



Presentation: 12th Merrill Lynch Conference

1 April 2011, Sun City

Business segments



FINANCIAL SERVICES PBT *

2010: 9% 2009: 3%

GROCapital
AFGRI Capital
Broking
Insurance

AGRI SERVICES PBT *

2010: 55% 2009: 67%

Grain Management
Retail and Mechanisation

FOODS PBT *

2010: 36% 2009: 30%

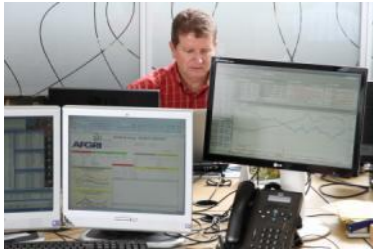
Animal Feeds
Poultry
Nedan

** Contribution to group operating profit before tax, corporate and BEE SPVs charges*

AFGRI's empowerment partner is Izitsalo Employee Investments which owns 26.77% of AFGRI Operations through an Employee Empowerment Trust and a Charitable Trust

Financial services segment

GroCapital



AFGRI Capital



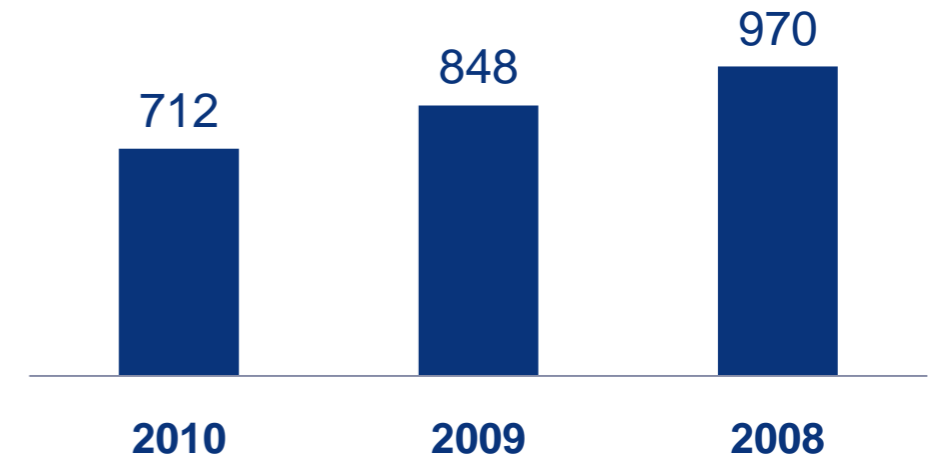
Insurance



- **Activities**
 - Broking
 - Treasury
 - Forex management
 - Lending
 - Insurance
- **Clients**
 - Commercial farmers
 - Corporate clients
 - AFGRI
 - Individuals
- **Income derived from**
 - Interest income
 - Broking fees on SAFEX
 - Forex management fees
 - Facility fees



Revenue (R'm)
■ Financial Services



Profit before tax (R'm)
■ Financial Services



Agri services segment

Retail & Mechanisation



Grain management



Activities

- Retail and mechanisation sales
- Service centers and advisory services
- Grain management
- Collateral management of silos

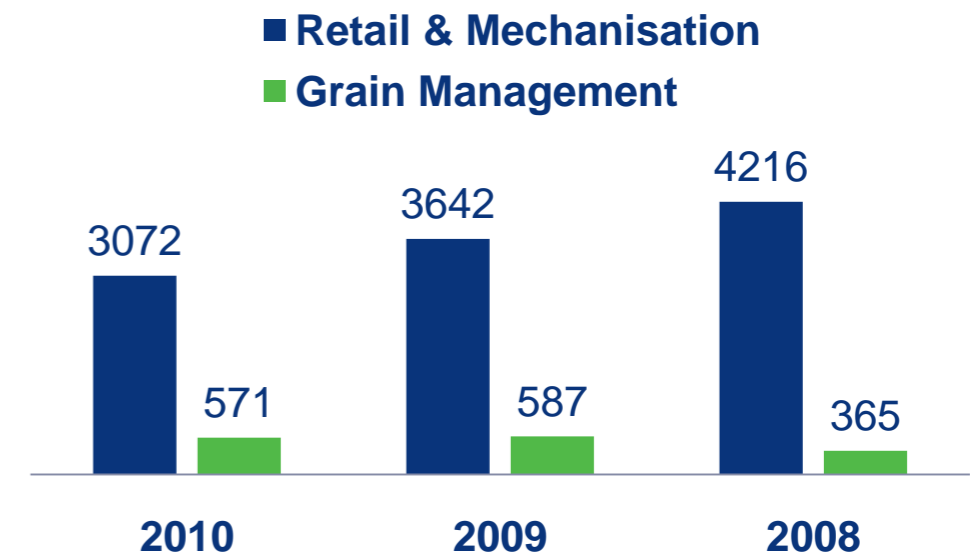
Clients

- Contractors
- Producers (maize, soybeans, sunflower and wheat)
- Traders
- Millers and processors
- AFGRI Animal Feeds and Nedan

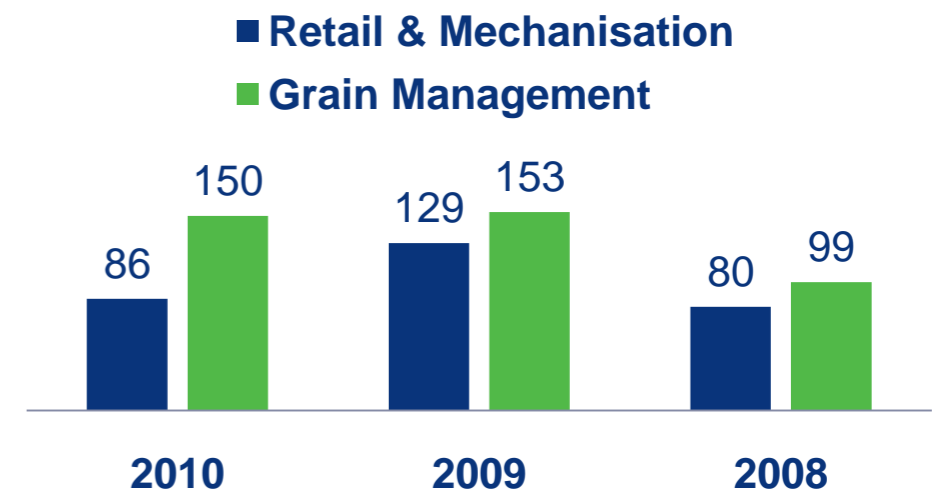
Income derived from

- Retail and mechanisation sales
- Parts
- Service centres
- Grain management fees
- Collateral management fees

