




CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 1 APRIL 2018

RFG

KEY FEATURES FOR THE SIX MONTHS

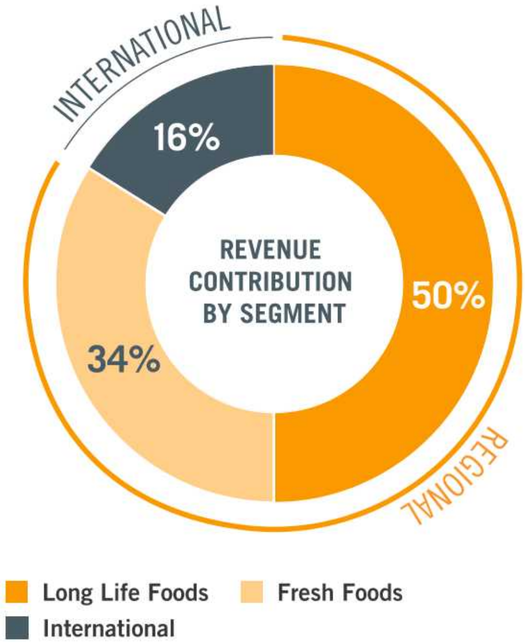
GROUP TURNOVER
UP **16.6%**

REGIONAL TURNOVER
UP **19.5%**

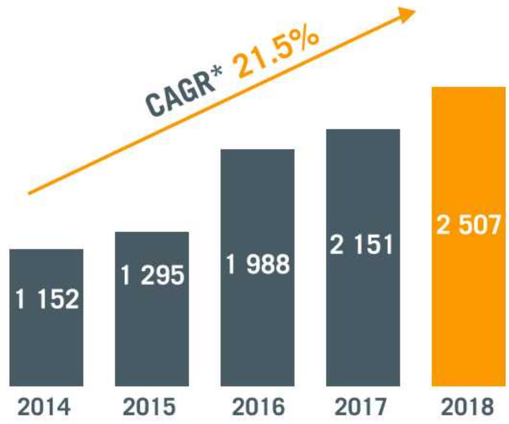
INTERNATIONAL TURNOVER
UP **3.6%**

HEADLINE EARNINGS
34.8% LOWER
ON WEAK INTERNATIONAL RESULTS

DILUTED HEPS
38.9% DOWN
TO 31.4 CENTS



GROUP TURNOVER
(R'million)



*Compound annual growth rate.

COMMENTARY

PROFILE

Rhodes Food Group is a leading producer of fresh, frozen and long life convenience meal solutions for customers and consumers across South Africa, sub-Saharan Africa and in major global markets. The growing portfolio of market leading brands, which includes Rhodes, Bull Brand, Magpie, Squish, Bisto, Hinds and Pakco, is complemented by private label product ranges packed for major South African retailers and international customers.

TRADING AND FINANCIAL PERFORMANCE

Group turnover for the six months increased by 16.6% to R2.5 billion, with organic growth of 6.9%.

Turnover in the regional segment (South Africa and the rest of Africa) increased by 19.5%, with organic growth of 7.6%. The regional segment accounted for 84% (2017: 82%) of total revenue.

- Fresh Foods sales increased by 22.7% (9.3% organic growth) with a strong performance from the bakery category driven by product innovation and continued good growth in pies, snacking and ready meals.
- Long Life Foods increased turnover by 17.4% (6.5% organic growth) with the fruit juice category again performing well in a highly competitive environment. The group's brands continued to gain market share across core product categories. Growth in the rest of Africa has slowed as the impact of the stronger Rand in certain major African markets has made the group's products less price competitive.

The acquisitions of Pakco and Ma Baker, which were not included in the comparable prior period, contributed combined turnover of R209 million. Pakco has performed ahead of expectations in its first full year in the group while some initial challenges were experienced at Ma Baker. These have been addressed and the integration has been bedded down.

International turnover increased by 3.6%. While export volumes have recovered the business has been impacted by the increased costs of canned fruit due to the ongoing drought in the Western Cape and the strengthening of the Rand against the group's trading currencies.

