days and not later than 21 (twenty-one) days after the date and time of the meeting and if at such an adjourned meeting a quorum is not present within half an hour after the stipulated time for the meeting, the members who are present personally or by proxy shall be a quorum.
- 46.1 The chairman (if there is one) of the board of directors or, in his absence, the vice-chairman (if there is one) shall act as chairman at each general meeting of the company.
- 46.2 If:
- 46.2.1 there is no such chairman or vice-chairman; or
- 46.2.2 such chairman or vice-chairman is still not present within 10 (ten) minutes after the stipulated starting time of the meeting; or
- 46.2.3 such chairman or vice-chairman is unwilling to act as chairman, the directors present shall elect one of their ranks to act as chairman, but if only 1 (one) director is present, such director shall, if he is willing, act as chairman.
- 46.3 In the absence of a chairman in terms of article 46, the members present shall elect one from their ranks as chairman.
47. The chairman may with the consent of a meeting at which a quorum is present (and must if the meeting resolves thus) adjourn the meeting from time to time and from place to place, but an adjourned meeting may only deal with matters which could legally be dealt with at the meeting on which the adjournment took place.
48. If a meeting is adjourned in terms of Article 45 or 47, the company shall, at a date no later than 3 (three) days after the adjournment, publish a notice in a newspaper circulating in the province in which the office is situated, in which:
- 48.1 the date, time and place to which the meeting has been adjourned;
- 48.2 the matter before the meeting when it was adjourned; and
- 48.3 the reason for adjournment,
- shall be stated.
- 49.1 At a general meeting a resolution which is put to the vote of the meeting, shall be passed by show of hands, unless a vote by ballot before or immediately after the declaration of the result of the show of hands, is requested by:

- 49.1.1 the chairman of the meeting; or
 - 49.1.2 by at least 5 (five) members entitled to vote at the meeting; or
 - 49.1.3 by a member or members representing at least one-tenth of the total voting power of all the members with the right to vote at the meeting; or
 - 49.1.4 by a member or members who are entitled to vote at the meeting and who hold at least one tenth of the issued share capital of the company.
- 49.2 Unless voting by ballot is requested and that request is not withdrawn, a declaration by the chairman of the meeting that a resolution:
- 49.2.1 has been passed unanimously or by a definite majority by show of hands; or
 - 49.2.2 has not been passed with a definite majority or has not been voted on, and a note to this effect in the minute-book shall be sufficient proof of that fact.
50. The result of voting by ballot shall be deemed to be the resolution of the meeting at which the voting by ballot was held.
51. In the case of the voting resulting in a tie, either by show of hands or by voting by ballot, the chairman of the meeting shall have a second or casting vote.
- 52.1 A voting by ballot may be requested for the election of the chairman of the meeting or on any adjournment matter.
 - 52.2 Voting by ballot which is requested regarding any other matter, shall be held at the time and at the place and in the manner determined by the chairman of the meeting (but not later than 30 (thirty) days after voting by ballot was requested).
 - 52.3 Until the voting by ballot is held, the meeting may continue with any matter (except the matters in respect of which voting by ballot was requested).
53. The chairman of a meeting may:
- 53.1 appoint any company or persons as polling-clerks to examine the proxy documents and to count the votes at the meeting;
 - 53.2 on the grounds of a certificate given by any such polling-clerk, act without requesting any proxy form during a meeting and without counting the votes himself.
- 54.1 If any votes were counted that should not have been counted, or if any votes were not counted which should have been counted, the mistake shall not invalidate the resolution, unless it:
- 54.1.1 is brought to the attention of the chairman at the meeting; and
 - 54.1.2 is essential enough in the opinion of the chairman of the meeting to invalidate the resolution.
- 54.2 Any objection regarding the admissibility of any vote (whether by show of hands or by voting by ballot) shall be raised at the meeting or adjourned meeting at which:
- 54.2.1 the vote (to which objection is made) was recorded; or
 - 54.2.2 the result of the voting by ballot was announced,
- and each vote which is not disqualified then, shall be valid for all purposes. Any objection which is raised in time, shall be referred to the chairman of the meeting, whose decision shall be sufficient and final.
55. Even if he is not a member:
- 55.1 any director; or
 - 55.2 the attorney of the company (or where the attorneys of a company are a firm, any partner thereof), may attend any general meeting and talk there, but he may not vote there, unless he is a member or the representative or proxy of a member.

VOTES OF MEMBERS

- 56.1 Subject to provisions of the Articles and any special provisions in respect of the voting rights, which may be laid down upon issue of any share or which may attach to a share from time to time, each member shall:
- 56.1.1 if the share capital is divided into shares with a par value, be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares issued by the company;
- 56.1.2 if the share capital is divided into shares without par value, be entitled to 1 (one) vote in respect of each share held by him.
- 56.2 Notwithstanding the provisions of 56.1, a member who is present personally or by proxy or, if the member is a juristic person, is represented at a meeting of the company, shall only have 1 (one) vote on a show of hands, regardless of the number of shares he holds or represents or the number of members he represents.
- 56.3 A holder of any preference share shall, when that holder is entitled to vote in respect of a resolution for which a shareholder's resolution is required in terms of the JSE Listings Requirements, have (on the basis of the provisions set out in Section 195(4)(b) of the Act):
- 56.3.1 the number of votes in respect of all preference shares of a class held by that holder, which is calculated (based on the number of votes attributable to the relevant shares using their par value) *pro rata* to all the issued preference shares, irrespective of class, of the company, which issued preference shares are entitled to be voted at the relevant meeting;
- 56.3.2 which number of votes shall be limited to that preference shareholder's said *pro rata* portion of the number of votes equal to 25% (twenty-five percent) less one vote, of the number of votes to which all shareholders (including the holders of preference shares of whatever class) are entitled to cast (based on the number of votes attributable to the relevant shares using their par value) at the said meeting (with any cumulative fraction of a vote in respect of any shares held by a preference shareholder rounded down to the nearest whole number).
- 57.1 Any juristic person who holds shares granting voting rights, may (by means of a resolution of its board of directors or any other controlling body thereof) appoint a person to act as the representative of the juristic person at any general meeting of the company or at any meeting of the holders of any class of shares of the company.
- 57.2 Such a representative shall be entitled to exercise the same rights on behalf of the juristic person (which is represented by him) as that juristic person could have exercised if it had been a natural person and member of the company.
- 57.3 Although it shall not be obliged to do so, the board of directors may require proof to its satisfaction regarding the appointment and authorisation of such representative.
58. A person who is entitled to more than 1 (one) vote, does not have to exercise all his votes and does not have to exercise all of his votes in the same manner.
- 59.1 Where 2 (two) of more persons are registered as joint holders of a share, anyone of them, whether personally or by proxy, may vote as if he was the sole holder of that share.
- 59.2 If more than 1 (one) of such joint holders is present personally or by proxy at such a general meeting, only that present holder, whose name appears first in respect of that share in the register, may vote.
- 59.3 Where several persons are entitled to a share upon transfer, they shall be deemed to be joint holders of that share.

- 60.1 The parent or guardian of a minor and the *curator bonis* of an insane member as well as each person who is entitled to transfer shares in terms of the transfer Article, may vote in respect thereof at a general meeting in the same manner as if he had been the holder of those shares, provided that he shall, at least 48 (forty-eight) hours before the time when the meeting is held at which he proposes to exercise his vote, furnish satisfactory proof to the secretary that he is such parent, guardian or curator or that he is entitled in terms of the transfer Article to transfer those shares, or that the directors have previously recognised his right to vote in respect of those shares.
- 60.2 Co-executors of a deceased member in whose name shares are listed in the register, shall be deemed for the purposes of this Article, to be joint holders of those shares.

PROXIES

- 61.1 The appointment of a proxy shall be in writing and shall be signed by the appointing person or by his representative who shall be duly authorised in writing.
 - 61.2 If the person appointing a proxy is a juristic person, the proxy shall be signed in a manner and by a person that is entitled to bind the juristic person.
 - 61.3 The proxy of a person is entitled, if he is authorised thereto in the power of attorney, to represent such member at any meeting of the company and to vote there on behalf of that member.
62. A proxy does not have to be a member of the company.
- 63.1 The board of directors may in its discretion send out proxy forms for use at the meeting together with the notice of any meeting.
 - 63.2 Any proxy, whether granted for a specific meeting or not, shall be in the form hereunder or have the same intent, or shall be in such other form which the board of directors may approve and always under the heading of or with reference to the company.

"I, We _____
 _____ of _____ being a member/members*
 _____ of _____ Limited, hereby appoint
 _____ of
 _____ if he is not

 _____ of _____ if he is not
 _____ of _____ or
 if he is not, the chairman of the meeting, as my/our* proxy to vote at the annual general meeting/general meeting* of the company which is to be held on the _____ day of _____ and any adjournment thereof as follows in the name of and on behalf of me/us*:

	In favour of	Against	Abstention
Resolution number _____			
Resolution number _____			
Resolution number _____			

(Indicate instruction to proxy by means of a cross in the applicable space provided above). Unless instructed otherwise, my/our* proxy may vote in his discretion.

Signed at _____ on _____

Signature _____

(Note: A member who is entitled to be present and to vote is entitled to appoint a proxy to be present in his place, to talk there and to vote, and such a proxy does not have to be a member of the company).

*Delete whatever is not applicable.

64.1 Each document by which a proxy is appointed as well as the power of attorney or other authorisation (if any) in terms of which it is signed, or a notarially certified copy of such a power of attorney or authorisation, shall be lodged at the office, or at such other place in South Africa which is indicated in the notice of meeting for that purpose, not less than 24 (twenty-four) hours (Saturdays, Sundays and public holidays excluded) before the stipulated starting time of:

64.1.1 the meeting or adjourned meeting on which the person appointed in the proxy document proposes to record his vote; or

64.1.2 voting by ballot where such ballot voting shall be held after the meeting or adjourned meeting.

64.2 If the proxy document was not lodged in time, it shall not be treated as valid.

64.3 Unless expressly declared otherwise in the power of attorney itself, no document whereby a proxy is appointed, shall be valid after expiry of 6 (six) months after the date thereof, except at voting by ballot which was requested at a meeting which was originally held within 6 (six) months after the date of such proxy document, or at an adjourned meeting of a meeting held within such period.

65. (Deleted.)

66. A vote recorded in terms of a proxy document shall be valid notwithstanding the previous legal incapacity of the principal or the revocation of the proxy document or the transfer of the share in respect whereof the vote was recorded, unless written notice of such legal incapacity, revocation or transfer is received by the company at the office where such proxy document is registered, not less than 24 (twenty- four) hours before commencement of the meeting at which or before the voting is held by ballot for which the proxy document will be used.

67. Subject to the conditions determined by the board of directors from time to time, each bearer of a share warrant shall be entitled to participate in general meetings and to vote there (whether personally or by proxy).

DIRECTORS

68.1 Subject to the provisions of the Act the number of directors shall be not less than 4 (four) and not more than 18 (eighteen).

68.2 The continuing directors may act, notwithstanding any vacancy in their number, but if and for as long as their number is reduced below the minimum number of directors required, the continuing directors may act only to:

68.2.1 increase the number of directors to the required minimum; or

68.2.2 summon a general meeting for that purpose, provided that if there is no director able or willing to act, then any member may convene a general meeting for that purpose.

68.3 With effect from the annual general meeting of the company in the year 2003, directors will be appointed as follows:

68.3.1 12 (twelve) persons nominated by the shareholders for appointment as directors in terms of the provisions of Articles 80 and 81;

- 68.3.2 A maximum of 4 (four) executive directors nominated by the board of directors out of management of which 1 (one) will be the Managing Director,
who will act as directors of the company subject to the provisions of these Articles;
- 68.4 A director shall not be obliged to hold any qualifying shares.
- 68.5 Subject to the provisions of the Act a person shall not fill the office of director of the company if he has reached the age of 70 (seventy) years, provided that if a director reaches the age of 70 (seventy) years during his term of office, he shall retire at the annual general meeting of the company following thereafter and if it is not the end of his term of office, a director shall be appointed in terms of the provisions of Article 83.
- 69.1 The directors shall be entitled to such remuneration as the company may determine in general meeting from time to time, which remuneration shall be divided between the directors in the proportion to which they may agree, or, in the absence of such an agreement, equally, except that in such a case any director, who has not yet served a full official year, shall upon distribution only be taken into consideration in proportion to the period in which he served as a director.
- 69.2 Such remuneration shall accrue to the directors from day-to-day.
- 69.3 A director who:
- 69.3.1 serves on any executive or other committee; or
 - 69.3.2 gives special attention to the matters of the company; or
 - 69.3.3 pays a visit abroad for company purposes or lives outside South Africa; or
 - 69.3.4 performs other tasks, or undertakes to perform them, which fall outside the scope of his ordinary duties as director in the opinion of the board of directors,
- may be paid such additional remuneration or allowance which an impartial quorum of directors may determine from time to time, in addition to or instead of the remuneration to which he is entitled as director.
- 69.4 A director shall also be remunerated for all travelling and other necessary expenses incurred by him with regard to:
- 69.4.1 the matters of the company; and
 - 69.4.2 the attendance of meetings of the board of directors, committees of the board of directors or of the company.
- 70.1 Subject to any provisions in respect of the retirement of directors in accordance with the retirement roster or as determined otherwise hereafter, a director shall resign his office if:
- 70.1.1 his estate is sequestrated or if he surrenders his estate or enters a general settlement with his creditors;
 - 70.1.2 it is established that he is not in possession of all his faculties or if he becomes mentally afflicted;
 - 70.1.3 a majority of his co-directors sign a written notice in which he is requested to resign his office and lodge it at the office (which shall come into effect upon lodging thereof at the office), but without prejudice to any claim for damages;
 - 70.1.4 he is removed by means of a resolution of the company whereof proper notice has been given in terms of the Act (but without prejudice to any claim for damages);
 - 70.1.5 he is prohibited from acting as director pursuant to the provisions of the Act or any order issued in terms thereof;
 - 70.1.6 he retires as director by means of a written notice to the company;
 - 70.1.7.1 he is absent from more than 4 (four) consecutive ordinary meetings of the board of directors without permission by the board of directors and such leave is not granted for a period stretching over more than 6 (six) consecutive ordinary meetings, unless he is absent with regard to matters of the company; or

70.1.7.2 he is not represented by an alternative director at such meetings during those 6 (six) consecutive meetings; and

70.1.7.3 the board of directors resolves that his directorship shall be terminated due to his absence,

provided that the board of directors is able to grant leave to any director to be absent for a determined or undetermined period.

70.2 (Deleted)

70.3 Notwithstanding any contrary provisions of the Articles, a director shall resign his office after conclusion of the annual general meeting of the company relating to the financial year in which the director has reached the age of 70 (seventy) years.

71. A director may hold any other office or salaried appointment (except the office of auditor) in the company (or any subsidiary of the company) while he is director and indeed for the period and for the remuneration and on other conditions (over and above the remuneration to which he is entitled as director) that an impartial quorum of the board of directors may determine.

72. A director of the company may be a director or officer (or be appointed as such) of, or otherwise have an interest in any other company which has been established by the company or in which the company may have an interest as a shareholder or otherwise, and (except as far as the board of directors may resolve otherwise) does not have to give an account of any remuneration or other benefit which he receives as a director or officer of, or as a result of his interest in, such other company.

73. Any director may act for the company personally or through his firm in a professional capacity (except as auditor) and he or his firm shall be entitled to remuneration for professional services rendered as if he had not been a director of the company.

74. Any director who has an interest in any manner (whether directly or indirectly) in a contract or arrangement or a proposed contract or arrangement with the company, shall disclose the nature of his interest in terms of the Act.

75.1 No director or intending director shall be disqualified due to his director's office to enter into a contract with the company with regard to:

75.1.1 his holding of any other office or salaried appointment in the company or in any other company which has been established or in which the company has an interest;

75.1.2 professional service rendered or to be rendered by such director;

75.1.3 any sale- or other transaction.

75.2 No such contract or arrangement entered by or on behalf of the company in which any director has an interest in any manner, shall be voidable.

75.3 No director who has thus entered into a contract or has such an interest, shall be obliged, due to his directorship or the relationship of trust created thereby, to give an account to the company of any profit he obtained as a result of such appointment, contract or arrangement.