Revenue (R'm)



Profit before tax (R'm)



Foods segment

Oil & Protein



Animal Feeds

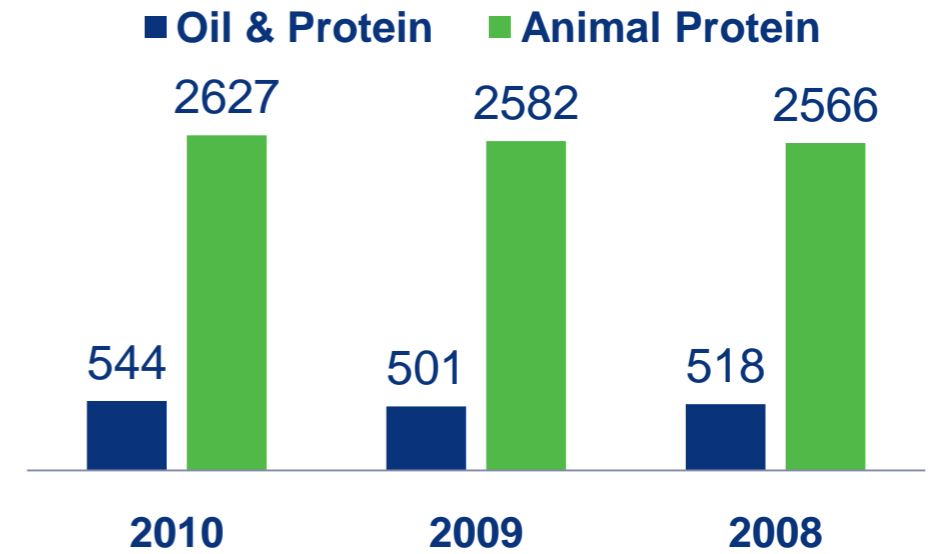


Poultry

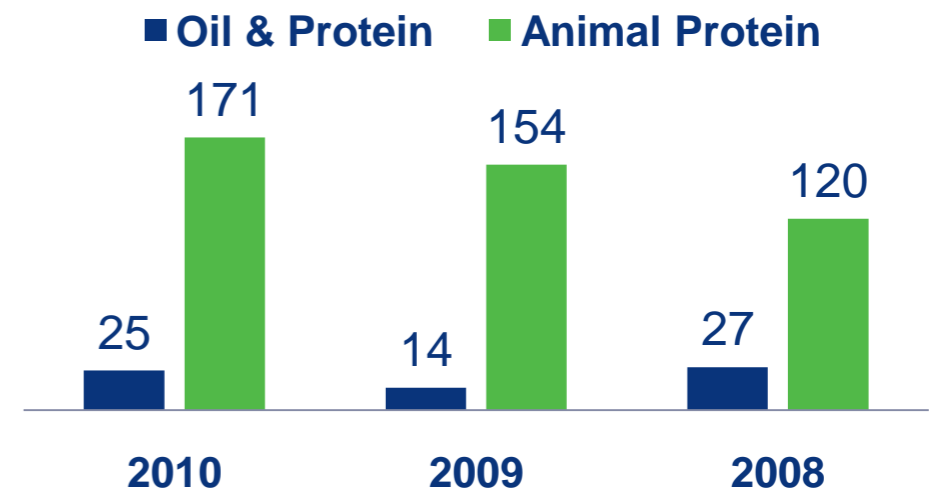


- **Activities**
 - Oil processing & extraction
 - Breeder capacity
 - Day old chick supply
 - Poultry products
 - Manufacture of animal feeds
- **Clients**
 - Wholesalers
 - Retail chains
 - Large multinationals & independent producers
- **Income derived from**
 - Sale of day old chicks & poultry products
 - Animal feed sales
 - Sale of oil products

Revenue (R'm)