The reporting period comprises 26 trading weeks compared to 27 weeks in the prior period.

The group's gross profit margin was lower at 25.3% (2017: 27.1%) owing mainly to increased costs and the adverse currency impact in the International business. The regional gross profit margin was impacted negatively by lower margins in the Ma Baker business. The gross profit margin of the Long Life component of the regional business was maintained at last year's levels.

Operating costs, excluding the impact of the two acquisitions, grew by 9.2%. Depreciation and amortisation increased by R19 million owing to the higher level of capital expenditure in the past two years and the acquisitions of Pakco and Ma Baker at the end of the prior period. Once-off costs relating to the Ma Baker integration and the relocation of the snacking plant (formerly Alibaba Foods) to the Groot Drakenstein production facility also contributed to the increase.

The group operating margin declined from 9.7% to 6.5%. The regional operating margin reduced from 9.2% to 7.8% owing to the dilution caused by the Ma Baker business and the once-off costs referred to above. The regional margin on a comparable basis was in line with the prior period. The weak market for industrial purees, increased canned fruit costs and strengthening currency contributed to the international segment posting a loss for the first half.

Interest payments were R17.4 million higher at R51.9 million due to the increased capital investment programme and funding for the Ma Baker acquisition.

Profit after tax declined by 35.1% to R80.9 million with headline earnings 34.8% lower at R82.4 million. Diluted headline earnings per share decreased by 38.9% to 31.4 cents, in line with the group's trading statement issued on 20 March 2018. The weighted average number of shares in issue has increased by 15.9 million or 6.7% over the prior six-month period.

COMMENTARY continued

The ongoing focus on efficient working capital management is reflected in the increase in net working capital being contained to 7.2%.

Cash generated from operations of R135.8 million was R42.3 million higher than the prior period due to the lower investment in working capital. The group's net debt to equity ratio increased to 60.4% (2017: 45.2%) owing to the higher level of funding for the capital investment programme.

The group invested R268 million (2017: R233 million) in capital projects in the first half. Major projects include capacity expansion at the Gauteng pie and bakery facilities, commissioning a new baked bean production facility, upgrading facilities at Pakco and Ma Baker, and the installation of a clear juice concentrate plant at the Groot Drakenstein production hub to further vertically integrate the fruit juice operation.

OUTLOOK

Driving organic growth, increasing brand shares and extracting benefits from the recent acquisitions and major projects will be the focus areas in the regional business. The group will look to maintain momentum in sub-Saharan Africa and benefit from the addition of the Pakco brands to the Long Life product offering.

The Pakco brand portfolio was relaunched in March with extensive product innovation, new pack formats and refreshed packaging designs across the Bisto, Hinds, Pakco and Southern Coating brands.

After reporting a loss for the first half, Ma Baker has returned to profitability and is expected to be earnings accretive in the second half.

The international business should benefit in the second half from the sale of lower cost-based industrial products from the 2018 season coming onto the market as well as a small uplift in foreign selling prices of canned fruit and continued improvement in volumes. However, the operating margin for the international segment will remain low and a strengthening Rand remains a risk to performance.

The group plans a further R115 million capital investment in the second half of the year. The completion of the current production capacity expansion and upgrade progamme is a priority to ensure that these projects start generating returns to enhance the group's earnings. Working capital management remains a focus area to reduce interest costs.

Trading conditions are expected to remain constrained over the remainder of the financial year. While the improving consumer confidence in the country is positive for growth, it is too early to expect any marked improvement in the regional trading environment.

Any reference to future performance included in this announcement has not been reviewed or reported on by the auditors.