76. A director may not vote or be counted at the determination of a quorum (if he is, his vote shall not be counted) in respect of any resolution with regard to his own appointment in any other office or salaried post in the company or with regard to any contract or arrangement in which he has an interest, provided that this prohibition shall not apply to:

76.1 any arrangement for the securing or indemnification of any director in respect of money lent to the company by him or obligations entered into by him on behalf of the company; or

76.2 any arrangement for the furnishing of any security by the company to a third in respect of a debt or obligation of the company which the director guaranteed or secured personally; or

76.3 any contract by a director to subscribe for shares or debentures of the company or to guarantee them; or

- 76.4 any contract or arrangement with a juristic person in which he has an interest only because he is a director, officer, creditor or member of such juristic person,
and these prohibitory provisions may be cancelled or relaxed by the company in general meeting at any time, whether in general or with regard to any special contract or arrangement.
- 77.1 A contract conflicting with the provisions of Article 76 may be ratified by the company in general meeting.
- 77.2 The provisions of Article 76 forbid a director to vote as a member on a general meeting on which a resolution in which he has a personal interest, is laid on the table.
- 78.1 The board of directors may exercise the voting rights, granted by the shares which the company holds or owns in any other company, in such a manner and in its discretion in all respects, including the exercise thereof in favour of any resolution in terms whereof they or any of them are appointed as directors or officers of such other company, or the exercise thereof for the determination of any payment or remuneration to the directors or officers of such other company.
- 78.2 A director may vote in favour of a resolution mentioned in 78.1 (to exercise the vote in the manner described in 78.1), notwithstanding the fact that he is a director or other officer of such other company, or is on the verge of being appointed as such, and may have an interest for that or any other reason during the exercise of that voting right in the above-mentioned manner.

ALTERNATIVE DIRECTORS

- 79.1 A director may:
- 79.1.1 appoint another director, or any other person for that purpose approved by a resolution of the board of directors, to act as an alternative director in his place during his absence;
 - 79.1.2 terminate the appointment of such alternative director.
- 79.2 A person thus appointed shall (except in respect of share qualification, the power to appoint an alternative director and remuneration) be subject to the conditions and provisions applying in respect of the other directors of the company in all respects.
- 79.3 Each alternative director shall, while acting as such, be entitled to:
- 79.3.1 receive notice of all meetings of the board of directors, or of any committee of the board of directors in which the person who appointed him is a member;
 - 79.3.2 attend any such meetings which the person who appointed him are not attending personally and to vote at such meeting;
 - 79.3.3 in general perform and execute all the work, powers and duties of the person appointing him during the absence of the latter as if he had been a director.
- 79.4 Any director acting as an alternative director, shall have, over and above his own vote, a vote for each director for whom he acts as an alternative director.
- 79.5 An alternative director shall cease *ipso facto* being an alternative director if the person who appointed him ceases being a director for any reason, provided that if any director retires according to rotation roster or otherwise, but is re-elected at the same meeting, any appointment made by him in terms of this Article which was in force immediately before his retirement, shall remain in force as if he had not retired.
- 79.6 If an alternative director is disqualified or resigns during the absence or inability of the director represented by him to act, the vacancies arising thus shall be filled by the chairman of the board of directors who shall nominate a person to fill it, subject to the approval of the board of directors.
- 79.7 Any appointment or dismissal of an alternative director shall be effected by means of a written notice signed by the person who appointed him and lodged at the office.
- 79.8 The remuneration of an alternative director shall only be paid from the remuneration payable to the director who appointed him, and he shall not have any claim for remuneration against the company.
- 79.9 An alternative director does not have to hold any qualifying shares.

TERM OF OFFICE AND ROTATION OF DIRECTORS

84.1 At every annual general meeting, one half of the directors nominated and appointed by members shall retire, or if the number of directors appointed by members cannot be divided by two, the number closest to (but not less than) half of the number of directors nominated and appointed by members, subject to the provisions of Article 95 shall retire.

84.1.2 Subject to the provisions of this Article 84:

84.1.2.1 the term of office of directors nominated and appointed by members shall be 2 (two) years.

84.2.1 The directors who have to retire each year shall be those who have held their office for the longest time since their last election at the annual general meeting of the company, but the decision between persons who became members of the board of directors on the same day shall be made by drawing lots (unless they mutually decide otherwise).

84.2.2 Notwithstanding the provisions hereof, the director who has already held his office for a period of two years since his last election or appointment by the date of any annual general meeting, shall retire at such meeting, whether as one of the directors retiring according to the roster as mentioned above, or over and above such directors.

84.3.1 The duration of a director's term of office shall be calculated as from his latest election, appointment or the date on which he is deemed to have been re-elected.

84.3.2 A director retiring at a meeting, shall hold his office until the election of directors at that meeting has been concluded.

84.4.1 A member of the board of directors who retires may be re-elected.

84.4.2 Notwithstanding the provisions of Article 81, the company may, at the meeting during which a director retires, fill the vacancy by electing a person as member of the board of directors and if it is not done, the retiring member of the board of directors shall be deemed to have been re-elected (if he consents to continue acting further as such) unless:

84.4.2.1 a resolution not to fill the vacancy is taken at such meeting; or

84.4.2.2 the re-election of such a director was tabled as a proposed resolution, but the resolution was not passed by the meeting.

POWERS OF DIRECTORS

85.1 The management and control of the business of the company rests with the board of directors, which (over and above the authorities and powers expressly granted to them by the Articles) may exercise all authorities and powers and perform all acts which may be exercised and performed by the company and which have not been reserved expressly for the company in general meeting herein or in terms of the Act. The board of directors may in addition to and without limitation of the powers expressly conferred upon them by the Act or these Articles, delegate to any one or more persons all such powers, and may take such action, or delegate to any person or persons the doing of all such acts (including the right to sub delegate) as may be exercised or done by the Company and which are not in terms of the Act or by these articles expressly directed or required to be exercised or done by a general meeting.

85.2 Such management and control shall not be in conflict with the Articles or with the provisions of the Act.

85.3 The general powers granted by this Article shall not be limited or reduced by any special authorisation or power granted to the board of directors by any other Article.

86. The board of directors may in its discretion –

86.1 arrange that any branch or branchings of the business of the company, or any other business in which the company may have an interest, shall be operated by one or more subsidiary company/ies;

86.2 make arrangements on behalf of the company for:

- 86.2.1 taking profits or bearing the losses of any such branch or business; or
 - 86.2.2 financing, supporting or subsidising any such subsidiary; or
 - 86.2.3 furnishing of guarantees for the contracts, obligations or responsibilities of any such subsidiary; and
- 86.3 subject to compliance with the Act and provided the shareholders have approved such an alienation and transfer in terms of resolutions prescribed by the Act, sell or otherwise alienate and transfer the whole of the business of the company or the majority of the assets of the company and the board will have the power to exercise effect such a sale or alienation.

87. The board of directors may:

- 87.1 introduce any contributing or non-contributing pension-, retirement-, provisional- medical or other fund for the benefit of; and
- 87.2 on behalf of the company pay a gratuity, pension or allowance upon retirement or any other benefit to,

any director or former director or other officer or employee of the company or its holding- or subsidiary companies (if any), whether he held another salaried post with the company or not, or to the widow or dependants of such persons, and the board of directors may also contribute to any funds and pay premiums for the acquisition or provision of any such gratuity, pension, allowance, life insurance or other benefits in terms of the provisions of the Act.

88. The directors may:

- 88.1 take all steps necessary or that may be useful, and may enter into any obligation to:
 - 88.1.1 make the shares, debentures or other stock of the company negotiable in South Africa and elsewhere; and
 - 88.1.2 have the shares, debentures or other stock of the company listed on any stock exchange in South Africa or recognised elsewhere;
- 88.2 pay all taxes, levies, moneys, expenditures or other amounts that may be payable in respect of the matters described in Article 88.1.

89. Except where the Articles expressly determine otherwise, all cheques, bills of exchange, promissory notes and other negotiable or transferable documents and all documents which have to be executed by the company, shall be signed, withdrawn, accepted, endorsed or executed (according to the case) in the manner determined by the board of directors from time to time.

BORROWING POWERS

- 90.1 The board of directors may from time to time in its discretion:
 - 90.1.1 borrow any amounts for the purposes of the company;
 - 90.1.2 secure the payment or repayment of any such amounts or any other amounts, either by the creation and issue of debentures, a bond or encumbrance on all or some of its property or assets;
 - 90.1.3 issue any regulations regarding the transfer of debentures, the issue of debenture certificates (subject to Article 9) and all other debenture matters.
- 90.2 No special privileges regarding:
 - 90.2.1 the allotment of shares in the company; or
 - 90.2.2 the attendance of and voting at general meetings; or
 - 90.2.3 the appointment of directors,or otherwise shall, except with the authorisation of the company in general meeting, be given to the debenture holders of the company.

EXECUTIVE DIRECTORS

94. Subject to the provisions of Article 68, the board of directors may from time to time in their discretion appoint:

94.1 managing and other executive directors (with or without specific designation) of the company;

94.2 any director to any executive office of the company,

and dismiss such persons and shall appoint another person/persons in his/their place.

95.1 Any director appointed in terms of Article 94:

95.1.1 shall not be (subject to the provisions of the contract in terms whereof he was appointed) obliged to resign according to the resignation roster described in Article 84 while he is holding that office or post; and

95.1.2 shall not be taken into consideration in respect of the determination of the resignation roster of the directors during the period of such appointment; and

95.1.3 shall be subject to the same provisions regarding resignation of office as the other directors of the company, and if he ceases to be a director, his appointment to such a post or executive office shall be terminated *ipso facto*, without prejudice to any claim for damages he may have as a result of such termination; and

95.1.4 shall be re-eligible after expiry of the period for which he was thus appointed.

95.2 Only a minority of directors may be appointed on the basis that they are not obliged to resign according to resignation roster.

96. The remuneration of a director appointed to any post or executive office in terms of Article 94:

96.1 shall be determined by an impartial quorum of the board of directors;

96.2 shall accrue to him over an above or in place of any ordinary remuneration which he receives as a director of the company, whatever the board of directors determines;

96.3 may consist of a salary or of a commission on the profits or dividends, or both, whatever the board of directors may determine.

97. The board of directors may:

97.1 from time to time grant any or all the powers which may be exercised by the board of directors in terms of the Articles, to a director appointed to a post or executive office in terms of Article 94;

97.2 grant such powers for such period to be exercised for such purposes and subject to such conditions and provisions and with such restrictions as the board of directors may deem to be advantageous;

97.3 grant such powers with retention or exclusion or in place of any powers of the board of directors;

97.4 from time to time recall, withdraw or amend such powers at will.

PROCEEDINGS OF THE BOARD OF DIRECTORS AND COMMITTEES

98.1 The directors may meet to finalise matters and may adjourn their meetings at will or may regulate them in any manner.

98.2 Until the board of directors resolves otherwise, the majority of all directors shall be a quorum.

98.3 The chairman may, and the secretary shall upon request of the majority of directors, convene a meeting of the board of directors at any time.

98.4 The board of directors shall determine for which period and in which form notice of meetings of the board of directors shall be given.

98.5 A director who is not in South Africa, shall not be entitled to notice of any meeting, but such notice shall be given to his alternative if the latter is in South Africa.

99. The board of directors shall elect a chairman and a vice-chairman (to act in the absence of the chairman) for their meetings. The board of directors may determine the period of such appointment which shall not be longer than 1 (one) year.
100. The board of directors may, if no chairman or vice-chairman is elected or if the chairman or vice-chairman is not present 5 (five) minutes after the stipulated starting time of any meeting, elect a chairman for that meeting from their ranks present.
- 101.1 All disputes during any meeting shall be resolved by means of a majority of votes. A resolution will be adopted by a majority of the directors voting in favour of the resolution. Each director will have one vote.
- 101.2 In the case of the voting resulting in a tie, the chairman shall have a second or casting vote.
102. A meeting of the board of directors, where a quorum is present, shall be entitled to exercise all powers, authorisations and discretion (granted by or in terms of the Articles or which generally vest in and may be exercised by the board of directors).
- 103.1 A written resolution signed by:
- 103.1.1 all the directors; or
- 103.1.2 all the directors who are present during signing thereof and who are a quorum,
- shall be just as valid as a resolution passed at a meeting of the board of directors which was convened and constituted properly, provided that where a director is not present thus, but his alternative is indeed present thus, such resolution shall also be signed by his alternative.
- 103.2 Such resolutions:
- 103.2.1 may consist of one or more documents signed thus;
- 103.2.2 shall be passed in consideration of the provisions of section 236 of the Act;
- 103.2.3 shall be handed to the secretary without delay and shall be entered in the minutes of the company by the secretary.
- 103.3 Such resolutions shall be deemed to have been passed on the day on which they were signed by the last director or alternative director (who is entitled to sign it).
- 103.4 A resolution intended in 103.1 which has not been signed by all the directors or their alternatives, shall, if it is intended to authorise an action which the directors have already rejected at a meeting of the board of directors, be invalid until such resolution has been confirmed at a meeting of the board of directors.
104. The meetings and proceedings of any committee consisting of 2 (two) or more directors shall be subject to the provisions hereof with regard to meetings and proceedings of the directors as far as such provisions apply thereto and have not been replaced by any regulations of the board of directors.
105. All actions performed by the board of directors or a committee of the board of directors or by any person acting as a director or a member of a committee shall be valid (notwithstanding the fact that one or another shortcoming may be discovered in the appointment of the directors or of such other persons acting thus, or that anyone of them has been disqualified or has resigned) as if each such person had been properly appointed and had qualified and was still a director or member of such committee.

DIVIDENDS

110. The company in general meeting or the board of directors may declare a dividend from time to time.
- 111.1 No dividend shall bear interest against the company, unless determined otherwise by the terms of issue of the share in respect whereof such dividend is payable.

- 111.2 Dividends may be declared without or subject to deduction of income tax or any other tax or fee in respect of which the company may be liable.
- 112.1 The board of directors may from time to time declare and pay an interim dividend.
- 112.2 The board of directors may also pay the declared dividend (which shall be payable on any share of the company bearing a declared dividend) semi-annually or on such other dates as the board of directors may deem fit.
113. Dividends shall be declared payable to members registered as such on a date at least 14 (fourteen) days after the date on which the dividend was declared.
114. The company in general meeting may declare a smaller, but not a greater dividend than recommended by the board of directors.
115. All unclaimed dividends may, until they are claimed, be invested by the board of directors or used otherwise to the benefit of the company, provided that dividends which have been unclaimed for a period of 3 (three) years from the date of declaration thereof, may be declared forfeited by the board of directors to the benefit of the company. All other monies held by the company due to shareholders, other than dividends, must be held by the company in trust for such shareholders.
- 116.1 Any dividend, interest or other amount payable in cash to the holder of a share, may be paid by means of a cheque or guarantee, sent by mail and addressed to:
- 116.1.1 the holder at his registered address; or
- 116.1.2 in the case of joint holders, the holder whose name appears first in the register in respect of the share at his registered address; or
- 116.1.3 such person at such address which the holder or the joint holders may indicate in writing.
- 116.2 Each such cheque or bill of exchange shall be:
- 116.2.1 made payable to the order of the person to whom it is addressed;
- 116.2.2 sent at the risk of the holder or the joint holders.
- 116.3 The company shall not be liable for the loss in postage of any money, asset, cheque, guarantee or any document (whether similar to the cheque or guarantee or not) sent by mail, as above-mentioned.
- 116.4 A holder or any of two or more joint holders, or his or their authorised representative who shall be duly authorised in writing, may issue valid receipts for any dividends or other money paid in respect of a share held by such holder or joint holders.
- 116.5 If such cheque or guarantee is paid thus, the company shall be released from all further liability in respect of the relevant amount.
- 116.6 A dividend may also be paid in any other manner, as determined by the board of directors, and if the instructions of the board of directors are followed in this regard, the company shall not be liable for any loss or damage which the holder may suffer as a result thereof.
- 117.1 Any dividend may be paid entirely or partially:
- 117.1.1 by the distribution of specific assets; or
- 117.1.2 by the issue of paid-up shares, debentures or stock of the company or of any other company; or
- 117.1.3 in cash, or
- 117.1.4 in any other manner as the board of directors or the company in general meeting may at the time of the declaration of dividend, determine.

- 117.2 Where any dispute arises with regard to such payment or distribution, the board of directors may settle that dispute as it deems fit and the board of directors may especially determine the value to be placed on such specific assets upon distribution.
- 117.3 The board of directors may:
- 117.3.1 determine that cash payments shall be made to any member on the basis that the value has been determined thus to effect an equal distribution;
 - 117.3.2 in its discretion transfer any such assets into trust on behalf of the persons entitled to the dividend.
- 118.1 The board of directors may in its discretion from time to time provide for the payment of dividends to members with registered addresses outside South Africa.
- 118.2 Provision can thus be made for the payment of such dividends in any foreign currency, the rate of exchange against which such payment is effected as well as any other similar matters.

CAPITALISATION

120. On the recommendation of the board of directors, the company may in general meeting:
- 120.1 resolve at any time that it is desirable to capitalise the entire amount or a part thereof which shall then be to the credit of:
 - 120.1.1 any of the reserves of the company; or
 - 120.1.2 any share premium account or capital redemption reserve fundthat would otherwise have been available for distribution and which is not necessary for the payment of determined dividends on any preference shares of the company;
 - 120.2 resolve that such amount for distribution to the members or any class of members shall be allocated in the same proportion than they would have been entitled to if the distribution of that amount had been effected by means of dividend payment, on the basis that it shall not be paid in cash, but shall indeed be used for paying up unissued shares, debentures or stock which shall (credited as paid-up) then be allotted and issued to such members (which resolution the board of directors shall execute).