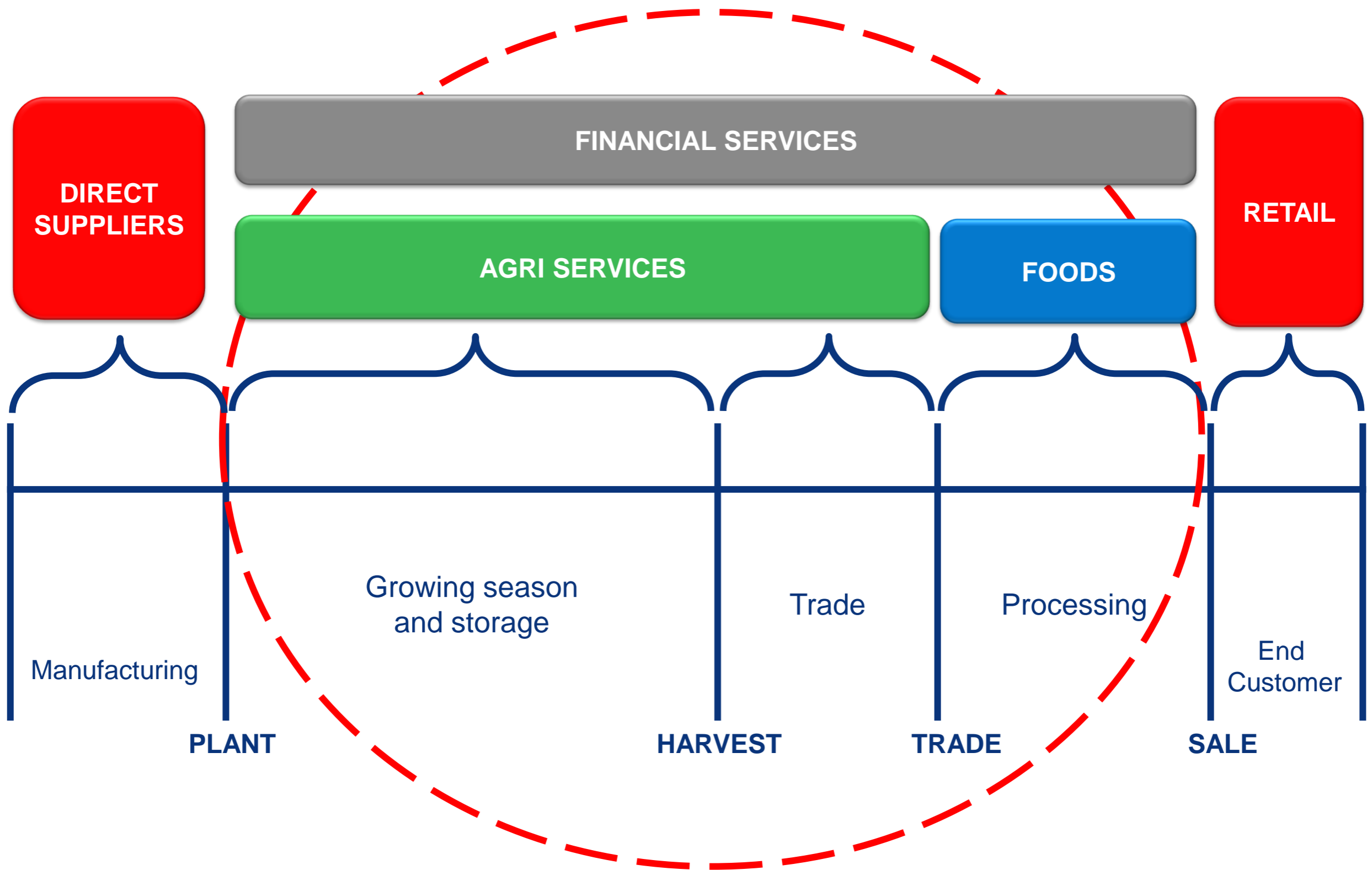


Profit before tax (R'm)





