



AFGRI
May 2008
Media Presentation



Segment sales



Segments	Actual 02/2008 Rm's	Actual 02/2007 Rm's	VAR %
Continuing			
Producer services (including direct Inputs)			
Primary inputs	1,378	1,133	21.6
Retail and equipment	2,923	2,646	10.0
Financial services	920	657	40.0
Logistical services	201	233	(13.7)
Products and processing			
Foods	393	326	20.6
Protein	1,975	1,393	41.8
Other (Corporate)	1	1	-
	7,791	6,389	22
Discontinued	47	141	(66.7)
Total	7,838	6,530	20.0

Segment profit



Headline Operating Profit After Interest per segment	Actual 02/2008 Rm's	Actual 02/2007 Rm's	VAR Rm	VAR %
Continuing				
Producer services				
Primary inputs	23	22	1	4.5
Retail and equipment	24	14	10	71.4
Financial services	69	79	(10)	(12.7)
Logistical services	68	113	(45)	(39.8)
Products and processing			-	-
Foods	15	14	1	7.1
Protein	127	122	5	4.1
Other		-	-	-
Discontinued	(4)	(20)	16	80.0
Total	322	344	(22)	(6.4)

Income statement - Group



	Actual 02/2008 Rm's	Actual 02/2007 Rm's	VAR %
Revenue	7,838	6,530	20.0
Operating profit BEE profit share	311 (73)	344 (79)	(9.6) 7.6
Operating profit before tax Taxation	238 (23)	265 (68)	(10.2) 66.2
Profit before minority share Less other minority share	215 (3)	197 (7)	9.1 57.1
Profit for the year Headline adjustments	212 6	190 7	11.6 (14.3)
Headline earnings	218	197	10.7
Weighted ave shares (000's)	316,816	317,185	(0.1)
Fully diluted weighted ave shares (000's)	341,185	341,185	-
Headline earnings per share (cents) Fully diluted headline earnings per share (cents)	68.5 63.6	62.1 57.7	10.3 10.2

Headline earnings



	Actual 02/2008 cents	Actual 02/2007 cents	VAR %
Earnings per share	66.7	59.9	11.4
Discontinued operations	2.4	12.9	
Impairment of assets	0.1	1.4	
Negative goodwill	(0.1)	(10.9)	
Profit on disposal of assets	(0.6)	(1.2)	
Headline earnings per share	68.5	62.1	10.3

Balance sheet



	Actual 02/2008 Rm	Actual 02/2007 Rm	VAR %
Total capital and reserves	1,431	1,231	16.2
Minority interest	616	589	4.6
	2,047	1,820	12.5
Number of shares in issue (000's)	341	341	-
Net asset value per share (cents)	420	361	16.2

Cash flow



	Actual 02/2008 Rm's	Actual 02/2007 Rm's	VAR Rm
Summary			
Cash generated from operations plus dividend	375	363	12
Taxation received/(paid)	14	(25)	39
Changes in working capital	40	333	(293)
Dividends and BEE profit share paid	(144)	(152)	8
Operating Cash Flow after tax & dividends	285	519	(234)
Cash utilised in investing and financing activities	(230)	(362)	132
Net increase in cash for the year	55	157	(102)
Cash at beginning of year	(141)	(298)	157
Cash at end of year	(86)	(141)	55
Plus guarantee deposit	420	397	23
	334	256	78

Dividend



Dividend Distribution per share	Actual 02/2008 cents	Actual 02/2007 cents	VAR Rm
Earnings	66.70	59.90	11.4
Proposed dividend (cover 2.00)	33.35	30.00	11.4
Interim normal dividend paid	11.65	10.15	14.8
Final proposed dividend	21.70	19.85	9.3
Total distribution	33.35	30.00	11.2



Financial Services



Strategic achievements



Financial Services

- Diversification/expanding Funding Capacity
- Progress in expanding Treasury services
- New banking SAP system implemented

- 44% improvement in profitability (excluding prior year forex gain)
- Credit business continued strong growth
- Significant increase in Debtors Book
- Improved diversification of Debtors Book
- Renegotiation of strategic supply agreements
- Continued growth in mill door business
- Debtors well managed and write offs less than 1%
- Zambian business profitable with positive prospects

- Delay in Securitisation Process
- High interest rate environment
 - reduced margins
- Although second half more profitable than anticipated, mill door contracts profitability still under pressure

Next four months



Financial Services

- Continue to focus on diversifying funding capacity, reducing risk and costs
- Diversification in product range for Insurance Business
- Increased profitability of Mill Door contracts
- Strategic partnerships with large Agri processors

A satellite image of Earth showing a large cyclone or hurricane over the ocean. The cyclone's eye is visible in the center, surrounded by dense, swirling clouds. The colors range from light blue to dark blue, with green and yellow indicating landmasses. The image is partially obscured by a white and blue curved graphic element.