LIQUIDATION

- 138.1 If the company is liquidated, the liquidator may, with the authorisation of a special resolution by the members, distribute the assets of the company entirely or partially in money or assets between the members, and may for such purposes:
- 138.1.1 put a value on any asset which he deems reasonable, and
 - 138.1.2 determine how the distribution between the members of various classes of members shall be executed.
- 138.2 The liquidator may with the authorisation of a special resolution of the members transfer all the assets or a part thereof to trustees who shall hold them in trust for the benefit of the members or some of the members.
- 138.3 Any such resolution may make provision and grant authorisation for a distribution of specific assets between various classes of members in conflict with their existing rights, but each member shall in such a case have the right to refuse consent as well as other additional rights, in the same manner as if such resolution is a special resolution in terms of the provisions of the Act.

INDEMNIFICATION

- 139.1 Each director, manager, secretary, auditor and officer of the company shall be indemnified from the funds of the company against all:

- 139.1.1 liability incurred by him in that capacity;
 - 139.1.2 expenses incurred in defending any civil or criminal case in which he may be involved and an order in his favour was given or he was found to be innocent; or
 - 139.1.3 costs with regard to an application in terms of section 248 of the Act in which the court grants legal aid to him.
- 139.2 Each such person shall be indemnified by the company against all costs, losses and expenditures for which such a person may be liable by virtue of any:
- 139.2.1 contract entered into by him; or
 - 139.2.2 action performed by him,
- in his capacity as director, secretary, manager, auditor or officer of the company or for which he may become liable in whatever manner during the execution of his duties, and the board of directors shall be liable to remunerate such costs, losses and expenditures from the funds of the company.
140. Subject to the provisions of the Act no director, secretary, auditor, officer or employee of the company, unless it is due to his dishonesty, shall be liable for:
- 140.1 any action, receipt, omission or fault of any other officer or employee of the company; or
 - 140.2 the participation in any receipt or other action; or
 - 140.3 losses or expenditures suffered by the company or accumulated as a result of the insufficient or defective title to any property obtained on behalf of the company by virtue of instructions by the board of directors; or
 - 140.4 the insufficiency or defect in any security in which or on the strength of which any of the money of the company has been invested; or
 - 140.5 any loss or damage as a result of the insolvency or unlawful action of any person with whom any money, security or stock of the company has been deposited; or
 - 140.6 any loss or damage caused by his error of judgment or oversight; or
 - 140.7 any other loss, damage or accident suffered by the company in the execution of or in respect of the exercise of his duties.

CLASS A ORDINARY PAR VALUE SHARES

- 144.1 In this Article 144 the following terms and expressions shall have the meanings as set out hereinafter and cognitive expressions shall have a corresponding meaning:
- 144.1.1 "Class A Ordinary Share" shall mean a Class A ordinary par value share with a par value of R0.10 (ten cents) each in the issued share capital of the company and with the rights as set out in this Article 144;
 - 144.1.2 "Board" shall mean the board of directors of the company;
 - 144.1.3 "Beneficiaries" shall mean employees of full subsidiaries of the company incorporated in South Africa as identified or as shall be identified in an addendum to the Deed of Trust which the company and the Trustees of the Trust have or shall enter and "beneficiary" shall have a corresponding meaning;
 - 144.1.4 "Final Date" shall mean the date on which the Imaginary Threshold Debt in accordance with the provisions of Article 144.12 hereinafter shall be deemed to be reduced to zero;
 - 144.1.5 "Group" shall mean the company and all its full subsidiaries incorporated in South Africa;

- 144.1.6 "Date of Issue" shall mean the date on which the first Class A Ordinary Shares were issued to the Trust;
- 144.1.7 "Imaginary Threshold Debt" shall mean the imaginary amount of R20.50 per issued Class A Ordinary Share which shall from time to time as from the Date of Issue increase or decrease in the manner described in Article 144.12 hereinafter;
- 144.1.8 "Ordinary Share" shall mean an ordinary share with a par value of R0.10 (ten cents) in the issued share capital of the company;
- 144.1.9 "Ordinary Shareholder" shall mean the holder of an Ordinary Share;
- 144.1.10 "Prime Rate" shall mean the prime overdraft rate as imposed from time to time by The Standard Bank of South Africa Limited on the overdraft facilities of its corporate clients as certified by any manager of that bank whose appointment does not have to be proved;
- 144.1.11 "South Africa" shall mean the Republic of South Africa;
- 144.1.12 "Trust" shall mean the "Pioneer Foods Employee Share Trust", Master's reference number: IT4965/05;
- 144.1.13 "Deed of Trust" shall mean the deed in terms of which the trust was established.
- 144.2 Notwithstanding anything to the contrary contained in these Articles, the holder of a Class A Ordinary Share shall:
- 144.2.1 at a declaration of dividends or a repayment of capital to the Ordinary Shareholders be entitled to receive a dividend or portion of the capital from the company as calculated in terms of the following formula:

$$D = A / N \text{ where:}$$
D shall mean the dividend or portion of the capital payable per Class A Ordinary Share in terms of the declaration of dividends or repayment of capital;
A shall mean the total of all dividends and/or capital payable to all the holders of Class A Ordinary Shares in terms of the declaration of dividends or the repayment of capital calculated in terms of the following formula:

$$30\% \text{ of } (N / [N + M]) \times C$$
Where:
N shall mean the number of issued Class A Ordinary Shares at the time of the declaration of dividends or the declaration of repayment of capital, as the case may be;
M shall mean the number of issued Ordinary Shares at the time of the declaration of dividends or the declaration of repayment of capital, as the case may be;
C shall mean the total dividend or repayment of capital which would have been declared to the holders of the Class A Ordinary Shares and the Ordinary Shareholders, if the holders of the Class A Ordinary Shares would have had the same rights to dividends and capital as the Ordinary Shareholders, as determined by the Board of directors.
For example: if the Board of directors should decide that should the holders of Class A Ordinary Shares and the Ordinary Shareholders have had identical rights to dividends, the company would have paid dividends of R100 million to all the holders of the Class A Ordinary Shares and the Ordinary Shareholders and there are 200 000 000 issued Ordinary Shares and 18 000 000 issued Class A Ordinary Shares, the dividend per Ordinary Share would have amounted to 45.9 (forty five comma nine) cent and the dividend per Class A Ordinary Share 13.8 (thirteen comma eight) cent; and
- 144.2.2 during the liquidation of the company be entitled to receive payment from the company which shall be equal to the payment which the holder of an ordinary share would receive by virtue of such liquidation minus the balance of the Imaginary Threshold Debt regarding the Class A Ordinary Share on the day of liquidation of the company.

- 144.3 A Class A Ordinary Share:
- 144.3.1 ranks *pari passu* with all the Ordinary Shares and shall, except for the limited rights to dividends, capital and distributions upon liquidation as set out in Article 144.2 above, have all other rights which an ordinary share has and shall particularly have the same voting rights as an ordinary share, being an ordinary share with a par value of R0.10 (ten) cent;
 - 144.3.2 shall have all the rights of an Ordinary Share as from the Final Date with the effect that the restrictions described in Article 144.2 and Article 144.6 shall expire on the Final Date; and
 - 144.3.3 shall grow as from the Final Date to be an Ordinary Share with all the rights of an Ordinary Share and shall from the Final Date be known as an Ordinary Share.
- 144.4 The Class A Ordinary Shares may only be issued to the Trust. The Beneficiaries shall obtain rights in respect thereof in accordance with the Deed of Trust.
- 144.5 The company shall upon issue of the Class A Ordinary Shares to the Trust issue a share certificate with regard thereto to the Trust.
- 144.6 Beneficiary may not encumber and/or sell and/or transfer any Class A Ordinary Share or any rights with regard thereto vesting in the Beneficiary to any entity other than the company or any of its full subsidiaries, and in the event that the employee relationship of a Beneficiary is terminated before the Final Date, the Beneficiary may also not encumber and/or sell and/or transfer any Ordinary Share or any rights with regard thereto vesting in the Beneficiary on or before the Final Date by reason of the fact that rights in respect of the Class A Ordinary Shares vested in him, to any entity other than the company or any of its full subsidiaries. A Beneficiary shall at all times be entitled to sell and transfer his Class A Ordinary Shares and the Ordinary Shares originating therefrom or any rights with regard thereto to the company or any of its full subsidiaries. The restrictions described in this Article 144.6 shall not after the Final Date be applicable to the Ordinary Shares in which the Class A Ordinary Shares grew and which vest in the Beneficiaries who are employed by the full subsidiaries of the company incorporated in South Africa, on the Final Date.
- 144.7 The company shall be entitled to refuse to:
- 144.7.1 pay any dividend or make capital repayments with regard to Class A Ordinary Shares which in terms of the Deed of Trust vested in a Beneficiary whose employment with a member of the Group was terminated before the Final Date; and/or
 - 144.7.2 pay any dividend or make capital repayments with regard to Ordinary Shares which originated from Class A Ordinary Shares and which in terms of the Deed of Trust vested in the Beneficiary whose employee relationship with a member of the Group was terminated before the Final Date; and/or
 - 144.7.3 comply with or acknowledge any other rights, including voting rights of the Class A Ordinary Shares which in terms of the Deed of Trust vested in a Beneficiary whose employee relationship with a member of the Group was terminated before the Final Date; and/or
 - 144.7.4 comply with or acknowledge any other rights, including voting rights of the Ordinary Shares which may vest in a Beneficiary, whose employee relationship with a member of the Group was terminated before the Final Date, on or after the Final Date due to the fact that rights with regard to Class A Ordinary Shares vested in him.
- 144.8 The company shall after the Final Date replace Class A Ordinary Share certificates with share certificates reflecting the Class A Ordinary Shares as Ordinary Shares.
- 144.9 A dividend may not be declared or paid in respect of Ordinary Shares without a dividend in respect of each Class A Ordinary Share calculated in terms of Article 144.2 above also being declared and paid.

- 144.10 A repayment of capital in respect of Ordinary Shares may not be declared or paid without a capital payment in respect of each Class A Ordinary Share calculated in terms of Article 144.2 above not also being declared and paid.
- 144.11 Dividends or capital payments may not be declared or paid in respect of Class A Ordinary Shares without a simultaneous declaration of dividends or repayment of capital in respect of Ordinary Shares also taking place.
- 144.12 The Final Date shall be that date on which the Imaginary Threshold Debt in terms of the provisions of this Article 144.12 is deemed to have been reduced to zero. The Imaginary Threshold Debt shall bear imaginary interest from the Date of Issue at a rate of 75% of the Prime Rate. Such imaginary interest shall after the Date of Issue be compounded bi-annually retrospectively on the last day of each calendar month in which the company pays interim or final dividends. If the company does not pay dividends six monthly, the imaginary interest shall only be compounded on the last day of the calendar month in which the company pays the next dividends. Accordingly the Imaginary Threshold Debt shall increase in an imaginary manner as the imaginary interest accrues but shall reduce in an imaginary way with each payment of a dividend or capital repayment in respect of an Ordinary Share. The amount by which the Imaginary Threshold Debt shall reduce by virtue of the payment of such dividend or capital repayments shall be an amount calculated by multiplying the dividend or capital amount paid to the holder of a Class A Ordinary Share by $\frac{7}{3}$. In order to avoid any uncertainty it is recorded that the Imaginary Threshold Debt of a Class A Ordinary Share which was repurchased by the company shall be deemed to be zero as from the date of repurchase.
- 144.13 The calculation set out in Article 144.12 shall only be made in order to determine the balance of the Imaginary Threshold Debt and no interest shall actually accrue in favour of the company or any other person or entity.
- 144.14 In the case that the Ordinary Shares are subdivided, those subdivided Ordinary Shares shall be deemed to be consolidated as Ordinary Shares with a par value of R0.10 (ten) cent each for purposes of determining M in Article 144.2.1 above and, where necessary, any dividends or capital payments made with regard thereto shall also, for the above purposes, be deemed to be consolidated in a manner such as to reflect the dividends or capital owing in respect of such consolidated ordinary shares.
- 144.15 In the case that the Ordinary Shares are consolidated, those consolidated ordinary shares shall be deemed to be sub-divided as Ordinary Shares with a par value of R0.10 (ten) cents each for purposes of determining M in Article 144.2.1 above and, where necessary, any dividends or capital payments made with regard thereto shall also, for the above purposes, be deemed to be sub-divided in a manner such as to reflect the dividends or capital owing in respect of such sub-divided ordinary shares.
- 144.16 The Trust shall in terms of the provisions of Articles 61 to 64 be entitled to appoint a Beneficiary as his proxy to exercise the voting rights with regard to the Class A Ordinary Shares on behalf of the Trust, which vested in the Beneficiary in terms of the Deed of Trust.
- 144.17 All the dividend payments or other payments which shall be made by the company regarding the Class A Ordinary Shares, shall be made by the company to the Trust or to that Beneficiary who is indicated by the Trust.
- 144.18 All notices which shall be delivered by the company to the holders of Class A Ordinary Shares shall only be delivered to the Trust as the registered holder of those shares.

OTHER DIRECTORSHIPS

In addition to directorship of the Company, the Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

Full name: Agenbach, Willem Adriaan
 Nationality: South African
 Address: Houtbaai, PO Box 309, Caledon, 7230
 Postal address: PO Box 309, Caledon, 7230
 Business address: PO Box 309, Caledon, 7230
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Overberg Agri	1998/001018/06	Swellendam Road Bredasdorp, 7280	1990	Chairman	Active	Agriculture
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	28/04/1999	Director	Active	Food and beverage industry
The South African Breweries Maltings	1967/008461/07	Bredasdorp Road Caledon, 7230	1994	Director	2005	Beer industry
Wilvaas Boerdery	1997/22138/07	Houtbaai farm Caledon	1979	Director	Active	Agriculture

Full name: Bester, Albertus Willem
 Nationality: South African
 Residential address: PO Box 195, Moorreesburg, 7310
 Postal address: PO Box 195, Moorreesburg, 7310
 Business address: PO Box 30, Moorreesburg, 7310
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Grain Farmers Group Limited	1999/007338/06	Corner Main and Long Streets Moorreesburg, 7310	24/07/2002	Vice-Chairman	Active	Agriculture
MKB (Pty) Limited	1999/007729/07	Corner Main and Long Streets Moorreesburg, 7310	24/07/2002	Vice-Chairman	Active	Agriculture
PFC (Pty) Limited	2001/020096/07	Corner Main and Long Streets Moorreesburg, 7310	01/03/2006	Director	Active	Trading in dog/pet food
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	22/02/2008	Director	Active	Food and beverage industry
UAT (Pty) Limited	1969/018376/07	36 Long Street Moorreesburg, 7310	01/03/2006	Director	Active	Agricultural machinery

Full Name: Blanckenberg, Hendrik Emmanuel
 Nationality: South African
 Residential address: Klipheuwel Farm, PO Box 28, Klipheuwel, 7303
 Postal address: Klipheuwel Farm, PO Box 28, Klipheuwel, 7303
 Business address: Klipheuwel Farm, PO Box 28, Klipheuwel, 7303
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Agri Connect (Pty) Limited	1998/019803/07	86 Watermeyer Street Val-De-Grace, 0184	25/08/1998	Director	Resigned 06/03/2007	Private
Agri-Inspec Monitoring Services	1998/022135/08	Cotton Board 86 Watermeyer Street Val-De-Grace, 0184	13/02/2004	Director	Resigned 14/12/2006	Section 21
Badgemore (Pty) Limited	1988/003016/07	2201 Absa Bank Centre Heerengracht Cape Town, 8001	27/05/1988	Director	Active	Private
Cool Ideas 237	2007/077963/23	2201 Absa Bank Centre Heerengracht Cape Town, 8001	19/04/2007	Trustee – HE Blanckenberg Family Trust (100% member)	Active	CC – Real Estate
Customer Benefit Solutions (Pty) Limited t/a AgriBonus	1998/023049/07	Second Floor Cotton Board Building 86 Watermeyer Street 0184	19/11/1998	Director	Resigned 13/07/2007	Private
J H Blanckenberg	1962/004932/07	2201 Absa Centre Heerengracht Cape Town, 8001	12/03/1973	Director	Active	Private
Kaaimanskloof Plaas	1992/005485/07	2201 Absa Centre Heerengracht Cape Town, 8001	23/09/1992	Director	Active	Private
Klipheuwel Plaas	1992/005431/07	2201 Absa Centre Heerengracht Cape Town, 8001	21/09/1992	Director	Active	Private
Lactopro (Pty) Limited	2001/010157/07	86 Watermeyer Street Val-De-Grace, 0184	07/05/2001	Director	Resigned 31/08/2007	Private
Melkprodusente-organisatie	1998/012925/08	Katoenraad Gebou Cycadoord 86 Cycadoord 86, 0184	07/07/1998	Director	Resigned 21/11/2006	Section 21
Milk South Africa	2002/032020/08	86 Watermeyer Street Val-De-Grace, 0184	20/12/2002	Director	Resigned 22/02/2006	Section 21
Mposa Beherend (Edms) Beperk	2001/024301/07	86 Watermeyer Street Val-De-Grace, 0184	10/10/2001	Director	Resigned 21/11/2006	Private
Mposa Investigation Solutions (Pty) Limited	2005/000650/07	86 Watermeyer Street Val-De-Grace, 0184	01/04/2006	Director	Resigned 25/01/2007	Private
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	20/06/1997	Chairman	Active	Food and beverage industry
Pioneer Foods Holdings Limited	1956/001280/06	32 Market Street Paarl, 7646	25/02/2000	Director	Active	Food and beverage industry
Propalux 71	2006/103723/23	2201 Absa Centre Heerengracht Cape Town, 8001	23/06/2006	Member	Active	CC
Swellengift	1999/011740/07	2201 Absa Centre Heerengracht Cape Town, 8001	04/06/1999	Director	Active	Private