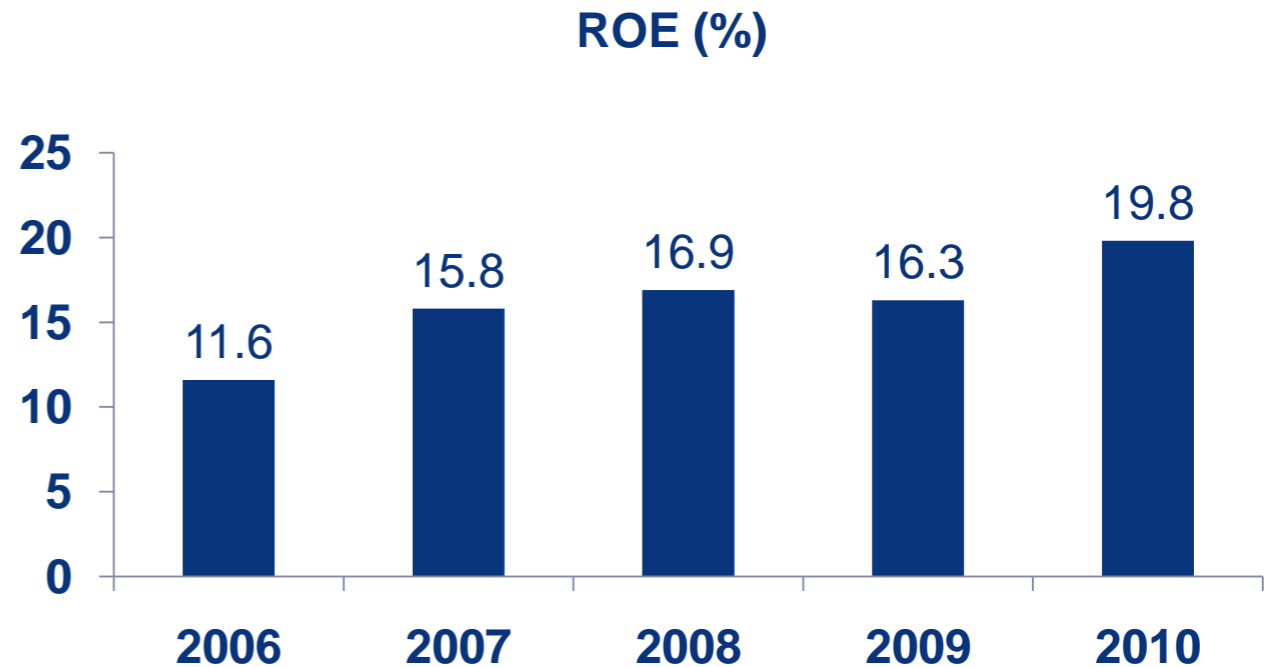
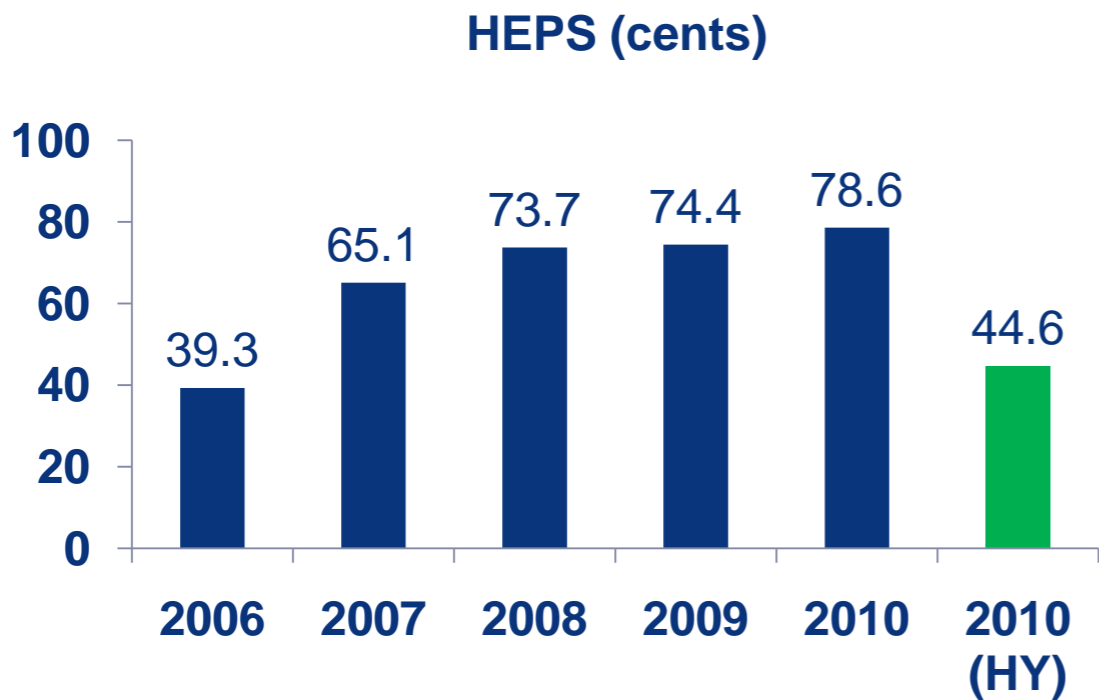
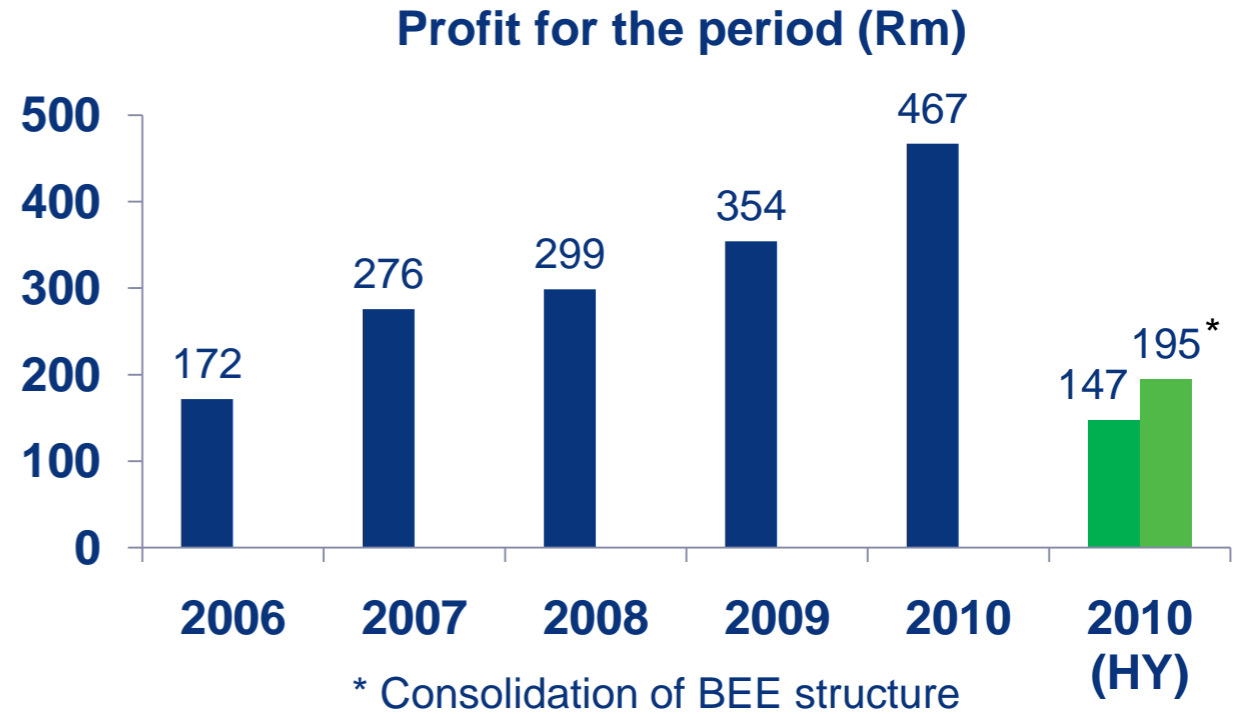
The AFGRI value chain





Financial overview

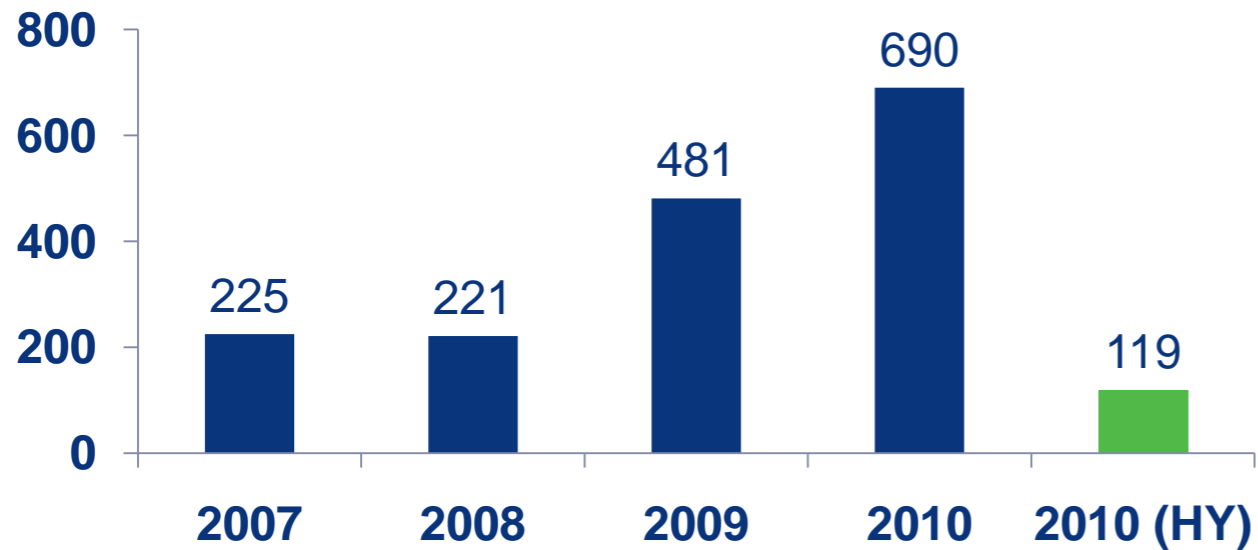
Listing particulars	
Year end	June
JSE ticker	AFR
Listed exchange	JSE Main Board: Food Producers
Sub sector	Farming & Fishing
Market cap	R2.5 billion
NAV	446 cents per share (Dec 2011)