Logistics Services



Operational achievements



Logistics Services

- Grain storage
 - Maintained market share on back of new silo tariff structure
 - Threat of alternative storage reduced
- Logistics
 - New team of skilled management and staff
 - Repositioned AFGRI Logistics in market

Setbacks



Logistics Services

- Small crop - second year in a row
- Reduced average storage period
- Dispatch rate due to lower crop
- Slow progress in re-entering coal and mineral market

Next four months



Logistics Services

- Large crop expected
 - Earlier crop
 - Tongaat Hulletts Starch strategic partnership
 - Bunker Strategy Roll Out
- Wheat and Protein Imports



Producer Services



Retail and Equipment

- Procured retail licenses from DME for forecourts
- Secured exclusive use of the John Deere brand
- Acquired 45% in LTP tobacco plant in Rustenburg
- Opening of specialised mechanisation centres
- Centralisation of supply chain logistics in Bethlehem
- Draw card implementation

Operational achievements



Retail and Equipment

- Sales up 10.5%
- Profitability up 71.4%
- Gross margin up 7%
- Closure of 23 marginal branches
- John Deere market share increased from 27% to 33%
- Successful launch of Ruimsig Farm City

Setbacks



Retail and Equipment

- Increase in interest cost
- World wide shortage of inputs with rising prices
- Long lead times and shortage of John Deere equipment

Next four months



Retail and Equipment

- Increased equipment sales expected to continue
- Increased sales of agricultural inputs
- Expansion of Nelspruit and Pretoria branches
- Opening of Empangeni and Howick branches
- Further roll out of John Deere mechanisation centers



Primary Inputs



Strategic achievements



Primary Inputs

Fertilizer

- Established fertilizer business in Lowveld and KZN

Agrichemicals

- KZN forestry chemical business captured
- 26 new Agri chemical products registered

Tsunami

- Market share increase 14%-17% (No. 3 in SA)
- First RSA Generic Company to formulate for Europe/New Zealand/ Australia
- Presence established in Mauritius

Seed

- Launched
 - 7 New GM yellow maize varieties
 - 5 New GM white maize varieties
 - 5 New white maize varieties

- Agri chemicals
 - Sales up 60%
 - Margins improved from 21% to 26.5%
 - Volumes formulated: 3.3m (2006) , 6m (2007), 10m (2008) liters
 - Protek retail range successfully launched

Setbacks



Primary Inputs

- Working capital cost high
- Frost during winter seed productions

Next four months



Primary Inputs

- Strong maize seed orders
- Chemical sales increasing
- Improved margins



Products






Animal Feeds



Strategic achievements



Animal Feeds

- Acquired remaining 50% of Eastern Cape Feed Mill

Operational achievements



Animal Feeds

- Good raw material positions
- Volume growth of 12%
- Higher margins and record profitability
- Good factory performances
- Cape factories profitable
- UK factory profitable

Next four months



Animal Feeds

- Consolidate volume gains in Western Cape
- Continued focus on Procurement
- Specialised products for “home mixers”



Daybreak Farms



Strategic achievements



Daybreak Farms

- Upgrade of existing abattoir running according to plan

- Favourable raw material position in relation to competition
- Excellent hatchery performance
- Processing Yields improved by 9%
- Phase 1 of the expansion of existing hatchery facilities nearly completed
- Phase 2 of the expansion of existing hatchery facilities commenced. Final target 850 000 day old chicks per week

Setbacks



Daybreak Farms

- Increase in feed price
- Drop in consumer demand and selling prices
- Increased industry stockholding and storage costs
- Increased processing costs due to power outages

Next four months



Daybreak Farms

- Improved on farm performance
- Higher abattoir yields
- Favorable raw material positions
- Reduced stockholding and costs from April



Foods



Strategic achievements



Foods

Citrus

- Disposal of Citrus Processing business

Oil

- Supply agreement with KFC

Operational achievements



Foods

- Rationalisation of oil processing facilities
- Reduction of fixed overheads
- Good raw material positions