Full name: Carstens, Tertius Alwyn
 Nationality: South African
 Residential address: 9 Frans Roos Street, De Zalze Landgoed Stellenbosch, 7600
 Postal address: PO Box 12061, Die Boord, 7613
 Business address: PO Box 20, Huguenot, 7645
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Bokomo Botswana (Pty) Limited	2002/2454	32 Market Street, Paarl, 7646	03/08/2006	Director	Active	Food industry
Bokomo Foods (UK) Limited	4080435	40 Bradfield Road Finedon Industrial Estate Wellingborough Northants, NN8 4 HB	25/10/2000	Director	Resigned 24/01/2005	Manufacturing and marketing breakfast cereals
Bokomo Namibia (Pty) Limited	1998/109	PO Box 1571, 3rd Floor 344 Independence Ave Windhoek	01/10/2005	Director	Active	Food Industry
Heinz Foods SA (Pty) Limited	2003/013160/07	Heinz House, Corner Optenhorst and Berlyn Streets, Paarl, 7646	10/06/2003	Director	Active	Trading in the food industry
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	23/05/2007	Director	Active	Food and beverage industry
SAD Foods Limited	1947/025660/06	11 Main Road Wellington, 7655	31/07/2002	Director	Resigned 02/02/2006	Trading in the food industry
SAD Groep Beleggings (Pty) Limited	1948/030882/07	11 Main Road Wellington, 7655	31/07/2002	Director	Resigned 02/02/2006	Trading in the food industry
SAD Holdings Limited	1998/014855/06	11 Main Road Wellington, 7655	26/07/2002	Director	Resigned 02/02/2006	Trading in the food industry
Safari Nuts (Pty) Limited	1998/002404/07	32 Market Street Paarl, 7646	31/07/2002	Director	Active	Trading in the food industry
Sasko Pasta (Pty) Limited	1996/002247/07	32 Market Street Paarl, 7646	27/10/1999	Director	Active	Trading in the food industry

Full name: Cronjé, Leon Roché
 Nationality: South African
 Residential address: 24 du Lot Street, Groenvlei, Paarl, 7646
 Postal address: 24 du Lot Street, Groenvlei, Paarl, 7646
 Business address: PO Box 20, Huguenot, 7645
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Agri Protein Processing (Pty) Limited	2000/013485/07	32 Market Street Paarl, 7646	25/07/2002	Director	Active	Poultry
Ceres Fruit Juices (Pty) Limited	1972/004728/07	3 Bon Chretien Street Ceres, 6835	20/12/2003	Director	Active	Beverages
Ceres Investment Company (Pty) Limited	1992/006984/07	32 Market Street Paarl, 7646	06/12/2004	Director	Active	Holding company
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	28/04/1999	Director	Active	Food and beverage industry
Pioneer Food Holdings Limited	1956/001280/06	32 Market Street Paarl, 7646	30/09/1998	Director	Active	Food and beverage industry
SAD Holdings (Pty) Limited	1998/014855/06	11 Main Road Wellington, 7655	29/07/2002	Director	Active	Holding company
Sasguard Insurance Company Limited	1996/012811/06	32 Market Street Paarl, 7646	19/09/1996	Director	Active	Insurance
Sasko Pasta (Pty) Limited	1996/002247/07	32 Market Street Paarl, 7646	27/10/1999	Director	Active	Producing and trading in food industry
Saslink Leasing (Pty) Limited	1992/007141/07	32 Market Street Paarl, 7646	01/09/2002	Director	Active	Properties and letting
Sasned (Pty) Limited	1964/008366/07	32 Market Street Paarl, 7646	14/08/1992	Director	Active	Properties and letting

Full name: Eksteen, George Douglas
 Nationality: South African
 Residential address: Goudahof 703, De Beersweg 44, Strand, 7140
 Postal address: PO Box 500, Malmesbury, 7299
 Business address: Droëvlei, PO Box 500, Malmesbury, 7299
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Boland Wingerde Internasionaal Beperk	1998/001676/06	Drommedaris Street Daljosafat, Paarl, 7646	1985	Director	Resigned 2004	Wine manufacturer
Kaap Agri A Beperk (previously WPK Beleggings Beperk)	1997/006433/06	65 Voortrekker Road Malmesbury, 7299	30/04/1997	Chairman	Active	Agriculture
Kaap Agri B Beperk	2001/019009/06	65 Voortrekker Road Malmesbury, 7299	11/04/2006	Chairman	Active	Agriculture
Kaap Agri Bedryf Beperk (previously WPK Landbou Beperk)	1995/000336/06	65 Voortrekker Road Malmesbury, 7299	18/01/1995	Chairman	Resigned 18/01/2005	Agriculture
Kaap Agri Beleggings Beperk	2004/012093/06	65 Voortrekker Road Malmesbury, 7299	31/07/2007	Chairman	Resigned 06/12/2007	Agriculture
Kaap Agri Limited	2007/015880/06	65 Voortrekker Road Malmesbury, 7299	10/03/2005	Chairman	Active	Agriculture
National Irrigation Holdings (Edms) Beperk	1989/004608/07	65 Voortrekker Road Malmesbury, 7299	22/08/2001	Director	Resigned 19/08/2003	Agriculture
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	22/02/2002	Director	Active	Food and beverage industry
Sentrasure Limited	1994/001465/06	Mutual & Federal Centre 69 President Street Marshalltown Johannesburg, 2001	1987	Director	Resigned	Insurance
Swartland Handelshuis Beleggings Beperk	1997/007454/06	99 Voortrekker Road Malmesbury, 7299	19/05/1997	Director	Active	Investments
WPK Beheer Beperk	1995/000337/06	65 Voortrekker Road Malmesbury, 7299	14/02/1995	Chairman	Resigned 2005	Agriculture
WPK Genomineerdes (Edms) Beperk (deregistered)	1983/006748/07	65 Voortrekker Road Malmesbury, 7299	25/06/1997	Chairman	Resigned 16/02/2006	Agriculture
WPK Industriële Beleggings Beperk	1997/015821/06	65 Voortrekker Road Malmesbury, 7299	23/10/2001	Director	Resigned 24/01/2002	Agriculture

Full name: Hamman, Johannes Nicolaas
Nationality: South African
Residential address: 112, Ninth Street, Voëlklip, Hermanus, 7200
Postal address: PO Box 2232, Hermanus, 7200
Business address: PO Box 2232, Hermanus, 7200
South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Abagold (Pty) Limited	95/0041	New Harbour PO Box 2291 Hermanus, 7200	25/08/1995	Director	Active	Abalone Farming
BoE Limited	1987/003281/06	135 Rivonia Road Sandown, Sandton, 2196	2002	Director	Resigned 2003	Bank
Cape of Good Hope Financial Services Limited	1958/000018/06	135 Rivonia Road Sandown, Sandton, 2196	1989	Director	Resigned 2003	Bank
Ceres Fruit Juices (Pty) Limited	1972/004728/07	3 Bon Chretien Street Ceres, 6835	06/09/1999	Director	Resigned 2004	Fruit Juices
Ceres Group Limited	1999/14165/06	3 Bon Chretien Street Ceres, 6835	06/09/1999	Director	Resigned 2003	Fresh Fruit
Hermanus Medi-Clinic Limited	1995/008998/06	Hospital Street Hermanus, 7200	10/06/2004	Director	Active	Hospital
Kaap Agri Limited	2007/015880/06	65 Voortrekker Road Malmesbury, 7299	27/01/2005	Director	Active	Agriculture
Lalieshoogte CC	CK92/31076/23	PO Box 115, 18 Aberdeen Street Hermanus, 7200	12/11/1993	Member	Active	Property
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	28/04/1999	Director	Active	Food and beverage industry
Randeier (SA) (Pty) Limited	1976/00280/07	112, 9th Street, Voëlklip Hermanus, 7200	20/02/1978	Director	Active	Property
Wenakker (Pty) Limited	1971/12330/07	112, 9th Street, Voëlklip Hermanus, 7200	01/02/1971	Director	Active	Investment Company
Christie Els Beleggings Nr Agt en Sestig (Edms) Beperk	2001/023970/07	112, 9th Street, Voëlklip Hermanus, 7200	22/11/2000	Director	Active	Property
Klein Karoo International Beperk	1961/00721/07	Koöperasiestraat PO Box 241 Oudtshoorn, 6620	02/11/2007	Director	Active	Ostrich Industry

Full name: Hanekom, Wouter André
Nationality: South African
Residential address: 27 Carletta Street, Paarl, 7646
Postal address: 27 Carletta Street, Paarl, 7646
Business address: PO Box 20, Huguenot, 7645
South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Bokomo Botswana (Pty) Limited	2002/2454	32 Market Street Paarl, 7646	01/01/2002	Director	Resigned 03/08/2006	Food industry
Bokomo Namibia (Pty) Limited	1998/109	PO Box 1571, 3rd Floor 344 Independence Ave Windhoek	01/01/2002	Director	Resigned 01/10/2006	Food industry
Ceres Fruit Juices (Pty) Limited	1972/004728/07	3 Bon Chretien Street Ceres, 6835	01/12/2004	Director	Active	Beverages
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	20/09/1997	Managing Director	Active	Food and beverage industry
Pioneer Food Holdings Limited	1956/001280/06	32 Market Street Paarl, 7646	30/09/1998	Director	Active	Food and beverage industry

Full name: Louw, Jacobus Adriaan
 Nationality: South African
 Residential address: PO Box 1770, Somerset West, 7129
 Postal address: PO Box 1770, Somerset West, 7129
 Business address: PO Box 1770, Somerset West, 7129
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Agrico Machinery (Pty) Limited	1950/036095/07	La Belle weg, Stikland Bellville, 7530	15/02/2001	Director	Active	Trading in machinery and irrigation
Avest (Pty) Limited	1951/002321/07	La Belle weg, Stikland Bellville, 7530	26/08/2006	Director	Active	Trading in machinery and irrigation
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	28/04/1999	Director	Active	Food and beverage industry
Shoprite Holdings Limited	1936/007721/06	William Dabs and Old Paarl Roads Brackenfell, 7561	30/10/1991	Director	Active	Trading in the food industry

Full name: Mjoli-Mncube, Nonhlanhla Sylvia
 Nationality: South African
 Residential address: 1570 High Street, Highgate Village, Dainfern, 2055
 Postal address: 1570 High Street, Highgate Village, Dainfern, 2055
 Business address: 1570 High Street, Highgate Village, Dainfern, 2055
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Capitec Bank (Pty) Limited	1980/003695/06	10 Quantum Road Technopark Stellenbosch, 7600	26/01/2004	Shares	Active	Bank
Eziko Investment (Pty) Limited	2004/005582/07	23 Galloway Archwood Village Dainfern, 2055	01/03/2004	Shares	Active	Investments
National Housing Finance Corporation	1996/005577/06	11 Boundary Road Old Trafford Three Isle Of Houghton, 2198	1998	Director	Resigned 2006	Home loans
Nurcha (National Urban Reconstruction and Housing Agency)	1995/004248/08	3rd Floor The Grace Offices Tyrwhitt and Bath Avenues Rosebank, 2196	1997	Chairman	Resigned 2006	Construction finance
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	25/11/2004	Director	Active	Food and beverage industry
WBHO Limited	1982/011014/06	53 Andries Street, Wynberg, 2090	26/10/2006	Director	Active	Construction
Cadiz Limited	1997/007258/06	1st Floor Fernwood House, The Oval, 1 Oakdale Road, Newlands, 7700	25/10/2004	Director	Active	Financial Services

Full name: Sangqu, Andile Hesperus
 Nationality: South African
 Residential address: 86 Bonnie Place, Glenadrienne, Hurlingham Sandton, 2196
 Postal address: Kagiso Trust Investments (Pty) Limited, PO Box 55276, Northlands, 2115
 Business address: Kagiso House, 16 Fricker Road, Illovo Boulevard, Illovo, 2196
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Agricola	2003/015291/07	Block A2, Somerset Office, Estate Kudu Street Allensnek, 1709	24/06/2004	Director	Active	Underwriting
Degussa Africa Holdings (Pty) Limited	2004/018348/07	IBG Business Park Corner New Road and 6th Road, Midridge Office Estate Corner Pioneer and Atlantis Road, Block E Midrand Park, 1682	24/04/2006	Alternate Director	Active	Private
Kagiso Asset Management	1998/015218/07	2nd Floor Coronation House Boundary Terraces 1 Mariendhal Lane Newlands, 7700	01/04/2005	Director	Active	Financial intermediation insurance, real estate and business services
Kagiso Securities Limited	1995/005243/06	Killarner Buildings Fourways Golf Park 1016 Ross Street Fourways	10/01/2004	Director	Active	Private company, other business activities
Metropolitan Asset Management	1943/016651/06	Parc du Cap Mispel Street Bellville, 7530	23/11/2004	Director	Active	Insurance
Metropolitan Holdings	2000/031756/06	Parc du Cap Mispel Street Bellville, 7530	03/07/2006	Director	Active	Insurance
Metropolitan Life	1949/031756/06	Parc du Cap Mispel Street Bellville, 7530	01/07/2005	Director	Active	Insurance
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	24/02/2006	Director	Active	Food and beverage industry
Santam/Nova/Centriq	2000/017936/06	4 Fricker Road Illovo, 2196	16/09/2005	Director	Active	Insurance

Full name: Singleton, Amanda Cecilia
 Nationality: South African
 Residential address: 16 Jan Baard Crescent, Jacobsbaai, 7380
 Postal address: PO Box 148, Vredenburg, 7380
 Business address: PO Box 148, Vredenburg, 7380
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Die Weskusplek (Pty) Limited	2004/002695/07	1 Beech Road Jacobsbaai, 7380	01/06/2006	Director	Active	Hospitality
Mmopa Consulting CC	2007/067602/23	16 Jan Baardsingel Jacobsbaai, 7380	01/03/2007	Member	Active	Corporate strategy
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	24/02/2006	Director	Active	Food and beverage industry

Full name: Sonn, Franklin Abraham
 Nationality: South African
 Residential address: 36 Plettenberg Street, Welgemoed, Bellville, 7530
 Postal address: Imalivest (Pty) Limited, 1st Floor, 17 Termo Avenue
 Techno Park, Stellenbosch, 7600
 Business address: Imalivest (Pty) Limited, 1st Floor, 17 Termo Avenue
 Techno Park, Stellenbosch, 7600
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
ABSA Bank Limited	1986/004794/06	ABSA Towers East 170 Main Street Johannesburg, 2001	01/01/1999	Director	Active	Bank
ABSA Group Limited	1986/003934/06	ABSA Towers East 170 Main Street Johannesburg, 2001	01/01/1999	Director	Active	Bank
African Star Investments (Pty) Limited	2002/021769/07	Fifth Floor, Protea Place Protea Road Claremont, 7700	29/04/2003	Director	Active	Private Company
African Star Ventures (Pty) Limited	2003/008180/07	14 Batho Way Melkbosstrand, 7441	07/04/2003	Director	Active	Activities auxiliary to financial intermediation
Airports Company South Africa Limited	1993/004149/06	24 Johnson Road The Maples Riverwoods Office Park Bedfordview, 2008	01/10/2000	Chairman	Active	Transport, storage and communication
Angel Capital (Pty) Limited	2001/016712/07	6 – 36 Victoria Avenue Hout Bay, 7806	27/07/2001	Director	Active	Private company
Cape Star Investments (Pty) Limited	2004/002201/07	14 Batho Way Melkbosstrand, 7441	29/01/2004	Director	Active	Financial intermediation, except insurance and pension funding
Celcom Group (Pty) Limited	1998/021219/07	4, 5th Avenue Edenburg Sandton, 2196	01/02/2006	Director	Active	Mobile phone accessories
Ekapa Mining (Pty) Limited	2001/014296/07	Profsen Building York Street Kimberley, 8300	30/04/2004	Director	Active	Mining and quarrying
Esor Limited	1994/000732/06	30 Activia Road Activia Park Germiston, 1401	26/01/2007	Director	Active	Geo-technical engineers
Fransche Hoek Culture and Economic Tourism Incubator Node	2002/014826/07	8 Louis Botha Street Franschhoek, 7690	24/06/2002	Director	Resigned 31/12/2006	Private company – Real Estate
Fransche Hoek Riverside Cottages	2003/000258/07	8 Louis Botha Avenue Franschhoek, 7690	10/01/2003	Director	Resigned 31/12/2006	Private company – Real Estate
Franschhoek Country Club Estate Development Company (Pty) Limited	1998/011562/07	8 Louis Botha Avenue Franschhoek, 7690	01/10/2001	Director	Resigned 31/12/2006	Private company – Real Estate
Future Africa Investment Holdings (Pty) Limited	2001/010477/07	Steelpark, Sacks Circle Bellville South, 7530	13/11/2001	Director	Active	Wholesale trade
Future Africa Trading (Pty) Limited	2001/020480/07	Steelpark Modderdam Road Bellville South, 7530	13/11/2001	Director	Resigned 31/12/2006	Wholesale trade
Imalivest (Pty) Limited	2004/021111/07	17 Termo Avenue Techno Park Stellenbosch, 7600	08/09/2006	Director	Active	Financial intermediation