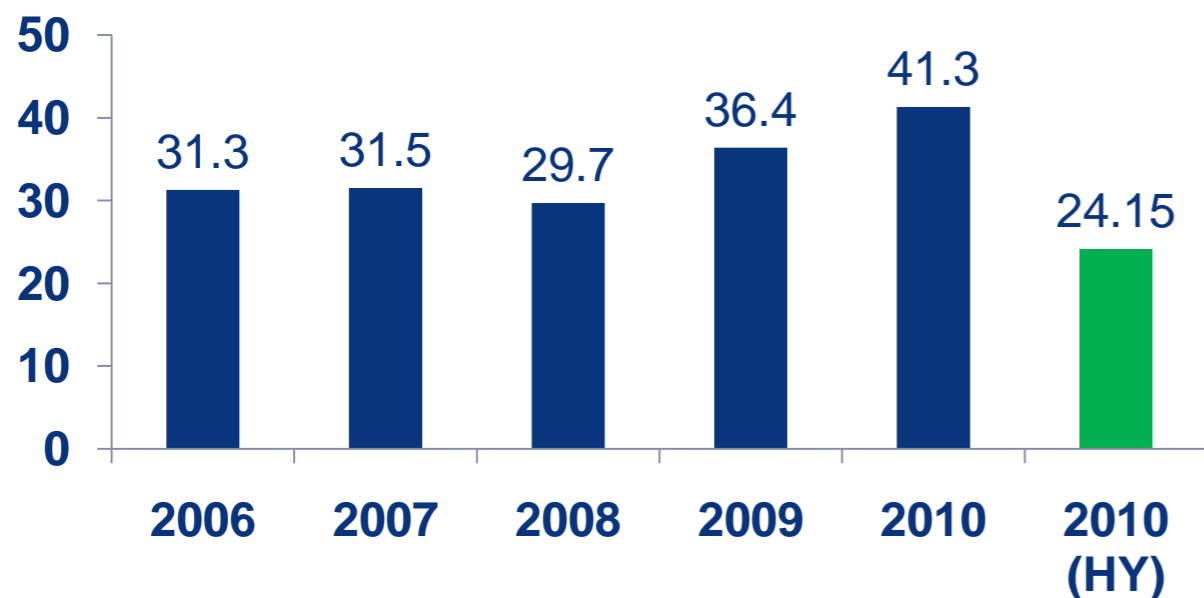
Financial overview (con't)

Cash generation (Rm)



- AFGRI is in the process of selling its debtors book
 - Will normalise debt:equity ratio

Dividends (total)



AFGRI in numbers

Town & Country	35 branches
Farm City	4 stores
John Deere	13 workshops & sales agencies
Grain storage silo installation	64
Vertical bunker storage sites	9
Collateral management	13
Handling & storage capacity	4.45m tons
Tractor sales	31% mkt share
Combine harvester sales	47% mkt share
Animal Feed Mills	7
Animal Feed Depots	4