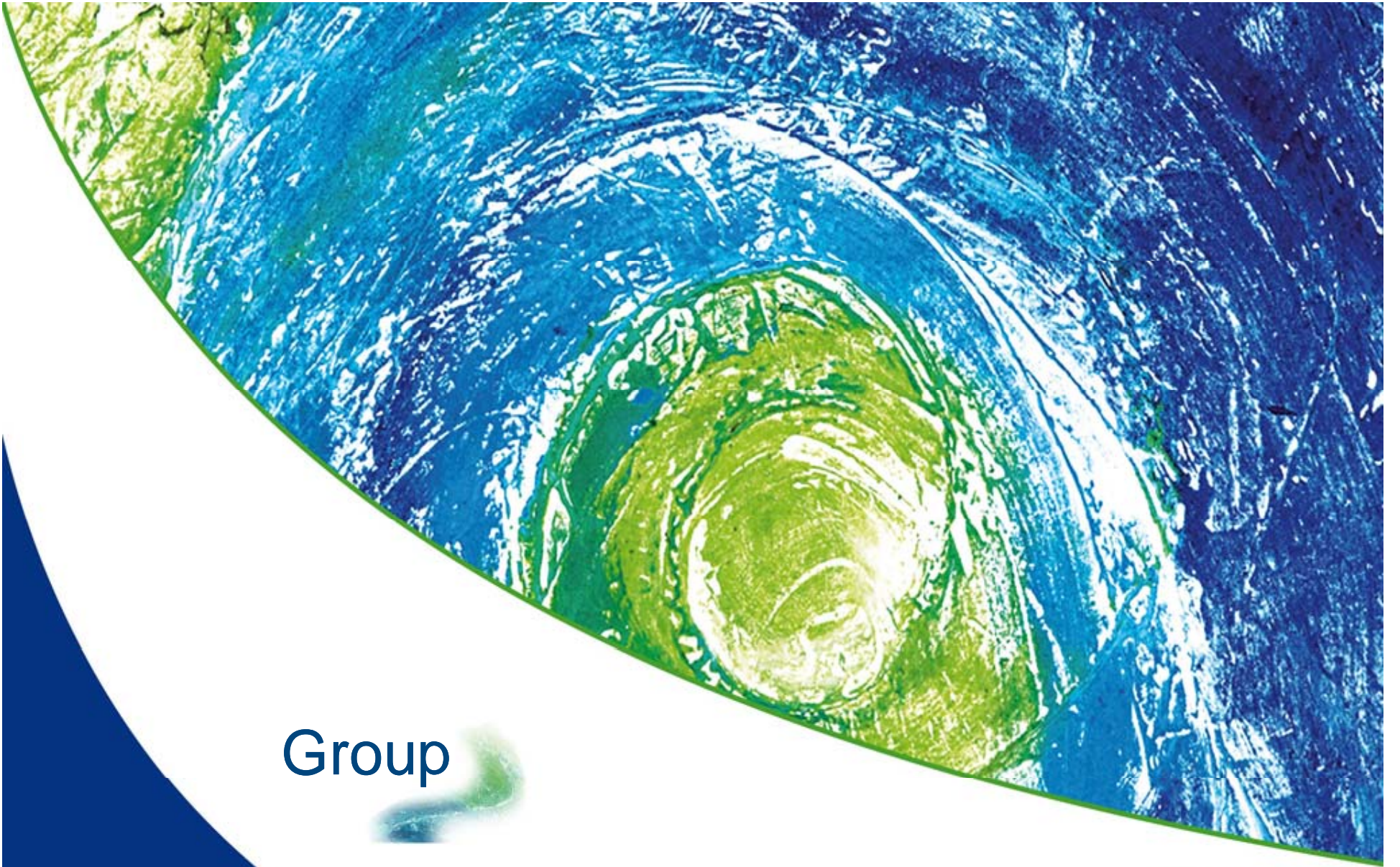
- Constrained profitability as a result of:
 - Availability of raw material
 - Higher raw material prices
 - Increased input costs

Next four months



Foods

- Refining technology agreement



Group



AFGRI

- Positives

- High commodity prices
- Record summer crop
- Favourable raw material positions
- Improving silo utilisation
- Continued good revenue and/or margins
 - Retail and Equipment
 - Animal Feeds
 - Financial Services

Next four months



Group

- Negatives
 - High interest rates
 - Broiler prices and stock
 - High input costs

An aerial photograph of a tropical cyclone, showing a well-defined eye and concentric cloud bands over a vast expanse of blue ocean. The cyclone's eye is a bright, circular center, surrounded by a dense ring of white clouds. The surrounding cloud bands are also visible, spiraling outwards. The ocean surface is a deep blue, with some whitecaps visible. The overall scene is captured from a high angle, looking down at the storm.

Thank You