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Keypunch Properties 170 (Pty) Limited	2000/067348/23	287 Lynnwood Road Menlo Park, 0081	07/11/2000	Director	Active	Real Estate
Kwezi V3 Engineers (Pty) Limited	1989/002048/07	2201 Absa Centre Heerengracht Cape Town, 8001	01/08/2000	Director	Active	Construction
Macsteel Service Centres SA (Pty) Limited	2005/016292/07	243 Dyson Road Wadeville, 1407	31/08/2006	Director	Active	Retail trade
Metropolitan Holdings Limited	2005/32491/06	Parc du Cap Mispel Street Bellville, 7530	01/07/1999	Director	Active	Life Assurance
Montebello Design Centre	1993/001983/08	1st Floor, Sanclare 21 Dreyer Street, Monte Vista, 7460	14/04/1993	Director	Active	Section 21
Notae Resorts (Pty) Limited	1999/007944/07	550 Ontdekkers Road Florida, 1709	30/04/2005	Director	Active	Construction
JIA Piazza Park (Pty) Limited	1998/004849/07	c/o Airports Company of SA Limited 24 Johnson Road The Maples Riverwoods Office Park Bedfordview, 2088	27/03/2001	Director	Active	Wholesale and retail trade
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	28/04/1999	Director	Active	Food and beverage industry
RGA Reinsurance Co of S.A.	1997/020948/06	8th Floor Letterstedt House Main Road Newlands, 7700	06/11/1998	Director	Active	Insurance
RGA S.A. Holdings (Pty) Limited	1997/020923/07	8th Floor, Letterstedt House, Main Road Newlands, 7700	06/11/1998	Director	Active	Insurance
Sappi Limited	2005/008963/06	48 Ameshoff Road Braamfontein, 2017	01/07/1999	Director	Active	Paper manufacturer
School Education Services Network (Pty) Limited	2002/031556/07	Merlot House Vineyards Office Estate 99 Jip de Jager Drive 7530	23/08/2004	Director	Resigned 22/06/2006	Private company – Education
Soltec Business Solutions (Pty) Limited	2000/000512/07	Merlot House Vineyards Office Estate 99 Jip de Jager Drive 7530	23/08/2004	Director	Resigned 22/06/2006	Private company – Computer and related activities
Steinhoff International Holdings Limited	1998/003951/06	28, 6th Street, Wynberg Johannesburg, 2090	01/12/2002	Director	Active	Bedding/ furniture manufacturer
Super Stone Mining (Pty) Limited	1987/006176/07	Crescent House 1 D'arcy Street Kimberley, 8301	30/04/2004	Director	Active	Mining and quarrying
Xinergistix Limited	1999/019372/06	Unit 32, Roeland Square Roeland Street, 8001	25/09/2006	Director	Active	Financial intermediation insurance, real estate and business services

Full name: Survé, Mohammed Iqbal
Nationality: South African
Residential address:
Postal address: Sekunjalo Investments Limited, PO Box 31344, Tokai, 7966
Business address: Sekunjalo Investments Limited, Sekunjalo House, Block F The Terraces, Steenberg Office Park, Tokai, 7945
South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Bioclonex (Pty) Limited	1982/005469/07	Sekunjalo House Block F, The Terraces, Steenberg Office Park 7945	2005	Director	Active	Private households, exterritorial organisations, representatives of foreign governments
Clinton Global Initiative	None	United States of America	2005	Advisory Board Member	Active	Global advisory board
Global Initiative on Sharing Avian Influenza Data	None	United States of America	2007	Trustee	Active	Research
Modjadji African Empowerment Consortium Limited	2005/009277/06	Sekunjalo House Block F, The Terraces Steenberg Office Park Tokai, 7945	2005	Chairman	Active	Investment
National Innovation Centre for Plant BioTechnology by the Minister of Science and Technology Mr Mangena	None	–	2004	Trustee/ Non-executive Director	Active	Science
Nokia Siemens Networks (Pty) Limited (NSN)	2006/034379/07	300 Janadel Avenue Halfway House, 1685	2004	Director	Active	Telecom-munications
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	25/11/2004	Director	Active	Trading in the food industry
Premier Fishing SA (Pty) Limited	1952/02671/07	Quay 7, East Pier Victoria and Alfred Waterfront, Cape Town, 8001	1998	Chairman	Active	Trading in the food industry
Sekunjalo Health Care Limited	1996/14461/06	28 Thora Crescent Wynberg, 2090	1997	Chairman	Active	Healthcare
Sekunjalo Investments (Pty) Limited	1996/006093/06	Sekunjalo House Block F, The Terraces Steenberg Office Park, Tokai, 7945	2006	Chairman	Active	Investment
Sekunjalo Investments Holdings (Pty) Limited	1998/08480/07	Sekunjalo House Block F, The Terraces Steenberg Office Park, Tokai, 7945	1998	Chairman	Active	Investment
Siemens Limited	1923/007514/06	300 Janadel Avenue Halfway House, 1685	2000	Director	Active	Telecom-munications
Siyolo Energy and African Resources (Pty) Limited	2004/028471/07	Sekunjalo House Block F, The Terraces Steenberg Office Park Tokai, 7945	2005	Chairman	Active	Other business activities
The Business Place eKapa	–	–	2003	Chairman		Investment
Umkhankaso iKapa Investments Limited	2005/007970/06	Sekunjalo House Block F, The Terraces Steenberg Office Park Tokai, 7945	2005	Chairman	Active	Investment
University of Cape Town, Graduate School of Business	None	Breakwater Lodge, V & A Waterfront Cape Town, 8001	2004	Chairman 2007	Active	Education
Western Cape Sports Academy	None	Office of the MEC for Sport, 9th Floor Utilitas Building, Dorp Street Cape Town, 8001	2002	Chairman	Active	Education

Full name: Swanepoel, Martin Tertius
 Nationality: South African
 Residential address: 40 Barbarossa Crescent, Durbanville, 7550
 Postal address: PO Box 20, Huguenot, 7645
 Business address: PO Box 20, Huguenot, 7645
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Bokomo Foods UK Limited	4080435	40 Bradfield Road, Finedon, Welling-borough, Northants NN8 4HB	25/10/2000	Director	Active	Manufacturing and marketing breakfast cereals
Ceres Fruit Juices Investment Holdings (Pty) Limited	1970/000721/07	32 Market Street Paarl, 7646	30/09/1999	Director	Active	Beverages
Heinz Foods SA (Pty) Limited	2003/013160/07	Heinz House Corner Optenhorst and Berlyn Streets Paarl, 7646	10/06/2003	Director	Active	Trading in the food industry
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	20/02/2002	Director	Active	Trading in the food industry
Sosoy (Pty) Limited	2003/023203/07	32 Market Street Paarl, 7646	08/03/2004	Director	Active	Trading in the food industry

Full name: van Niekerk, Jakobus Hendrik
 Nationality: South African
 Residential address: Vorentoe, Saron, 6812
 Postal address: PO Box 71, Porterville, 6810
 Business address: PO Box 71, Porterville, 6810
 South African resident: Yes

Name of company	Registration number	Registered office address	Appointment	Designation	Resignation date	Nature of business
Boland Agri (Pty) Limited	1999/006007/07	65 Voortrekker Road Malmesbury, 7299	2001	Director	Resigned 2005	Agriculture
Kaap Agri Beperk	2007/015880/06	65 Voortrekker Road Malmesbury, 7299	2007	Director	Active	Agriculture
Kaap Agri A Beperk	1997/006433/06	65 Voortrekker Road Malmesbury, 7299	2006	Director	Resigned 2007	Agriculture
Kaap Agri B Beperk	2001/019009/06	65 Voortrekker Road Malmesbury, 7299	2002	Director	Resigned 2007	Agriculture
Kaap Agri Bedryf Beperk	1995/000336/06	65 Voortrekker Road Malmesbury, 7299	2007	Director	Resigned 2005	Agriculture
Kosie van Niekerk Boerdery (Proprietary) Limited	2003/020842/07	Farm Vorentoe, PO Box 40, Saron 6812	22/08/2203	Director	Active	Agriculture
Pioneer Food Group Limited	1996/017676/06	32 Market Street Paarl, 7646	24/02/2006	Director	Active	Trading in the food industry
Unlimited Fruit (Pty) Limited	2000/013357/07	Corner Techno Drive and Electron Crescent Techno Park, 7600	2004	Director	Resigned 2007	Manufacture of food products, beverages and tobacco products

CORPORATE GOVERNANCE AND KING CODE

1. CORPORATE GOVERNANCE

The Board of Directors of Pioneer Foods is committed to the principles of effective corporate governance and strives for the highest standards of integrity and ethics.

The Board supports the Code of Corporate Practices and Conduct as set out in the King II Report on Corporate Governance and is satisfied that the Group complies materially with the said Code.

Regarding instances of non compliance with the King Code, the following matters will be attended to upon listing of the Company's shares on the JSE:

- (a) The annual evaluation of the individual performance of the chairman (currently the Board as a whole is evaluated annually).
- (b) Full disclosure of director remuneration on an individual basis.

All directors have access to the advice and services of the Company Secretary who is responsible, *inter alia*, for ensuring that Board procedures and applicable rules and regulations are fully observed.

The chief executive officer does not also hold the position of chairperson of the Board.

2. DIRECTORS AND BOARD COMMITTEES

(a) Directors

The Board of directors is responsible for the total and effective control of the Group. The Board consists of 12 non-executive and four executive members. The chairman of the board is non-executive. The chief executive officer does not also hold the position of chairperson of the Board.

The non-executive directors are selected for specific terms and their re-appointment is not automatic. Executive directors and the Company Secretary are appointed by the Board.

The Board meets five times per year and reviews strategy, operational and capital budgets and operating results. Other matters relating to the overall objectives of the Group are also discussed. Additional board meetings are held during the year, if needed.

To ensure a clear division of responsibilities, a decision making framework has been approved by the Board in terms of which levels of authority have been established relating to various matters, *inter alia*, the appointment of the managing director, the appointment of executive and non-executive directors, remuneration, approval of financial reports, approval of capital and operational budgets, acquisition of new businesses, acquisition and disposal of capital assets, approval of loans and investments and approval of plans relating to procurement of raw material. Relevant information is supplied timeously to Board members to enable them to comply with their statutory and fiduciary responsibilities and to take informed decisions.

The Board is supported by a number of Board Committees in the execution of its duties. Each of the committees functions according to specific mandates of the Board.

(b) Human Resources Committee

The Human Resources Committee consists of five non-executive directors. The chairman is non-executive and the committee meets at least three times a year and operates in accordance with a charter as approved by the Board. This committee is responsible for the following:

- Maintaining and approving an appropriate human resources policy.
- Executive management succession planning.
- Monitoring the implementation of relevant labour legislation.
- Monitoring the implementation of the transformation policy.

- The remuneration of directors and senior management.
- The evaluation and approval of a remuneration strategy, including market-related incentive schemes for executive and senior management.

The Committee consists of the following non-executive directors:

J A Louw (*Chairperson*)

H E Blanckenberg

G D Eksteen

F A Sonn

M I Survé

(c) **Pioneer Foods Fund**

The Pioneer Foods Fund (PFF) is an independent committee of the Board Human Resources Committee and is tasked to manage and monitor the Socio-Economic Development expenditure in accordance with the Codes of Good Practice of the Broad Based Black Economic Empowerment Legislation and the Group's internal grant-making policies.

The PFF is chaired by an independent non-executive director, with 2 independent third party committee members and 2 internal staff members and they are mandated and authorised to meet 3 times per year, wherein they:

- Generally promote and pursue the philanthropic mission of the Group, by reviewing requests for Socio-Economic Development ("Proposal/s"), received by the Corporate Office of the Group, above R25 000;
- Satisfy themselves whether each Proposal fall within the Group's Board Mandated, Development Boundaries;
- Critically evaluate each Proposal in terms of pre-defined: risk criteria, enduring impact for beneficiaries and measurable outcomes;
- Either approve or reject, the entire or a portion of the Funding of each Proposal; and
- Monitor the progress of, and evaluate the results of each Proposal in an active collaborative manner

in an independent and transparent manner, with thoughtful adherence, to honour the principles of Stewardship, Propriety, Prudence, Dignity, Integrity, Trust, Collaboration, Transparency and Confidentiality.

The Fund reports its progress to the Board Human Resources Committee.

3. **NOMINATION COMMITTEE**

The Nomination Committee is chaired by the Board chairperson. All appointments to the Board are formal and transparent and a matter for the Board as a whole assisted by the Nomination Committee. During October of each year, the Nomination Committee revises the structure, size and composition of the Board and makes a recommendation in this regard to the Board if necessary. During this meeting the committee will consider retirement of directors through rotation at the first following Annual General Meeting, normally held during February the following year and will consider recommendation for re-appointment of directors. In considering reappointments or new appointments the necessary attributes of candidates as well as diversification will be taken into consideration.

Specific policy rules exist relating to the election of the Chairperson, Vice Chairperson, members of the Nomination, Human Resources and Audit and Risk Committees.

The Nomination Committee consists of the following non-executive directors:

H E Blanckenberg (*Chairperson*)

G D Eksteen

N S Mjoli-Mncube

A W Bester

J H van Niekerk

4. **AUDIT AND RISK COMMITTEE**

The Audit and Risk Committee consists of four non-executive directors and operates in accordance with a charter approved by the Board. The committee's responsibilities are, in summary, to ensure that:

- Appropriate internal control procedures are in place and are applied.
- Risk management procedures are adequate.
- Appropriate standards of reporting and compliance are maintained.
- Relevant legislation is adhered to.
- Principles are set for recommending the use of the external auditors for non-audit services.

The Audit and Risk Committee consists of the following non-executive directors:

- J N Hamman (*Chairperson*)
- W A Agenbach
- A H Sangqu
- A C Singleton

Meetings are held at least three times per year and are attended by the internal and external auditors and relevant members of management. The internal, as well as the external auditors have unlimited access to the Audit and Risk Committee, thereby ensuring that their independence is not compromised in any way.

5. **INTERNAL CONTROL AND RISK MANAGEMENT**

The Board accepts final responsibility for the internal control and risk management systems of the Group. In order to ensure completeness, all material risks in the Group have been identified and documented in a comprehensive risk framework per division. Proper internal control systems are in place and are maintained through a self-control system. The timely execution of self-control procedures is controlled programmatically and the implementation of self-control procedures is monitored internally.

Group assets are comprehensively insured by Sasguard Insurance Company Limited, a subsidiary with a limited insurance licence, as approved by the Financial Services Board and is regulated as such. It is therefore in essence a process of self-insurance, supported by external re-insurance cover for abnormal disasters and other material risks.

The daily treasury activities of the Group are limited to call and short-term loans, as well as short-term investments. Adequate credit facilities exist to ensure daily liquidity, while surplus funds may only be invested at institutions approved by the Board. Foreign currency trading is regulated by an approved policy to ensure optimal effectivity between the buying and selling of currency.

Raw material purchases and the use of derivative financial instruments for the hedging of raw material costs are regulated by a comprehensive policy document as approved by the Board. Speculation with any financial instrument is not part of the Group's business and is not allowed. Application of the policy is monitored by a committee consisting of the applicable members of executive management.

The above-mentioned procedures provide the Board with reasonable assurance concerning the reporting of reliable financial information, as well as securing of the Group's assets.

6. **INTERNAL AUDIT**

An independent internal audit function exists, with the head of internal audit reporting directly to the managing director with ready and regular access to the chairman of the Audit and Risk Committee.