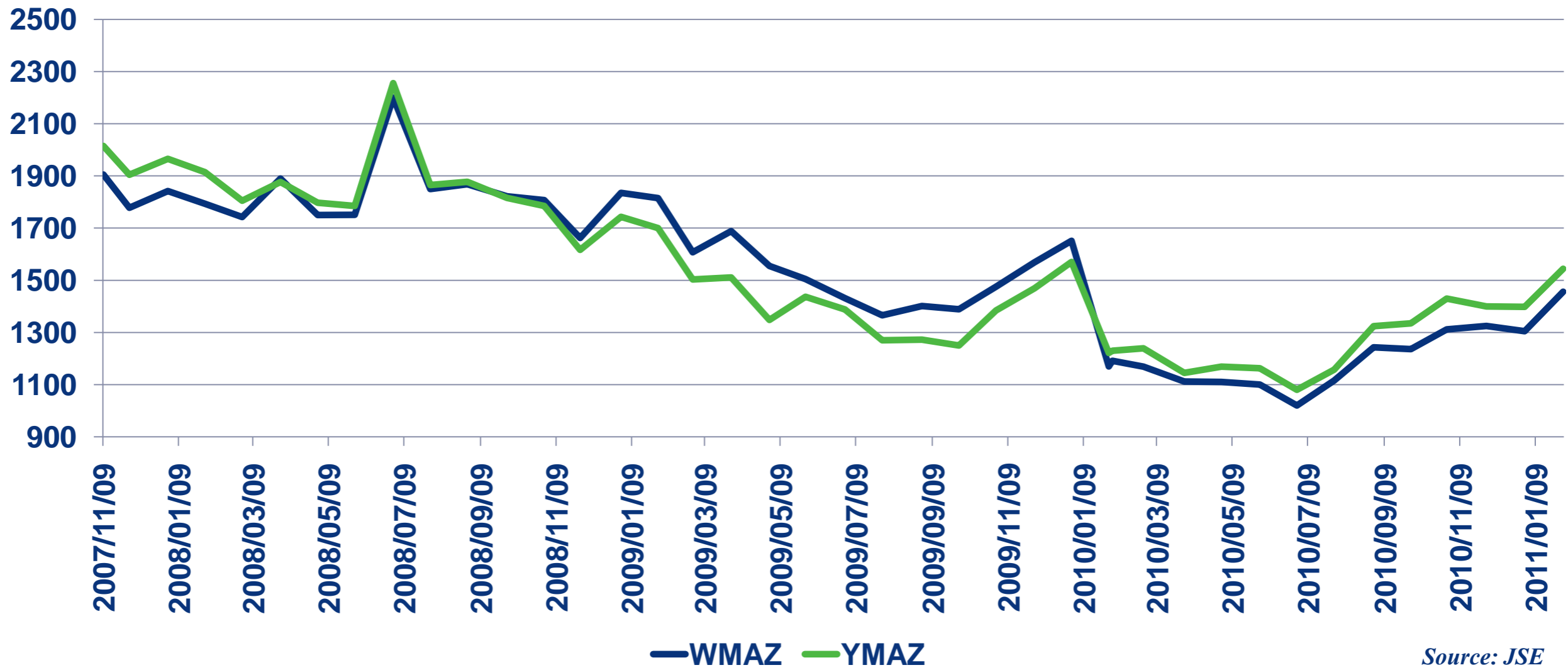


AFGRI

Influencing factors



Yellow and white maize price

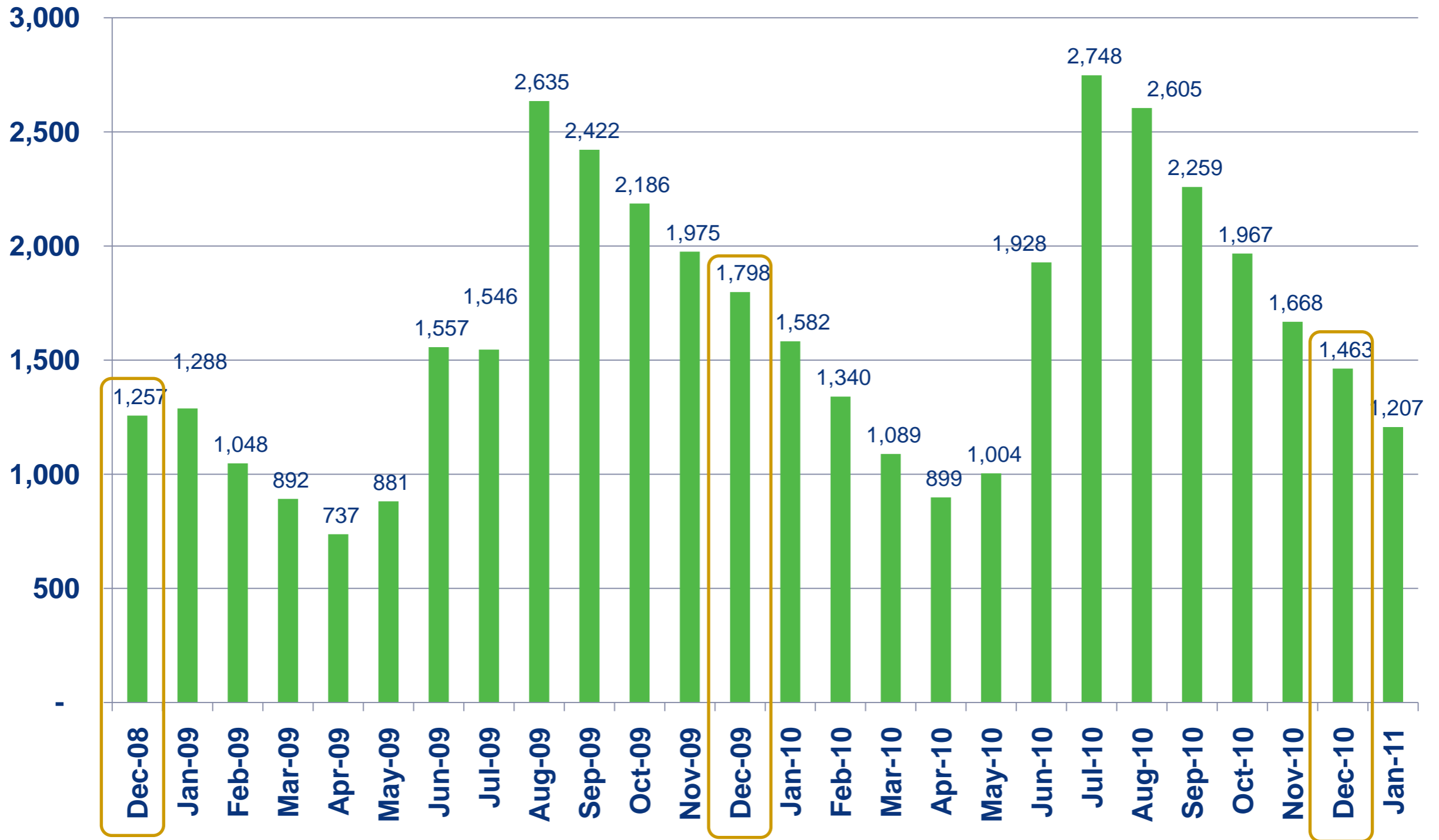


Source: JSE

Year	White maize	Yellow maize
	Average for the year	
2008	1830	1844
2009	1537	1425
2010	1185	1253