Bruce Henderson
Chief Executive Officer

Tiaan Schoombie
Chief Financial Officer

Groot Drakenstein
22 May 2018

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 1 April 2018

	Notes	Reviewed Six-month period ended 1 April 2018 R'000	Reviewed Six-month period ended 2 April 2017 R'000	Audited Year ended 1 October 2017 R'000
ASSETS				
Non-current assets		**2 333 815**	1 914 124	2 145 186
Property, plant and equipment	4	**1 658 574**	1 272 039	1 460 493
Intangible assets		**202 490**	164 138	207 282
Goodwill		**444 857**	468 984	457 183
Investment in associate	5	**5 740**	–	–
Biological assets		**10 760**	8 963	10 664
Deferred taxation asset		**2 688**	–	9 294
Loans receivable		**8 706**	–	270
Current assets		**2 259 795**	2 102 438	1 964 903
Inventory	6	**1 393 491**	1 320 301	1 144 080
Accounts receivable		**779 390**	702 041	767 679
Biological assets		**10 553**	18 742	10 553
Loan receivable		**4 123**	3 307	6 170
Taxation receivable		**40 804**	10 084	32 193
Foreign exchange contract asset		**14 237**	8 021	–
Bank balances and cash on hand		**17 197**	39 942	4 228
Total assets		**4 593 610**	4 016 562	4 110 089
EQUITY AND LIABILITIES				
Capital and reserves		**2 239 771**	2 122 716	2 235 865
Share capital		**1 565 509**	1 565 509	1 565 509
Equity-settled employee benefits reserve		**13 189**	5 776	8 779
Accumulated profit		**652 025**	541 744	652 326
Equity attributable to owners of the company		**2 230 723**	2 113 029	2 226 614
Non-controlling interest		**9 048**	9 687	9 251
Non-current liabilities		**847 135**	645 618	877 883
Long-term loans		**650 635**	509 374	700 407
Deferred taxation liability		**180 928**	126 383	161 711
Employee benefit liability		**15 572**	9 861	15 765
Current liabilities		**1 506 704**	1 248 228	996 341
Accounts payable and accruals		**737 597**	683 482	534 590
Employee benefits accrual		**50 134**	75 707	75 324
Current portion of long-term loans		**237 327**	150 117	218 831
Taxation payable		**258**	–	2 732
Bank overdraft		**481 388**	338 922	158 077
Foreign exchange contract liability		**–**	–	6 787
Total equity and liabilities		**4 593 610**	4 016 562	4 110 089

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six-month period ended 1 April 2018

		Reviewed Six-month period ended 1 April 2018 R'000	Reviewed Six-month period ended 2 April 2017 R'000	Audited Year ended 1 October 2017 R'000
Revenue		**2 507 375**	2 150 737	4 593 317
Cost of goods sold		**(1 873 723)**	(1 567 317)	(3 355 146)
Gross profit		**633 652**	583 420	1 238 171
Other income		**36 275**	41 017	54 480
Operating costs		**(507 193)**	(416 735)	(885 844)
Profit before interest and taxation		**162 734**	207 702	406 807
Interest paid		**(51 855)**	(34 462)	(84 836)
Interest received		**93**	22	386
Profit before taxation		**110 972**	173 262	322 357
Taxation		**(30 107)**	(48 616)	(87 566)
Profit for the period		**80 865**	124 646	234 791
Profit attributable to:				
Owners of the company		**81 068**	123 931	234 512
Non-controlling interest		**(203)**	715	279
		80 865	124 646	234 791
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss		**–**	–	1
Remeasurement of employee benefit liability		**–**	–	2
Deferred taxation effect		**–**	–	(1)
Total comprehensive income for the period		**80 865**	124 646	234 792
Total comprehensive income attributable to:				
Owners of the company		**81 068**	123 931	234 513
Non-controlling interest		**(203)**	715	279
		80 865	124 646	234 792
Earnings per share	(cents)	**32.1**	52.4	95.9
Diluted earnings per share	(cents)	**30.9**	50.4	92.4

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six-month period ended 1 April 2018