The department consists of personnel with relevant training and experience. The objectives, authority and responsibility of the independent internal audit function are fully described in an internal audit charter approved by the Audit and Risk Committee. The internal audit department liaises closely with the external auditors to prevent duplication.

The internal audit of specialised information technology and the SAP ERP system environment has been outsourced to a division of PricewaterhouseCoopers Inc. This division functions independently from the external audit function.

Findings and recommendations of all internal audit processes are reported to management and the Audit and Risk Committee.

7. **STAKEHOLDER COMMUNICATION**

Regular communication is maintained with various stakeholders in the Group such as:

- Institutional investors;
- Investment analysts;
- Shareholders;
- Employees; and
- Communities at large.

The Board encourages shareholders to attend the general meetings and also provides a full explanation of the effects of resolutions to be proposed. The results of all decisions taken at shareholders' meetings are disseminated by way of written minutes to ensure that all shareholders are timeously informed.

Various methods of communication are used to keep employees and other stakeholders informed of Group activities. Examples of these are:

- The Flagpost – a quarterly magazine distributed to all staff containing information about the business, management, industry matters and other relevant news.
- Newsflash – a pamphlet for staff containing up to date, immediate information on various subjects such as events, actions, or public news.
- Internet – through the Pioneer Foods website and email correspondence.
- Management also ensures that all staff have access to information on employment opportunities within the Group. Vacant positions are advertised at all business units.

8. **ETHICS**

The Group strives to maintain high ethical and moral standards through the application of sound business principles in all circumstances.

An independent hotline service, Tip-Offs Anonymous, is available 24 hours per day to receive complaints or allegations regarding unethical conduct. It reports directly to internal auditors or the chairman of the Audit and Risk Committee. Through this service employees and any other stakeholder can report anonymously and confidentially any unethical conduct by employees or service providers.

9. **DEALINGS IN SECURITIES**

A closed period for trading in the Group's shares is maintained for prescribed periods to prevent any insider trading of the Group's shares. No director or member of the executive management may trade, either directly or indirectly, in Group shares during the closed period. These periods apply at least every six months from 15 March and 15 September, respectively, until the publication of the interim or the annual financial results.

10. **EMPLOYEE WELLNESS AWARENESS**

The Board recognises that a comprehensive approach to a healthy and happy workforce is essential. The HIV/Aids programmes have been consolidated into a Wellness Awareness Programme.

11. **ENVIRONMENTAL GOVERNANCE**

As a food producer, Pioneer Foods strives to ensure that best practices are being applied in respect of environmental management and occupational health and safety. Systems to support and measure such behaviour have been implemented.

The implementation of the ISO standards and HACCP at certain manufacturing sites ensure that continuous monitoring, measurement and accreditation occurs.

The diverse nature of the various businesses within the Group dictates that systems and processes for monitoring environmental governance are different and particular. Therefore, the respective divisional management teams are responsible for the research of best-practice processes in each particular business, as well as to ensure that these practices are implemented and monitored.

Certain manufacturing processes are also accredited in terms of international accreditation standards to ensure that export products adhere to the relevant international standards in the country of destination.

SALIENT FEATURES OF THE BEE TRUST

- 1.1 The Pioneer Foods BEE transaction comprises of:
 - Class A Ordinary Shares with special rights registered in the articles of Pioneer Foods;
 - the BEE Trust;
 - the beneficiary employees listed on an annexure to the BEE Trust Deed; and
 - the Deeds of Adherence signed by the beneficiary employees.
- 1.2 The BEE Trust was formed for the benefit of all participating employees. The relevant subsidiaries then in accordance with the provisions of section 38(2)b of the Companies Act, provided the BEE Trust with R1.8 million. The R1.8 million was used by the BEE Trust to subscribe for 18.1 million Class A Ordinary Shares at par value, being R0.10 per share.
- 1.3 Each Class A Ordinary Share, *inter alia*, immediately entitled the holder thereof to receive a dividend equal to 30% of the dividend received on an ordinary share.
- 1.4 Class A Ordinary Shares carry the same voting rights as ordinary shares.
- 1.5 On the date of issue of the Class A Ordinary Shares, a Notional Threshold Debt per Class A Ordinary Share was assumed, which Notional Threshold Debt was based on the market value of Pioneer Foods' ordinary shares, less the subscription at par value.
- 1.6 The Notional Threshold Debt, notionally, bears interest at the rate of 75% of the prime overdraft rate from issue date, which interest is compounded semi-annually. The Notional Threshold Debt is also notionally reduced by the payment of dividends by Pioneer Foods. Such reduction is calculated by multiplying the dividend payable in respect of a Class A Ordinary Share by a factor of 7/3. Once the Notional Threshold Debt is deemed to be reduced to nil, the Class A Ordinary Shares grows into ordinary shares and become entitled to all the corresponding rights of an ordinary share.
- 1.7 The Notional Threshold Debt is not a real debt, but is merely a concept used to, *inter alia*, determine the date on which the Class A Ordinary Shares will grow into ordinary shares. That date is known as the Final Date and is the date on which all the Notional Threshold Debt are deemed repaid.
- 1.8 The employee beneficiaries, and the number of Class A Ordinary Shares which will vest in them, were identified by way of an addendum to the BEE Trust Deed.
- 1.9 The Class A Ordinary Shares were registered in the name of the BEE Trust. All other rights that comprise the Class A Ordinary Shares except the rights described hereunder vested in the beneficiaries. The only rights that did not vest in the beneficiaries were the rights to:
 - *have the Class A Ordinary Shares registered in the share register of Pioneer Foods in the name of the beneficiary prior to the Final Date;*
 - *sell, cede, transfer or otherwise alienate or dispose of the Class A Ordinary Shares, or any rights in respect thereof;*
 - *enter into any contract to sell, cede, transfer or otherwise alienate or dispose of the Class A Ordinary Shares, or any rights in respect thereof;*
 - *pledge, cede in security, mortgage or otherwise hypothecate or encumber the Class A Ordinary Shares;*
 - *enter into any agreement in respect of the Class A Ordinary Shares; and*
 - *agree, whether or not subject to any suspensive or resolute condition, to do any of the foregoing.*
- 1.10 The Class A Ordinary Shares will from the Final Date be known as Ordinary Shares and Pioneer Foods will, after the Final Date, replace the old Class A Ordinary Share certificates with share certificates reflecting such shares as being Ordinary Shares . On the Final Date, the aforementioned limitations on beneficiary rights will lapse, and beneficiaries will then be entitled to 100% of the dividends payable per Ordinary Share.

1.11 A beneficiary still employed by any Subsidiary will enjoy the following alternatives from the first day after the Final Date:

- *he may request the registration of the Ordinary Shares into his name (in which event Pioneer Foods will issue share certificates in respect thereof in his favour); or*
- *failing which, his Ordinary Shares will remain registered in the name of the BEE Trust (in which event Pioneer Foods will issue share certificates in respect thereof in favour of the BEE Trust) which will then hold such shares as a nominee of such beneficiaries.*

1.12 Good leavers

In the event that any one of the following events occurs in relation to a beneficiary:

- death;
- permanent disability;
- retrenched
- retirement;
- termination of his employment by reason of the sale of any part of the business of any Subsidiary;
- termination of employment for any reason that in the discretion of the Board has the effect of qualifying the beneficiary as a Good Leaver; or
- termination of employment for any reason, after the lapse of a period five years after the Issue Date,

the beneficiary will be regarded as being a Good Leaver. A Good Leaver will sell to Pioneer Foods or its nominee each of the Class A Ordinary Shares at a purchase price per Class A Ordinary Share that will be equal to the market value of an Ordinary Share on the last day of the calendar month during which the employment of the beneficiary with a Subsidiary was terminated, less the Notional Threshold Debt in respect of that Class A Ordinary Share, calculated on the same date, provided that if the Purchase Price of the Beneficiary-share is less than R0.01 (one cent) in terms of the aforementioned calculation, the Purchase Price of the Beneficiary-share will be R0.01 (1 cent).

1.13 Other leavers

Should the employment of a beneficiary be terminated within a period of five years from Issue Date for any reason other than those set out in paragraph 1.12 above, the leaving beneficiary will be known as an "Other Leaver" and he will then sell to Pioneer Foods all his Class A Ordinary Shares at one cent per Class A Ordinary Share.

1.14 A beneficiary will be entitled to exercise all the voting rights that attaches to his Class A Ordinary Shares by a proxy supplied by the Trustees of the BEE Trust, which will authorise the beneficiary to exercise those votes.

1.15 In the event that a beneficiary's proxy is not received by Pioneer Foods, the Trustees will be deemed to have been instructed by the beneficiary to vote the Class A Ordinary Shares in the manner that the Trustees deem fit, and the Trustees will then vote accordingly.

1.16 Upon formation of the BEE Trust, Pioneer Foods appointed three Trustees. Thereafter, both Organised Labour and Non-Organised Labour elected two Trustees each, all of whom who were beneficiaries of the BEE Trust. The BEE Trust will therefore never be controlled by Pioneer Foods, but rather by representatives of the beneficiaries. Furthermore, the majority of Trustees will at all times be black people.

1.17 JSE Listings Requirements

The Class A Ordinary shares also comply with the following JSE Listings Requirements:

- Class A Ordinary Shares are not taken into account for purposes of categorising a proposed transaction;
- The Class A Ordinary Shares may not be sold nor may the voting rights be ceded;
- Executive directors of Pioneer Foods may not be trustees of the BEE Trust; and
- Class A Ordinary Shares will grow into ordinary shares once the Notional Threshold Debt is deemed repaid.

DETAILS OF SHARE INCENTIVE SCHEME

Options granted and accepted in terms of the Pioneer Foods Share Incentive Scheme are American options and may be exercised at any time within ten years of the option date. No option premium is payable upon acceptance and the option expires if the participant has not exercised it within ten years.

The managing director, with the authorisation of the board, may in his sole discretion, but subject to the provisions of the Act and the clauses of the deed of trust, order in writing that the trustees make offers in respect of unreserved shares to nominees. A nominee shall only be entitled to and be admitted to participate in the scheme if and to the extent to which offers or options are made or granted to him.

The aggregate number of shares that may be utilised for purposes of the Pioneer Foods Share Incentive Scheme cannot exceed 7.5% of the issued share capital of the Company.

The maximum number of scheme shares which one nominee may accept cannot exceed 2% of the issued share capital of the Company.

Options can be exercised in three ways:

1. Exercise of the option after ten years, with the purchase amount due immediately.
2. Exercise the option within ten years and when exercising, agree with the trustees that payment and delivery of the shares shall be deferred as follows:
 - (a) settlement taking place after the tenth year; or
 - (b) electing that payment of the purchase price and delivery of the shares take place earlier in conjunction with the following periods:
 - (i) 20% of the total number of shares subject to the option on the first anniversary of the option date;
 - (ii) a further 20% of the total number of shares subject to the option on the second anniversary of the option date;
 - (iii) a further 20% of the total number of shares subject to the option on the third anniversary of the option date;
 - (iv) a further 20% of the total number of shares subject to the option on the fourth anniversary of the option date; and
 - (v) the final 20% of the total number of shares subject to the option on the fifth anniversary of the option date,

("the deferred performance scheme").

If no election is made within 30 days after the specific anniversary date mentioned above, no election can be made for that year. The election will carry over to the next anniversary date when election with regards to the previous year's shares may also be exercised.

- (c) Any settlement needs to be paid in cash, i.e. no credit will be granted in terms of settlement.

3. A combination of the above methods.

Shares that are subject to the Pioneer Foods Share Incentive Scheme can only be traded once the shares have been released. Shares can only be released after the option has been exercised, payment has been made and shares have been delivered. Further, release of the shares can only take place after certain time periods have elapsed. The shares will be released over a cumulative period of five years, calculated from the option date, i.e. 20% of the shares per year.

If the employment of participants in the Pioneer Foods Share Incentive Scheme is terminated:

1. due to retirement, death, illness, permanent disability, lay-offs or any other reason approved by the Board, the participant or executor of his or her estate has the option to:
 - (a) irrespective of the periods lapsed in terms of release of the shares, sell the shares purchased from the Share Incentive Trust back to the Share Incentive Trust, within 60 days of termination of employment, at the highest of the original option price, the mid-market price as described in the

Share Incentive Trust deeds on the date of termination of employment, or such higher price as determined at the Board's discretion; or

(b) keep participating in the scheme as if termination of employment had never happened;

2. due to resignation, the participant is required to settle the purchase amount of all shares of which the release dates described in paragraph 2 above has taken place. All other shares have to be sold back to the Share Incentive Trust at the original option price within 90 days after resignation; and
3. due to dismissal, all shares already paid for and released to the participant may be retained, however, all other shares must be sold back to the Share Incentive Trust within 60 days at the lower of the original option price or the mid-market price as described in the Share Incentive Trust deeds on the date of termination of employment.

At any stage after the participant has exercised his or her option, they may cede their rights to their shares to a family trust, company or close corporation of which they are a member or of which their immediate family are shareholders or members. The specific entity must consent in writing to be bound by the terms and conditions in the trust deed (except for the payment of the purchase price, for which the participant will remain liable).

The trustees exercise all rights linked to shares held for the benefit of the Pioneer Food Share Incentive Scheme, including voting rights, conversion rights and rights to take up further shares as they deem fit. Dividends accruing to beneficiaries will first be utilised to settle any outstanding debt and interest obligations which may have arisen through participation in the Pioneer Food Share Incentive Scheme.

If the Company is placed in liquidation, the trust shall, if requested by the Board, be entitled to make such adjustments to the purchase price in respect of such shares as the auditors may certify as fair and reasonable under the circumstances and, if required by the Companies Act, subject to approval by the Court. The above-mentioned provisions shall also apply in respect of any option that has not yet been exercised.

DETAILS OF THE PHANTOM SHARE PLAN

1. INTRODUCTION

The Pioneer Food Group Limited Equity Settled Phantom Share Plan is intended as an incentive to selected Employees to promote the continued growth of the Company and/or its Subsidiaries. Subject to the terms and conditions hereof, selected Employees will be granted the opportunity of acquiring Shares in the Company in future, with the quantum of their awards based on the future increase in the value of the Shares.

2. INTERPRETATION

2.1 In these Rules, unless inconsistent with the context, the following words and expressions shall have the following meanings:

- 2.1.1 "Closed Period": a closed period, as defined in the Listings Requirements of the JSE, and regulated in the Security Services Act, No. 36 of 2004, applicable to the Company from time to time;
- 2.1.2 "Date of Grant": the date on which PSRs are Granted to an Employee as specified in the Letter of Grant, irrespective of the date on which the PSRs Granted to an Employee, are actually Accepted and/or Exercised;
- 2.1.3 "Employee": a person eligible for participation in the Plan namely an officer or other employee employed on a full-time basis by a member of the Group, including executive directors but excluding non-executive directors;
- 2.1.4 "Employer Company": a company in the Group that employs an Employee, including a company in the Group that employs an Employee that has been transferred to such company subsequent to the Date of Grant;
- 2.1.5 "Exercise" or "Exercised": the completion of an Exercise Notice by a Participant in terms of Rule 6.2;
- 2.1.6 "Exercise Notice": a completed written or electronic notice, in the format provided by the Company, given by a Participant to the Directors in respect of the Exercise of a PSR granted to such Participant;
- 2.1.7 "Exercise Price": Before the listing of the Company on the JSE, the weighted average price of the Share that traded on the over-the-counter facility implemented by the Company for purposes of trade in Shares, for the 20 (twenty) trading days immediately prior to the date on the Exercise Notice, as certified by the secretary of the Company for the time being. After the listing of the Company on the JSE, the closing price of the Share as quoted by the JSE on the Business Day immediately preceding the date on the Exercise Notice;
- 2.1.8 "Grant" or "Granted": the delivery by the Directors of a Letter of Grant to an Employee;
- 2.1.9 "the Grant": the offer to participate in the Plan as indicated in a Letter of Grant that has been delivered to an Employee;
- 2.1.10 "Grant Price": the Market Value of a Share on the Business Day immediately preceding the Date of Grant;
- 2.1.11 "Plan": the Pioneer Food Group Limited Equity Settled Phantom Share Plan constituted by these Rules, as amended from time to time;
- 2.1.12 "Plan Period": the period from the Date of Grant to midnight on the tenth anniversary of the Date of Grant, or such other period as determined by the Directors in their absolute discretion;

- 2.1.13 “Phantom Share Right” or “PSR”: the right to the excess of the Exercise Price over the Grant Price that vests on the Exercise thereof in a Participant in terms of this Plan provided that the Participant will not become entitled to receive the excess in cash, but will be entitled to receive Shares or a portion of a Share calculated by dividing the excess with the Exercise Price;
- 2.1.14 “Settlement”: delivery of the required number of Shares to which a Participant will become entitled as a result of the Exercise of his PSRs in terms of Rule 7, and “Settle” and “Settled” shall be construed accordingly;
- 2.1.15 “Settlement Date”: within 30 (thirty) days from the Exercise Date;
- 2.1.16 “Share”: ordinary shares with a par value of 10 (ten) cents each (or as adjusted) in the capital of the Company; and
- 2.1.17 “Vesting Date”: the date on which PSRs become exercisable in terms of Rule 6, and as stipulated in the Letter of Grant, and “Vest” and “Vested” shall be construed accordingly.