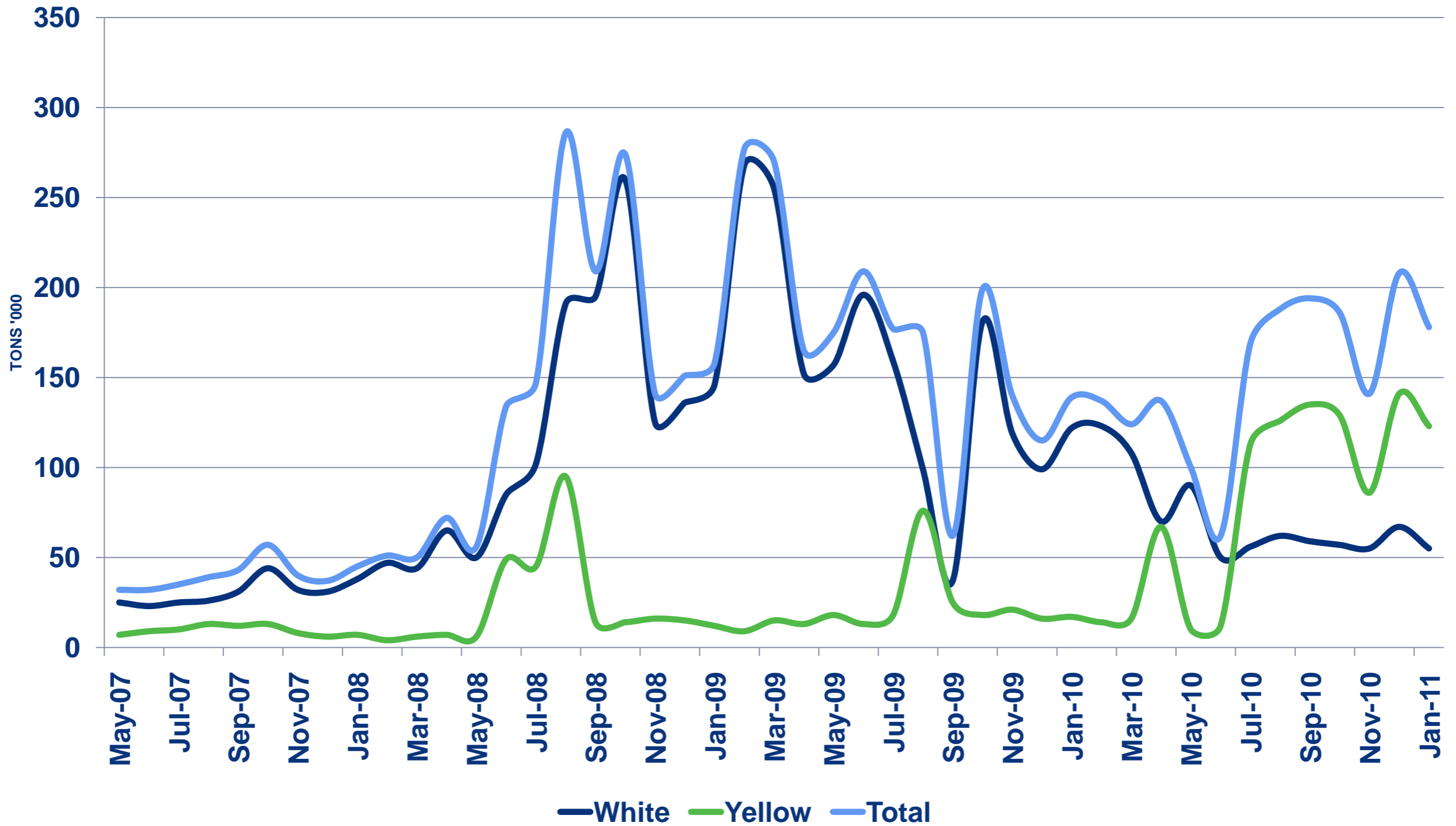
Closing silo stocks ('000)