	Share capital	Equity-settled employee benefits reserve	Accumulated profit	Non-controlling interest	Total
	R'000	R'000	R'000	R'000	R'000
Balance at 25 September 2016 – audited	720 205	2 773	524 948	8 972	1 256 898
Issue of ordinary share capital	845 304	–	–	–	845 304
Total comprehensive income for the period	–	–	123 931	715	124 646
Recognition of share-based payments	–	3 003	–	–	3 003
Treasury shares dividends received	–	–	475	–	475
Dividend paid	–	–	(107 610)	–	(107 610)
Balance at 2 April 2017 – reviewed	1 565 509	5 776	541 744	9 687	2 122 716
Total comprehensive income for the period	–	–	110 303	(436)	109 867
Recognition of share-based payments	–	3 003	–	–	3 003
Treasury shares dividends received	–	–	279	–	279
Balance at 1 October 2017 – audited	1 565 509	8 779	652 326	9 251	2 235 865
Total comprehensive income for the period	**–**	**–**	**81 068**	**(203)**	**80 865**
Recognition of share-based payments	**–**	**4 410**	**–**	**–**	**4 410**
Treasury shares dividends received	**–**	**–**	**350**	**–**	**350**
Dividend paid	**–**	**–**	**(81 719)**	**–**	**(81 719)**
Balance at 1 April 2018 – reviewed	**1 565 509**	**13 189**	**652 025**	**9 048**	**2 239 771**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six-month period ended 1 April 2018

	Reviewed Six-month period ended 1 April 2018 R'000	Reviewed Six-month period ended 2 April 2017 R'000	Audited Year ended 1 October 2017 R'000
Cash flows from operating activities			
Operating cash flows before working capital changes	**239 732**	257 567	532 420
Working capital changes	**(103 978)**	(164 122)	(185 306)
Cash generated from operations	**135 754**	93 445	347 114
Net interest paid	**(51 766)**	(37 010)	(86 150)
Taxation paid	**(16 348)**	(100 438)	(139 023)
Net cash inflow/(outflow) from operating activities	**67 640**	(44 003)	121 941
Cash flows from investing activities			
Purchase of property, plant and equipment	**(268 475)**	(233 258)	(486 946)
Proceeds on disposal of property, plant and equipment	**4 865**	269	1 478
Acquisition of subsidiaries and businesses less net cash acquired	**–**	(180 477)	(207 297)
Loan receivable advanced	**(3 273)**	(307)	(3 732)
Loans receivable repaid	**246**	–	1 471
Dividend paid	**(81 719)**	(107 610)	(107 610)
Treasury shares dividend received	**–**	475	475
Net cash outflow from investing activities	**(348 356)**	(520 908)	(802 161)
Cash flows from financing activities			
Issue of ordinary share capital	**–**	648 304	648 304
Loans raised	**75 589**	300 000	621 000
Loans repaid	**(105 215)**	(495 492)	(556 742)
Government grant received	**–**	2 742	3 432
Net cash (outflow)/inflow from financing activities	**(29 626)**	455 554	715 994
Net (decrease)/increase in cash and cash equivalents	**(310 342)**	(109 357)	35 774
Cash and cash equivalents at beginning of the period	**(153 849)**	(189 623)	(189 623)
Cash and cash equivalents at end of the period	**(464 191)**	(298 980)	(153 849)

CONDENSED CONSOLIDATED SEGMENTAL REPORT

for the six-month period ended 1 April 2018

PRODUCTS AND SERVICES FROM WHICH REPORTABLE SEGMENTS DERIVE THEIR REVENUES

Information reported to the chief operating decision-maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the 'regional' and 'international' operations. The information is further analysed based on the different classes of customers. The executive management of the Group have chosen to organise the Group around the difference in geographical areas and operate the business on that basis.

Specifically, the Group's reportable segments under IFRS 8: *Operating Segments* are as follows:

- Regional
- International

SEGMENT REVENUES AND RESULTS

The following is an analysis of the Group's revenue and results by reportable segment.