3. **OPERATION OF THE PLAN**

The Directors are responsible for the governance of this Plan. Subject to the terms and conditions of this Plan, the Directors will, therefore, have the final authority to decide, by means of a resolution, on which Employees will participate in this Plan, the quantum of the Grants to be made to these Employees and all other issues relating to the governance of this Plan.

4. **PLAN LIMITS**

4.1 **Overall Company Limit:**

4.1.1 The maximum number of Shares that may be transferred to Employees under this Plan shall not exceed 14 500 000 (fourteen million five hundred thousand) Shares (which represents approximately 7.5% (seven and a half per cent) of the number of issued shares of the Company as at the date of the general meeting at which this Plan is approved by shareholders).

4.2 **Individual limit**

The maximum number of Shares that may be transferred to any Participant in respect of this Plan shall not exceed 2% (two per cent) of the issued share capital of the Company from time to time.

5. **GRANT OF PSRS**

5.1 **Time when PSRs may be Granted**

The Directors may make a Grant to an Employee on or after any of the following dates:

- 5.1.1 the date of the adoption of this Plan;
- 5.1.2 the day after the publication of the Company’s annual results for any period. However, the Directors may allow an Employee to join this Plan part way through a Financial Year of the Company by making a Grant as soon as is practically possible after the interim results for that period are published; and
- 5.1.3 any day on which there are no restrictions on the making of Grants, being restrictions imposed by a Closed Period, statute, order, regulation or directive, or by any code adopted by the Company based on the provisions contained in the King Report on Corporate Governance relating to dealings in securities by Directors, or the Listings Requirements of the JSE, as the case may be.

6. VESTING, EXERCISE AND ACCRUAL OF PSRS

6.1 Vesting of PSRs

6.1.1 Notwithstanding anything to the contrary contained in these Rules, PSRs Granted will only Vest and become exercisable as follows:

6.1.1.1 no PSRs will Vest and become exercisable prior to the first anniversary of the Date of Grant;

6.1.1.2 20% on the first anniversary of the Date of Grant;

6.1.1.3 a further 20% on the second anniversary of the Date of Grant;

6.1.1.4 a further 20% on the third anniversary of the Date of Grant;

6.1.1.5 a further 20% on the fourth anniversary of the Date of Grant; and

6.1.1.6 the final 20% on the fifth anniversary of the Date of Grant,

unless the Directors in their absolute discretion, from time to time, vary the Vesting Dates in respect of any of the PSRs Granted.

6.2 Manner of Exercise

6.2.1 PSRs that have not Vested may not be Exercised.

6.2.2 All PSRs that have Vested:

6.2.2.1 may only be Exercised to the extent that it has not lapsed as contemplated in Rule 8;

6.2.2.2 may be Exercised at any time after it has vested in terms of Rule 6.1.1; and

6.2.2.3 must be Exercised before the end of the Plan Period.

6.2.3 The Exercise Notice must specify the number of PSRs being Exercised.

6.2.4 Exercise will only be permitted in respect of 100 (one hundred) PSRs or multiples thereof, provided that fractional exercising will be permissible in respect of the final tranche of PSRs that can be Exercised, to the extent that this does not constitute 100 (one hundred) or a multiple thereof.

7. SETTLEMENT

7.1 Settlement of a PSR is subject to the condition that the Participant who holds that PSR Exercise that PSR. Before a Participant Exercise the vested PSR, the relevant Employer Company will not be obliged to Settle.

7.2 Following the Exercise of PSRs by a Participant, the relevant Employer Company will be obliged, by the Settlement Date, to deliver, or procure the delivery of a number of Shares to the Participant calculated in accordance with the following formula:

$$(A \div B) \times C$$

Where:

'A' represents the excess of the Exercise Price over the Grant Price that vests on the Exercise in a Participant in terms of this Plan;

'B' represents Exercise Price; and

'C' represents the number of PSRs Exercised by the Participant.

7.3 The Employer Company will Settle the obligation in Rule 7.2 by subscribing for new Shares to be allotted and issued by the Company directly to the Participants or by purchasing those shares.

8. LAPSE OF PSRS

8.1 All PSRs will lapse to the extent not Exercised on the expiry of the Plan Period. If, however, the Plan Period expires during a Closed Period, it will be extended for a period of 90 (ninety) days from the end of the Closed Period.

- 8.2 If, while any portion of a Participant's PSRs remains unexercised, such Participant ceases to be an Employee of any Employer Company by reason of his resignation or dismissal on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct (whether such cessation occurs as a result of notice given by him or otherwise, or where he resigns to avoid dismissal on ground of misconduct, poor performance or proven dishonest or fraudulent conduct), all unexercised (Vested and Unvested) PSRs will lapse on such cessation unless the Directors in their absolute discretion determine otherwise.
- 8.3 If, while any portion of a Participant's PSRs remains unexercised, such Participant ceases to be an Employee by reason of his retirement, retrenchment, death, or a reason other than listed in Rule 8.1, the Participant, the executor of his deceased estate or his heirs and legatees, as the case may be, will be entitled to the same rights, and be subject to the same conditions, under this Plan as if the Participant had continued to be an Employee.

DETAILS OF MAJOR SUBSIDIARIES

Details of the subsidiary companies of Pioneer Foods are set out below

Company (Proprietary) Limited, except where indicated otherwise	Registration number	Country of incorporation	State	Issued share capital Rand, except where indicated otherwise	Share- holding %	Effective date of becoming a subsidiary	Net profit/ (loss) R'000 2007
Manufacturing							
Agri Protein Processing	2000/013485/07	South Africa		100	100	30/09/2002	58
Belso's Holdings Limited	2495578	United Kingdom	Dormant	GBP 1	100	11/04/2005	–
Belso's (UK) Cereals Limited	2186964	United Kingdom	Dormant	GBP 1	100	11/04/2005	–
Belso's Properties Limited	2495901	United Kingdom	Dormant	GBP 1	100	11/04/2005	–
Bokomo Foods (UK) Limited	4080435	United Kingdom		GBP 1 500 120	100	01/03/2004	(10 881)
Grain Health Foods (United Kingdom)	5188250	United Kingdom	Dormant	GBP 1	100	11/04/2005	–
Credin Bakery Supplies	1997/17494/07	South Africa	Dormant	10 000	100	01/01/2004	(435)
Ceres Fruit Juices	1972/004728/07	South Africa		100 000	100	01/12/2004	45 786
Retail Brands Interafrica	1993/000454/07	South Africa		1 000	100	01/02/2004	(13 111)
Continental Beverages	1994/004651/07	South Africa		1 000	100	01/02/2004	21 054
Thomson Broilers	1999/007444/07	South Africa	Dormant	1 000	100	01/10/2004	–
Pioneer Foods	1957/000634/07	South Africa		252	100	Note 1	447 874
Bokomo Zambia Limited	37726	Zambia				01/04/1998	4 854
– Ordinary shares				K 1 800 000	100		
– Preference shares				K 200 000	100		
Bokomo Uganda	43011	Uganda		US\$ 20 000	100	01/03/2000	906
Sasko Pasta	1996/002247/07	South Africa		1 000	100	Note 1	(992)
S.A.D Vine Fruit	1998/016527/07	South Africa	Dormant	1 000	100	01/08/2002	–
S.A.D Tree Fruit	1998/016526/07	South Africa	Dormant	1 000	100	01/08/2002	–
Barvale	1950/036399/07	South Africa		92 200	100	01/08/2002	(30)
Cape Dried Fruit	1939/012494/07	South Africa	Dormant	6 000	100	01/08/2002	–
Laeveld Neute	1996/014069/07	South Africa	Dormant	1	100	01/08/2002	–
Maitland Vinegar Works	1965/003734/07	South Africa		460 593	68	01/08/2002	1 743
Sador Boerdery	1981/009996/07	South Africa	Dormant	1	100	01/08/2002	(375)
Safari Nuts	1998/002404/07	South Africa		204	100	01/08/2002	3 758
Golden Lay Foods	2003/001577/07	South Africa	Dormant	100	100	11/10/2004	2 148
Properties and letting							
Saslink	1992/007141/07	South Africa		1	100	Note 1	(11)
Sasned	1964/008366/07	South Africa	Dormant	2	100	Note 1	–
Investments							
Pioneer Foods Holdings Limited	1956/001280/06	South Africa		220	100	Note 1	168 195
S.A.D Holdings Limited	1998/014855/06	South Africa	Dormant	100	100	01/08/2002	(9 788)
S.A.D Groepbeleggings	1948/030882/07	South Africa	Dormant	2	100	01/08/2002	–
S.A.D Foods Limited	1947/025660/06	South Africa	Dormant	1	100	01/08/2002	–
Ceres Fruit Juices Investment Holdings	1970/000721/07	South Africa	Dormant	200	100	01/12/2004	–
Ceres Investment Company	1992/006984/06	South Africa	Dormant	195 000	100	01/12/2004	(2 972)
Services							
Sasguard Insurance Company Limited	1996/012811/06	South Africa		30 000	100	Note 1	16 698
Packaging							
Craft Box Corrugated	1993/003155/07	South Africa	Dormant	200	100	01/08/2000	(2 842)

Note 1:

Company existed before Pioneer Foods was legally established on 20 June 1997.

Details of Pioneer Foods' share of profits and or loss for joint ventures and associated companies

Company (Proprietary) Limited, except where indicated otherwise	Shareholding %	Net profit/(loss) R'000 2007
Joint ventures:		
Manufacturing		
Bokomo Botswana	50	4 616
Bowman Ingredients SA	50	2 317
Bokomo Namibia	50	1 312
Lohmann Breeding SA	50	107
Sosoy	50	(725)
Heinz Foods SA	49.9	10 741
Associated companies:		
Property and letting		
Barberton Bakery Property	50	–
Manufacturing		
Bergsig Breeders	28	72

DETAILS OF PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED

Principal immovable properties owned are set out below

Owner	Property type	Location	Description	Date of purchase	Area
1. Pioneer Foods	Head office	32 Market Street Paarl Western Cape	Erf 16123, Paarl in the Municipality and Division of Paarl, Western Cape	1993	3 588 m ²
2. Pioneer Foods	Head office	32 Market Street Paarl Western Cape	Erf 24264, a portion of Erf 16123, Paarl in the Municipality and Division of Paarl Western Cape	1993	3 953 m ²
3. Pioneer Foods	Head office – Sasko Bakeries	17 Tekstiel Street Huguenot Paarl	ERF 5450, Paarl in the Drakenstein Municipality Division, Paarl, Province Western Cape	2007	4 086 m ²
4. Pioneer Foods	Sasko Pasta and Malmesbury Bread Depot	11 Fabriek Street Malmesbury Western Cape	Erf 7696, Malmesbury, in the Swartland Municipality, Malmesbury Division Western Cape	1996	2.1906 ha
5. Pioneer Foods	Egg production farm	Okahandja, Namibia	Portion 117 (Arbeidskroon) of consolidated farm Okahandja Dorpsgronde No. 277, Registered Division "J", Otjozondjupa Region	2007	507 490 m ²
6. Pioneer Foods	Grain mill, maize mill and depot	Windhoek, Namibia	Portion 10 (portion of portion c) of the farm Brakwater 48, Windhoek Municipality, Namibia	1998	12.6018 ha
7. Pioneer Foods	Feeds factory, store and silos	30 Bokomo Road Malmesbury Western Cape	Erf 3011, Municipality, Malmesbury Division, Western Cape Provinsie	1980	1.3977 ha
8. Pioneer Foods	Feeds offices	30 Bokomo Road Malmesbury Western Cape	Remaining portion Erf 2975 Municipality, Malmesbury Division Western Cape	1986	2 857 m ²
9. Pioneer Foods	Feeds factory, store and silos	Bokomo Road Malmesbury Western Cape	Erf 3012, Municipality, Malmesbury Division, Western Cape	1979	4 511 m ²
10. Pioneer Foods	Feeds factory, offices and silos	730 Lavender Road Bon Accord Gauteng	Portion 277 of the farm De Onderstepoort Nr 300 JR Registration Division, Gauteng	1957	2.8348 ha
11. Pioneer Foods	Packstation	Brackenfell Western Cape	Erf 1840, Brackenfell, Brackenfell Municipality, Western Cape	1989	1 836 m ²
12. Pioneer Foods	Packstation	Brackenfell Western Cape	Erf 1841, Brackenfell, Brackenfell Municipality, Western Cape	1989	1 887 m ²
13. Pioneer Foods	Packstation	Brackenfell Western Cape	Erf 1842, Brackenfell, Brackenfell Municipality, Western Cape	1989	1 879 m ²
14. Pioneer Foods	Packstation	Brackenfell Western Cape	Erf 1839, Brackenfell, Brackenfell Municipality, Western Cape	2007	3 774 m ²
15. Pioneer Foods	Laying farm, chicken houses, packstation	Lanseria Krugersdorp Gauteng	Remaining extent of portion 5 (a portion of portion 1) of the farm Elandsdrift 527, Registration Division J.Q. the Province of Gauteng	2004	130.5098 ha
16. Pioneer Foods	Abattoir	Klipheuwel Road Durbanville Western Cape	Remaining portion 19 of the farm 168, Cape Town, Western Cape	1995	11.9927 ha
17. Pioneer Foods	Abattoir	Klipheuwel Road Durbanville Western Cape	Portion 29 of the farm 168, Cape Town Western Cape	1995	6.3333 ha
18. Pioneer Foods	Abattoir	N7 Western Cape	Remainder of the farm 1467, in the Division of Cape Town, Western Cape	1997	100.0549 ha

Owner	Property type	Location	Description	Date of purchase	Area
19. Pioneer Foods	Broilers farm	Vrede Broilers Klipheuwel	Portion 3 of farm Magrug, No 51, Cape district Western Cape Province Western Cape Portion 4 of the farm Vryheid, No 55 Cape district Western Cape Province	2007	294.1611 ha 8.8979 ha
20. Pioneer Foods	Breeding farm	Corner of Cathy and de la Rey Streets Bronkhorstspuit	Portion of remainder of portion 2 (a portion of portion 1) of the farm Klipeiland 524, Registration Division J.R., Gauteng Province in the process of being sub-divided	1989	3.5 ha
21. Pioneer Foods	Offices	1 Biella Building Bella Rosa Street Rosenpark Bellville Western Cape	Unit 26 Bella Rosa One	2007	1 927 m ²
22. Pioneer Foods	Factories with offices	14 – 18 Fisher Avenue Eppindust Western Cape	Erf 32492, Epping, Cape Town Municipality, Western Cape Erf 163492 portion of Erf 32495 Cape Town consolidated into Erf 163493, Cape Town	1979	38 000 m ²
23. Pioneer Foods	Factory with offices	5 Morningside Road Sunrise Circle N'dabeni Western Cape	Erf 155422, Cape Town at Maitland in the City of Cape Town, Cape Division Western Cape Province	2004	8 129 m ²
24. Pioneer Foods	Factory with offices	Charles Matthew Street, Atlantis Western Cape	Remaining portion 183 of the farm 1183 in the area of the Metropolitan transitional structure of Atlantis, Division Cape Town Western Cape	1985	3.3908 ha
25. Pioneer Foods	Factory with offices	c/o Wadeville and Murray Roads Wadeville, Germiston Gauteng	Erf 239, Wadeville Extension 1 Township Registration Division I.R., Transvaal	1999	2.3931 ha
26. Pioneer Foods	Factory with offices	Neil Hare Road Atlantis Western Cape	Portion 174 of the Farm 1183, in the Blaauwberg Municipality, Division Cape Town, Western Cape (Atlantis Industria)	1998	4.0899 ha
27. Pioneer Foods	Bakery	76 Sailor Malan Street Aeroton, Gauteng	Erf 147, Aeroton, Extension 7, town area Registration Division I.Q., Gauteng	1992	5 858 m ²
28. Pioneer Foods	Bakery	76 Sailor Malan Street Aeroton, Gauteng	Erf 148, Aeroton, Extension 7, town area Registration Division I.Q., Gauteng	1992	5 644 m ²
29. Pioneer Foods	Bakery	76 Sailor Malan Street Aeroton, Gauteng	Erf 149, Aeroton, Extension 7, town area Registration Division I.Q., Gauteng	1992	5 637 m ²
30. Pioneer Foods	Bakery	76 Sailor Malan Street Aeroton, Gauteng	Erf 150, Aeroton, Extension 7, town area Registration Division I.Q., Gauteng	1992	4 869 m ²
31. Pioneer Foods	Bakery	76 Sailor Malan Street Aeroton, Gauteng	Erf 151, Aeroton, Extension 7, town area Registration Division I.Q., Gauteng	1992	611 m ²
32. Pioneer Foods	Bakery	76 Sailor Malan Street Aeroton, Gauteng	Erf 152, Aeroton, Extension 7, town area Registration Division I.Q., Gauteng	1995	374 m ²
33. Pioneer Foods	Bakery	76 Sailor Malan Street Aeroton, Gauteng	Erf 153, Aeroton, Extension 7, town area Registration Division I.Q., Gauteng	1995	4 873 m ²
34. Pioneer Foods	Bread depot, silos, mill, stores and offices	Parson Street Aliwal North Eastern Cape	Erf 2927, Aliwal North, in the Aliwal/ Maletswai Transitional Council, Division Aliwal-North, Eastern Cape	1994	5.4975 ha
35. Pioneer Foods	Bakery	Commercial Way c/o Haupt Street and Frost Lane Eastern Cape	Erf 6880, Korsten in the municipality of Port Elizabeth, Division of Port Elizabeth The province of Eastern Cape	1979	1.8237 ha
36. Pioneer Foods	Bakery	Eastern Cape	Remaining extent of Erf 142, Korsten Township, The province of Eastern Cape	2007	381 m ²
37. Pioneer Foods	Bakery	Eastern Cape	Remaining extent of Erf 2775, Korsten Township, The province of Eastern Cape	2007	1 809 m ²