Source: AFGRI



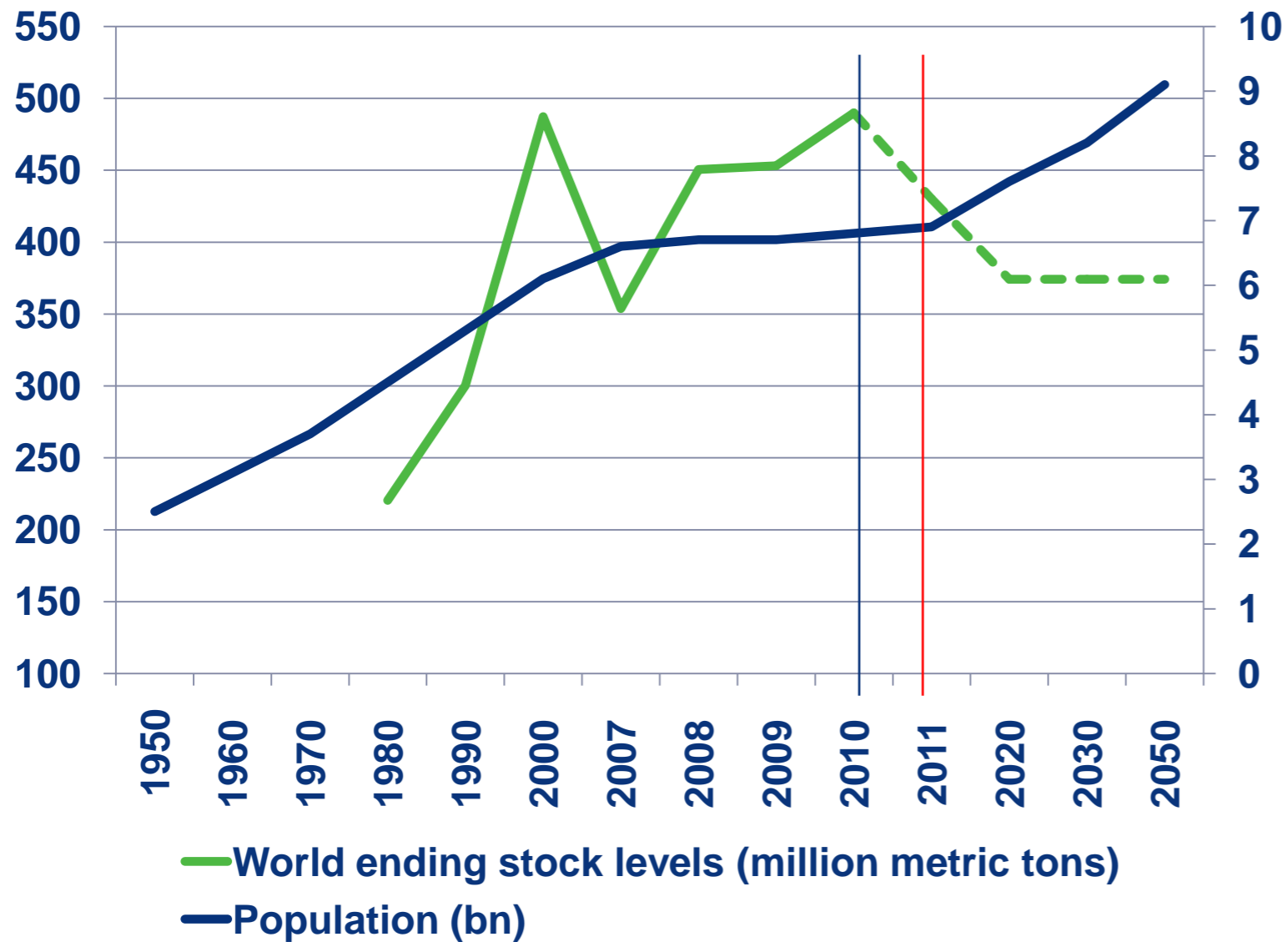
Maize exports



Source: SA Grain Information Service



World stock levels



- World population in 2050 estimated to reach 9.1 billion
- 34% increase over next 41 years
- Agricultural production to grow globally by 70% to feed this population

Source: FAO, *How to feed the world 2050*

Source: USDA WASDE Report, February 2011 & Negative Population Growth.Org

Net interest calculation

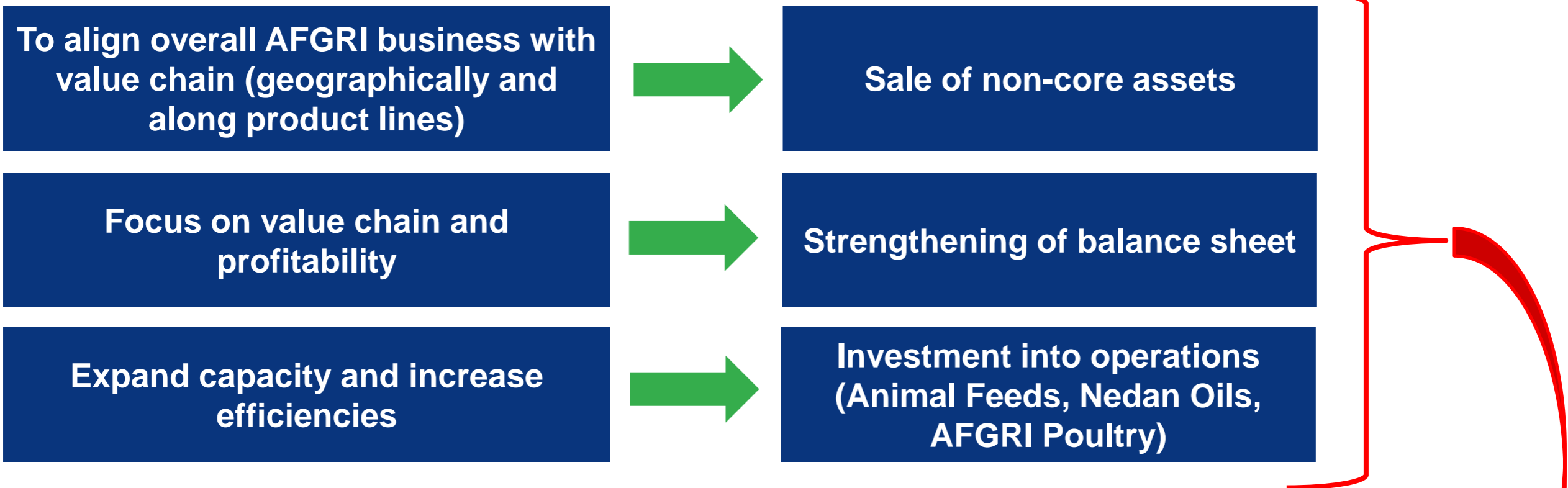
Description R' million	6 months to 31 Dec 2010			6 months to 31 Dec 2009
	Financial Services	Other	Total	
Finance cost: continuing	(96)	(109)	(205)	(235)
Interest related to debtors finance	104	1	105	169
Other interest paid: continuing	8	(108)	(100)	(66)
Other interest paid: discontinued	-	(2)	(2)	(16)
Other interest paid	8	(110)	(102)	(82)
Dividend income*	-	3	3	7
Interest received: Guarantee deposit*	10	3	13	16
Interest received: Other**	-	12	12	18
Net interest	18	(92)	(74)	(41)
Interest effect of consolidation	-	40	40	-
Interest: Other guarantee deposits**	-	4	4	3
Net interest and dividends	18	(48)	(30)	(38)

* - Included in other operating income

** - Included in other operating expenses



Realignment of strategy



- ROE improvement – aim to take ROE to a level of 20% on a consistent basis
- Expansion of foods expected to reduce cyclicality
- Creation of a more focused and sustainable business
- As the restructuring process is virtually complete, the AFGRI board indicated that HEPS (as opposed to EPS) be used for future dividend declarations



Food strategy

AFGRI Foods

Previous business



New business





Prospects

- Focus areas for the six months ahead
 - Continue expansion in Foods segment (acquisition of Pride Yellow Maize Milling operations)
 - Conclude lender finance of debtors book
 - Continue with African expansion strategy
 - Procurement and cost cutting on the back of SAP implementation
 - Phase II of BEE implementation

Progress in strategy
assisted in
countering cyclicity
of agricultural cycle



Thank you

www.afgri.co.za