	Reviewed Six-month period ended 1 April 2018 R'000	Reviewed Six-month period ended 2 April 2017 R'000	Audited Year ended 1 October 2017 R'000
		Segment revenue	
Regional			
Fresh products sales	**844 955**	688 546	1 529 291
Long life products sales	**1 251 622**	1 065 693	2 151 307
	2 096 577	1 754 239	3 680 598
International			
Long life products sales	**410 798**	396 498	912 719
Total	**2 507 375**	2 150 737	4 593 317
		Segment profit	
Regional	**164 322**	161 779	358 254
International	**(1 348)**	49 930	57 553
Total	**162 974**	211 709	415 807
Impairment loss	**–**	–	(3 321)
Acquisition costs	**(240)**	(4 007)	(5 679)
Interest received	**93**	22	386
Interest paid	**(51 855)**	(34 462)	(84 836)
Profit before taxation	**110 972**	173 262	322 357
		Segment depreciation	
Regional	**51 591**	38 685	92 435
International	**13 844**	10 428	18 113
Total	**65 435**	49 113	110 548
		Segment amortisation	
Regional	**4 511**	1 422	5 791
International	**281**	321	748
Total	**4 792**	1 743	6 539

Segment revenue reported above represents revenue generated from external customers. Inter-company sales amounted to R271.840 million (six months ended 2 April 2017: R285.290 million, year ended 1 October 2017 R541.821 million).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1 to the condensed consolidated interim financial statements. Segment profit represents the profit before tax earned by each segment without allocation of impairment losses, acquisition costs, interest received and interest paid. This is the measure reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

CONDENSED CONSOLIDATED SEGMENTAL REPORT continued

for the six-month period ended 1 April 2018

GEOGRAPHICAL INFORMATION

The Group's non-current assets by location of operations (excluding goodwill and deferred taxation asset) and revenue are detailed below. The chief operating decision-maker does not evaluate any of the Group's other assets or liabilities on a segmental basis for decision-making purposes.

	Non-current assets		
	Reviewed Six-month period ended 1 April 2018 R'000	Reviewed Six-month period ended 2 April 2017 R'000	Audited Year ended 1 October 2017 R'000
Republic of South Africa	**1 753 647**	1 332 852	1 548 831
Kingdom of Swaziland	**132 623**	112 288	129 878
	1 886 270	1 445 140	1 678 709
	Revenue		
Republic of South Africa	**2 458 651**	2 103 111	4 472 594
Kingdom of Swaziland	**48 724**	47 626	120 723
	2 507 375	2 150 737	4 593 317

INFORMATION REGARDING MAJOR CUSTOMERS

Two customers (six months ended 2 April 2017: two, year ended 1 October 2017: two) individually contributed 10% or more of the Group's revenue arising from both regional and international sources.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 1 April 2018

1. BASIS OF PREPARATION

Rhodes Food Group Holdings Limited is a company domiciled in the Republic of South Africa. These condensed consolidated interim financial statements ("interim financial statements") as at and for the six-month period ended 1 April 2018 comprise the company and its subsidiaries (together referred to as the "Group").

The interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

The accounting policies and methods of computation applied in the preparation of the interim financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 1 October 2017.

The accounting policies adopted and methods of computation are in accordance with International Financial Reporting Standards.

These interim financial statements were prepared under the supervision of CC Schoombie CA(SA), Chief Financial Officer.

2. SEASONALITY OF OPERATIONS

The Group's performance is subject to seasonal trends based on the seasonality of fruit crops which are processed annually from November to April and June to August. Due to the seasonal nature of fruit production working capital is actively managed over an annual cycle.

3. EVENTS SUBSEQUENT TO REPORTING DATE

On 1 May 2018 the company appointed B Lakey as company secretary subsequent to the resignation of Statucor (Pty) Ltd. The directors are not aware of any other matter or circumstance of a material nature arising since the end of the six-month period ended 1 April 2018, otherwise not dealt with in the interim financial statements, which significantly affect the financial position of the Group or the results of its operations.