Owner	Property type	Location	Description	Date of purchase	Area
38. Pioneer Foods	Bakery	Eastern Cape	Erf 2776, Korsten Township the Province of Eastern Cape	2007	571 m ²
39. Pioneer Foods	Bakery	Eastern Cape	Erf 2777, Korsten Township the Province of Eastern Cape	2007	191 m ²
40. Pioneer Foods	Bakery	Eastern Cape	Erf 2778, Korsten Township the Province of Eastern Cape	2007	191 m ²
41. Pioneer Foods	Bakery	Eastern Cape	Erf 2779, Korsten Township the Province of Eastern Cape	2007	191 m ²
42. Pioneer Foods	Bakery	Eastern Cape	Erf 2780, Korsten Township the Province of Eastern Cape	2007	191 m ²
43. Pioneer Foods	Bakery	Eastern Cape	Remaining extent of Erf 2781 Korsten Township, the Province of Eastern Cape	2007	191 m ²
44. Pioneer Foods	Bakery	Eastern Cape	Erf 2782, Korsten Township the Province of Eastern Cape	2007	191 m ²
45. Pioneer Foods	Bakery	Eastern Cape	Remaining extent of Erf 2783 Korsten Township, the Province of Eastern Cape	2007	191 m ²
46. Pioneer Foods	Bakery	Eastern Cape	Erf 2784, Korsten Township the Province of Eastern Cape	2007	191 m ²
47. Pioneer Foods	Bakery	Eastern Cape	Erf 2791, Korsten Township the Province of Eastern Cape	2007	327 m ²
48. Pioneer Foods	Bakery	Eastern Cape	Erf 3890, Korsten Township the Province of Eastern Cape	2007	664 m ²
49. Pioneer Foods	Bakery	Eastern Cape	Erf 2452, Brits, Extension 16, town area Registration Division J.Q., Gauteng	1989	4 136 m ²
50. Pioneer Foods	Bakery	Eastern Cape	Portion 465 (a portion of portion 79) of the farm Roodekopjes of Zwartkopjes 427, Registration Division J.Q., Gauteng	1992	965 m ²
51. Pioneer Foods	Bakery	14 Myhof Street Western Cape	Erf 54230, Claremont, Cape Town Municipality of Cape Town	1989	2.2925 ha
52. Pioneer Foods	Bakery	2 West Street Groblersdal Mpumalanga	Erf 520, Groblersdal, Extension 4 Registered Division J.S., the Province of Mpumalanga	2002	1.1632 ha
53. Pioneer Foods	Bakery	182 Commissioner Street Krugersdorp Gauteng	Erf 585, Burgershoop, town area Registered Division I.Q., Gauteng	1988	6 692 m ²
54. Pioneer Foods	Bakery	32 Job Street Krugersdorp Gauteng	Erf 39, Burgershoop, town area Registered Division I.Q. Gauteng	1989	372 m ²
55. Pioneer Foods	Bakery	30 Job Street Krugersdorp Gauteng	Erf 46, Burgershoop, town area Registered Division I.Q. Gauteng	1989	372 m ²
56. Pioneer Foods	Bakery	28 Job Street Krugersdorp Gauteng	Erf 51, Burgershoop, town area Registered Division I.Q. Gauteng	1989	372 m ²
57. Pioneer Foods	Bakery	26 Job Street Krugersdorp Gauteng	Erf 58, Burgershoop, town area Registered Division I.Q. Gauteng	1989	372 m ²
58. Pioneer Foods	Bakery	18 Bloukrans Road Ladysmith KwaZulu-Natal	Sub-division 3 of Erf 6343 Ladysmith situated in the Municipality of Ladysmith, Administration District of KwaZulu-Natal	1986	3.3975 ha
59. Pioneer Foods	Bakery, despatch and silos	43 Industry Road Olifantsfontein Gauteng	Portion 1 of Erf 935 Clayville Extension 4 Registration Division J.R., Gauteng	1990	1.4096 ha
60. Pioneer Foods	Bakery	Vacant land 57 Antimoon Street Polokwane Limpopo	Erf 2137, situated in the town of Polokwane, Polokwane District	1995	1.9424 ha

Owner	Property type	Location	Description	Date of purchase	Area
61. Pioneer Foods	Bakery and bread depot	57 Antimoon Street Polokwane Limpopo	Erf 6430, Polokwane, Extension 8 town area, Registered Division L.S. Gauteng	1997	1.9424 ha
62. Pioneer Foods	Bakery	1 Smithers Road Stanger KwaZulu-Natal	Erf 3596, Stanger, situated in the Municipality of Stanger, Administrative District KwaZulu-Natal	1986	1.1704 ha
63. Pioneer Foods	Bakery	8 Plantation Road Tzaneen Gauteng	Erf 837, Tzaneen, Extension 11 town area, Registered Division L.T. Gauteng	1994	2 894 m ²
64. Pioneer Foods	Bakery	8 Plantation Road Tzaneen Gauteng	Erf 838, Tzaneen, Extension 11 town area, Registered Division L.T. Gauteng	1994	2 079 m ²
65. Pioneer Foods	Bakery	8 Plantation Road Tzaneen Gauteng	Erf 839, Tzaneen, Extension 11 town area, Registered Division L.T. Gauteng	1994	2 561 m ²
66. Pioneer Foods	Bakery	8 Plantation Road Tzaneen Gauteng	Erf 840, Tzaneen, Extension 11 town area, Registered Division L.T. Gauteng	1994	1 821 m ²
67. Pioneer Foods	Bakery	34 Traube Street Worcester Western Cape	Erf 11807, Worcester in the Municipality and Division of Worcester	1986	2.5930 ha
68. Pioneer Foods	Grain mill and mill building	17 President Brand Street, Bethlehem, entrance in Commissioner Street Bethlehem Free State	Portion 1 of Erf 4498 Bethlehem, in the Municipality and Division Bethlehem Free State Province	1987	804 m ²
69. Pioneer Foods	Grain mill and factory	2 Koeberg Road Groen-voerlande Bethlehem, Free State	Erf 4079, situated in the town and District of Bethlehem	1987	7.1008 ha
70. Pioneer Foods	Grain mill	1445 South Coast Road Durban KwaZulu-Natal	Erf 835, Dunns Grant, Registration Division F.T., In the town Durban KwaZulu-Natal Province	1949	1.5067 ha
71. Pioneer Foods	Maize mill, distribution and warehouse	15 Bank Road Estcourt KwaZulu-Natal	Erf 1622, Estcourt (Extension No. 13), Registration Division FS, in the Estcourt/Wembezi Transitional Local Council Area Province of KwaZulu-Natal	1999	4.3675 ha
72. Pioneer Foods	Maize mill	5 Railway Avenue Klerkindustria, Klerksdorp North West	Remaining Extent of Erf 1391 Klerksdorp Extension 1 Township Registration Division IP North West Province	1998	3.8829 ha
73. Pioneer Foods	Maize mill and depot	5 Railway Avenue Klerkindustria Klerksdorp North West	Portion 1 of Erf 1391, Klerksdorp Extension 1 Township, Registration Division IP, North West Province	1998	3 767 m ²
74. Pioneer Foods	Maize mill	5 Railway Avenue Klerkindustria Klerksdorp North West	Remaining Extent of Portion 9 of Erf 1911, Klerksdorp Extension 1 Township, Registration Division IP North West Province	1998	2.5004 ha
75. Pioneer Foods	Grain mill	24 Nicholl Street Chamdor, Krugersdorp Gauteng	Erf 667, Chamdor Town Area Registration Division I.Q. Gauteng (Azaadville)	1997	4.6066 ha
76. Pioneer Foods	Grain mill, warehouse and distribution centre	22 Bokomo Road Malmesbury Western Cape	Erf 7366, Malmesbury in the area of the Malmesbury local transitional council Malmesbury Division, Western Cape plus Erf 9233, portion of Erf 327 Malmesbury, in the Swartland Municipality, Malmesbury Division Western Cape	1994 2005	2.5853 ha 3 166 m ²

Owner	Property type	Location	Description	Date of purchase	Area
77. Pioneer Foods	Grain mill and silo	22 Bokomo Road Malmesbury Western Cape	Consolidated into: Erf 9253 Remainder Erf 1122, Malmesbury, Malmesbury Municipality, Western Cape	1979	2 615 m ²
78. Pioneer Foods	Offices	22 Bokomo Road Malmesbury Western Cape	Erf 3696, Malmesbury, Malmesbury Municipality, Western Cape	1979	2 142 m ²
79. Pioneer Foods	Offices	22 Bokomo Road Malmesbury Western Cape	Erf 1015, Malmesbury, Malmesbury Municipality, Western Cape	1979	1 428 m ²
80. Pioneer Foods	Offices	22 Bokomo Road Malmesbury Western Cape	Erf 1017, Malmesbury, Malmesbury Municipality, Western Cape	1979	714 m ²
81. Pioneer Foods	Grain mill	Eiland Street, Paarl Western Cape	Erf 15378, Paarl In the Municipality and Division of Paarl	1937	2.2396 ha
82. Pioneer Foods	Grain mill	55 Antimoon Street Polokwane Limpopo	Erf 6429, situated in the town Polokwane, Extension 8, Registration Division L.S., Gauteng	1991	6 485 m ²
83. Pioneer Foods	Grain mill	55 Antimoon Street Polokwane Limpopo	Erf 2132, Polokwane Extension 8 Registration Division L.S., Gauteng	1994	6 246 m ²
84. Pioneer Foods	Grain mill	177 Burman Road Deal Party Port Elizabeth Eastern Cape	Erf 619, Swartkops, Municipality Port Elizabeth, Eastern Cape	1985	2.0491 ha
85. Pioneer Foods	Factory	Louivaleweg Upington Northern Cape	Erf 649, Olyvenhoutsdrift Settlement in the Khara Hais Municipality Division Kenhardt, Northern Cape	1987	4 318 m ²
86. Pioneer Foods	Factory	Louivaleweg Upington Northern Cape	Erf 1043, Olyvenhoutsdrift Settlement in the Khara Hais Municipality Division Kenhardt, Northern Cape	1987	5 701 m ²
87. Pioneer Foods	Factory	Louivaleweg Upington Northern Cape	Erf 671, Olyvenhoutsdrift Settlement in the Khara Hais Municipality Division Kenhardt, Northern Cape	1987	1.0547 ha
88. Pioneer Foods	Factory	Louivaleweg Upington Northern Cape	Erf 684, Olyvenhoutsdrift Settlement in the Khara Hais Municipality Division Kenhardt, Northern Cape	1987	2.6046 ha
89. Pioneer Foods	Factory	Louivaleweg Upington Northern Cape	Erf 618, Olyvenhoutsdrift Settlement in the Khara Hais Municipality Division Kenhardt, Northern Cape	1987	2.9078 ha
90. Pioneer Foods	Offices	Louivaleweg Upington Northern Cape	Erf 1056, Olyvenhoutsdrift Settlement in the Khara Hais Municipality Division Kenhardt, Northern Cape	1987	5.4082 ha
91. Pioneer Foods	Factory	11 Main Road Wellington	Erf 13027, Wellington and Erf 11345 Wellington – Consolidated into: remainder of Erf 13033, Wellington in the Drakenstein Municipality Division Paarl, Western Cape	2001	1.6022 ha
92. Pioneer Foods	Offices	11 Main Road Wellington	Remainder of Erf 2776, Wellington in the Drakenstein Municipality Division Paarl, Western Cape	1915	6 994 m ²
93. Pioneer Foods	Factory with offices	9 Church Street Worcester Western Cape	Erf 236, Worcester in the Breede Valley Municipality, Division Worcester, Western Cape	1922	9 146 m ²
94. Pioneer Foods	Factory with offices	9 Church Street Worcester Western Cape	Erf 237, Worcester in the Breede Valley Municipality, Division Worcester, Western Cape	1922	2.5696 ha
95. Pioneer Foods	Factory	10 Pat Mullin Street Hamilton Bloemfontein	Erf 11134 City and District of Bloemfontein	2006	3 906 m ²

Owner	Property type	Location	Description	Date of purchase	Area
96. Pioneer Foods	Factory	10 Pat Mullin Street Hamilton Bloemfontein	Erf 22038 City and District of Bloemfontein	2005	6 977 m ²
97. Pioneer Foods	Factory	1 Guthrie Road Wadeville Germiston	Portion 15 of Erf 285, Wadeville township	2004	3.2501 ha
98. Pioneer Foods	Warehouses	Bon Chretien Street Ceres	Erf 364, portion 111 of the farm Rietvalley Number 364, Witzenberg Municipality, Ceres Division Western Cape	1986	4.814 ha
			Portions 126, 130, 131, 132 of the farm Rietvalley Number 364, Witzenberg Municipality, Ceres Division Western Cape	2006	1.305 ha
99. Pioneer Foods	Depot	3825 Ditlou Street Zone 2, Sesego	Portion 5 of Erf 3825 Sesego in the Polokwane Local Municipality Registration District LS Limpopo Province	1983	8 779 m ²

Principal immovable property leased is set out below

Owner	Property type	Location	Rental	Unexpired term of lease	Area
Pioneer Foods	Factory	Umgeni Road Durban	R4.371 million for 2007	70 months	9 470 m ²

OVER-THE-COUNTER TRADING HISTORY OF PIONEER FOODS SHARES

The over-the-counter trading history of Pioneer Foods shares is set out below.

			High (cents)	Low (cents)	Volume
Quarterly					
2005	June	30	13.32	12.40	2 061 234
	September	30	20.00	12.95	2 529 038
	December	31	24.75	18.71	1 288 230
2006	March	31	33.00	23.50	1 271 439
	June	30	30.15	28.00	1 482 635
	September	30	29.25	26.00	1 320 437
	December	31	33.00	28.00	1 003 821
2007	March	31	32.00	30.10	1 922 342
Monthly					
2007	March	31	31.50	30.55	789 636
2007	April	30	31.30	30.50	381 490
2007	May	31	40.00	30.75	314 072
2007	June	30	38.00	36.01	194 161
2007	July	31	36.00	34.25	190 507
2007	August	31	34.30	32.25	151 572
2007	September	30	36.00	30.50	318 335
2007	October	31	35.00	33.00	152 288
2007	November	30	33.40	27.00	205 809
2007	December	31	32.00	31.00	139 768
2008	January	31	32.50	28.00	245 138
2008	February	29	28.00	26.50	438 275
Daily					
2008	February	15	27.50	27.00	3 568
		18	27.50	27.50	116 000
		19	27.40	27.00	49 400
		20	27.00	26.50	10 000
		21	26.50	26.50	400
		22	27.90	26.50	22 000
		25	27.50	27.50	13 800
		26	27.50	27.00	17 800
		27	27.50	27.00	7 000
		28	27.00	27.00	3 100
		29	27.50	27.00	10 000
2008	March	3	28.00	27.00	32 850
		4	27.90	27.90	7 150
		5	27.00	26.50	22 586
		6	28.00	26.25	23 428
		7	26.25	26.00	54 964
		10	26.05	25.50	6 528
		11	26.00	26.00	6 000
		12	26.00	25.00	26 110
		13	–	–	–
		14	–	–	–
		17	25.00	24.50	33 800
		18	–	–	–
		19	24.50	24.50	3 543
		20	24.50	24.50	2 000
		25	24.75	24.50	8 000
		26	–	–	–
		27	25.00	25.00	710
		28	25.00	25.00	3 488
		31	25.00	24.70	11 000

Source: Barnard Jacobs Mellet, Pioneer Foods.