4. PROPERTY, PLANT AND EQUIPMENT

COST	Opening balance R'000	Acquisition of subsidiaries R'000	Additions R'000	Government grant received R'000	Disposals R'000	Impairment R'000	Closing balance R'000
1 April 2018	**1 765 295**	**–**	**268 475**	**–**	**(18 148)**	**–**	**2 015 622**
2 April 2017	1 197 797	107 419	233 258	(2 742)	(374)	(3 872)	1 531 486
1 October 2017	1 197 797	105 644	486 946	(3 432)	(17 788)	(3 872)	1 765 295

ACCUMULATED DEPRECIATION	Opening balance R'000	Depreciation R'000	Disposals R'000	Impairment R'000	Closing balance R'000
1 April 2018	**304 802**	**65 435**	**(13 189)**	**–**	**357 048**
2 April 2017	210 971	49 113	(161)	(476)	259 447
1 October 2017	210 971	110 548	(16 166)	(551)	304 802

NET ASSET VALUE	Opening balance R'000	Closing balance R'000
1 April 2018	**1 460 493**	**1 658 574**
2 April 2017	986 826	1 272 039
1 October 2017	986 826	1 460 493

The disposal of property, plant and equipment resulted in a loss of R0.094 million (six months ended 2 April 2017: profit of R0.056 million, year ended 1 October 2017 loss of R0.144 million). The impairment of property, plant and equipment resulted in a loss of Rnil (six months ended 2 April 2017: loss of R3.396 million, year ended 1 October 2017 loss of R3.321 million). These losses were recognised as part of 'operating costs' in the condensed consolidated statement of profit or loss and other comprehensive income.

During the six-month period ended 1 April 2018, the Group contracted R105.595 million (six months ended 2 April 2017: R366.717 million, year ended 1 October 2017: R264.664 million) for future capital commitments.

There has been no major change in the nature of property, plant and equipment, the policy regarding the use thereof, or the encumbrances over the property, plant and equipment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the six-month period ended 1 April 2018

5. INVESTMENT IN ASSOCIATE

The Group entered into a sale of share agreement during October 2017 to dispose of 50.83% of the shares in Ma Baker Xpress Proprietary Limited for a consideration of R6.100 million. On the date of disposal Ma Baker Xpress Proprietary Limited ceased to be a subsidiary. From that date it was accounted for as an investment in an associate, using the equity accounting method, at a value of R5.900 million.

During the six months ended 1 April 2018 the loss from the investment in the associate recognised in 'operating costs' was R0.160 million.

6. INVENTORY

A provision of R13.490 million for the six months ended 1 April 2018 (six months ended 2 April 2017: R6.066 million, year ended 1 October 2017: R13.380 million) was raised in order to recognise inventory at the lower of cost or net realisable value.

		Reviewed Six-month period ended 1 April 2018 R'000	Reviewed Six-month period ended 2 April 2017 R'000	Audited Year ended 1 October 2017 R'000
7. EARNINGS PER SHARE				
7.1 HEADLINE EARNINGS PER SHARE				
Reconciliation between profit attributable to owners of the company and headline earnings:				
Profit attributable to owners of the company		**81 068**	123 931	234 512
Adjustments to profit attributable to owners of the company		**1 284**	2 405	2 495
Loss/(profit) on disposal of property, plant and equipment		**94**	(56)	144
Impairment of property, plant and equipment		**–**	3 396	3 321
Loss on sale of subsidiary		**1 216**	–	–
Taxation effect		**(26)**	(935)	(970)
Headline earnings		**82 352**	126 336	237 007
Headline earnings per share	(cents)	**32.6**	53.4	96.9
7.2 DILUTED HEADLINE EARNINGS PER SHARE				
Diluted headline earnings per share	(cents)	**31.4**	51.4	93.4
7.3 WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE				
Ordinary shares in issue at beginning of the period		**253 762 018**	221 000 000	221 000 000
Weighted number of shares issued during the period		**–**	16 853 874	24 657 869
Treasury shares		**(1 125 000)**	(1 125 000)	(1 125 000)
Weighted average number of shares in issue		**252 637 018**	236 728 874	244 532 869
Effect of convertible preference shares		**9 000 000**	9 000 000	9 000 000
Effect of share options		**403 093**	175 828	189 081
Weighted average number of dilutive shares in issue		**262 040 111**	245 904 702	253 721 950

8. CONTINGENT LIABILITIES

The Group has entered into guarantees in favour of South African Revenue Service, for import and export activities as well as various municipalities for operational activities. The guarantees from import and operational activities outstanding as at 1 April 2018 are R6.560 million (six months ended 2 April 2017: R5.070 million, year ended 1 October 2017: R6.560 million). There were no other changes in the contingent liabilities from the prior period as disclosed in the audited annual financial statements for the year ended 1 October 2017.

9. RECLASSIFICATION OF PRIOR PERIOD DISCLOSURE

R18.742 million of the non-current biological assets balance in the Condensed Consolidated Statement of Financial Position for the period ended 2 April 2017 was reclassified to the current portion of biological assets, as this is a better representation of the expected lifespan of the asset.

10. RELATED PARTY TRANSACTIONS

The Group generated sales from Peaty Mills Plc of R86.122 million (six months ended 2 April 2017: R76.300 million, year ended 1 October 2017: R182.483 million). Included in accounts receivable are amounts due from Peaty Mills Plc of R34.960 million (six months ended 2 April 2017: R28.718 million, year ended 1 October 2017: R43.143 million). There were no other significant related party transactions during the period under review.

11. DIVIDEND

On 15 January 2018, a dividend of 31.1 cents per share, total dividend R81.719 million (16 January 2017, a dividend of 42.2 cents per share, total dividend R107.610 million) was paid.

12. SIX-MONTH PERIOD END

The Group's financial year ends in September which reflects 52 weeks of trading, and as a result the reporting date may differ year on year. The 2017 financial year, however, included a 53rd week of trading. References to an interim financial period are to the 26/27 weeks ended on or about 31 March. As a result the interim financial statements were prepared for the 26 week period ended 1 April 2018 (27 week period ended 2 April 2017).

13. REVIEW REPORT

The directors have elected to engage the Group's auditors, Deloitte & Touche, to conduct a voluntary review of the condensed consolidated interim financial statements.

The Group's auditors have issued an unmodified review report on the condensed consolidated interim financial statements. Any reference to the Group's outlook included in this announcement has not been reviewed or reported on by the Group's auditors.

INDEPENDENT AUDITOR'S REVIEW

Report on the condensed consolidated financial statements

To the shareholders of Rhodes Food Group Holdings Limited

We have reviewed the condensed consolidated financial statements of Rhodes Food Group Holdings Limited, contained in the accompanying consolidated interim financial statements, which comprise the condensed consolidated statement of financial position as at 1 April 2018 and the condensed consolidated statement of comprehensive income, changes in equity and cash flows for the period then ended, and selected explanatory notes.

Directors' responsibility for the condensed consolidated financial statements

The directors are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with International Financial Reporting Standard (IAS) 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS continued

for the six-month period ended 1 April 2018

INDEPENDENT AUDITOR'S REVIEW continued

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Rhodes Food Group Holdings Limited for the six month period ended 1 April 2018 are not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

Deloitte & Touche

Deloitte & Touche
Registered Auditor

Per: **PJ Schneider**
Partner

1st Floor The Square, Cape Quarter, 27 Somerset Road, Green Point, 8005, Western Cape, Docex 5 Claremont

22 May 2018

National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer, Clients & Industries *MJ Jarvis Chief Operating Officer AF Mackie Audit & Assurance *N Sing Risk Advisory *NB Kader Africa Tax & Legal TP Pillay Consulting S Gwala BPS *JK Mazzocco Talent and Transformation MG Dicks Risk Independence & Legal *TJ Brown Chairman of the Board
Regional leader: MN Alberts
**Partner and Registered Auditor*
A full list of partners and directors is available on request.
B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

CORPORATE INFORMATION

RHODES FOOD GROUP HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number 2012/074392/06
JSE share code: RFG
ISIN: ZAE000191979

Registered address	Pniel Road, Groot Drakenstein, 7680 Private Bag X3040, Paarl, 7620
Directors	Dr YG Muthien* (Chairperson) MR Bower* BAS Henderson (Chief Executive Officer) TP Leeuw* LA Makenete* B Njobe* CC Schoombie (Chief Financial Officer) CL Smart** GJH Willis** * Independent non-executive ** Non-executive
Company secretary	B Lakey
Transfer secretaries	Computershare Investor Services Proprietary Limited
Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited
Auditors	Deloitte & Touche

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