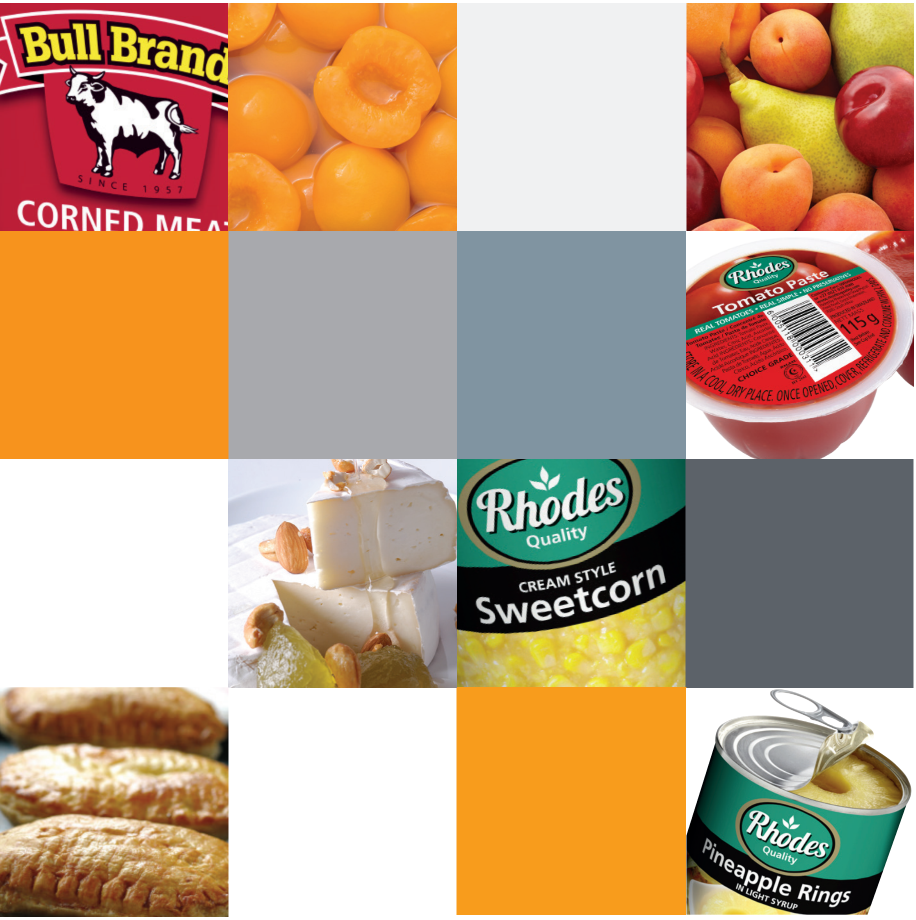


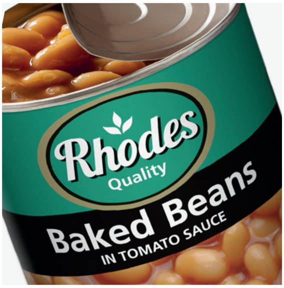
RHODES
FOOD GROUP

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 29 MARCH
2015

Turnover up

12.4%

to **R1.3 billion**



Profit after tax up

52.6%

to **R58.1 million**

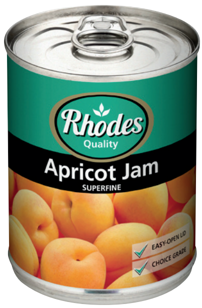
Normalised HEPS up

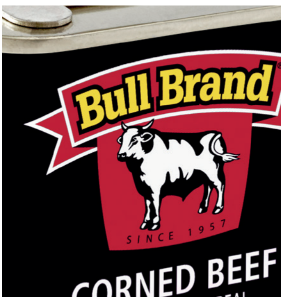
116.6%

to **36.6 cps**

Normalised operating margin up from **9.3%** to

9.7%





Commentary

Profile

Rhodes Food Group is a leading producer of convenience meal solutions in fresh, frozen and long life product formats, catering for needs across all consumer income groups. The group's growing portfolio of strong brands includes Rhodes, Bull Brand, Magpie and Hazeldene. These brands are complemented by private label product ranges prepared for selected local and international retailers. Rhodes Food Group Holdings Limited was listed on the main board of the JSE Limited on 2 October 2014, raising primary capital of R600 million.

Financial performance

Turnover for the six months ended 29 March 2015 ("the period") increased by 12.4% to R1 295 million (2014: R1 152 million), with strong organic growth of 18.4% in the regional segment which accounted for 73% (2014: 70%) of total group turnover. This growth has arisen from market share gains in key product categories and significant growth in the relatively new channels of wholesale and sub-Saharan African markets.

The international segment was negatively impacted by a shift in timing of export orders and shipments in this period compared to the 2014 period and increased canned fruit volumes into the regional segment, resulting in revenue being marginally lower for the six months. Production volumes for the six months are in line with the same period last year and these will be shipped out during the second half (refer to Trading performance below).

The group's gross profit margin was constant at 27.6%, with the 350 basis points increase in the regional segment offset by the lower margin in the international business. The gross profit increased by 12.9% to R357.1 million. Management continues to target a gross margin above 30% in the medium term.

Operating costs, excluding listing costs, grew by 16.2% as the group continues to increase its investment in marketing and advertising, and increase capacity in its commercial division.

The operating margin on a normalised basis, excluding listing costs, improved from 9.3% to 9.7% through the ongoing turnaround at Bull Brand and further operating efficiency gains. Operating profit on the same basis increased 17.3%.

Profit after tax rose by 52.6% to R58.1 million, with headline earnings for the period 58.4% higher at R59.0 million. The effective tax rate at 35% is higher than the SA corporate tax rate due to the non-deductibility of certain listing costs and transaction costs associated with recent acquisitions. The effective tax rate is expected to reduce to approximately 32% for the 2015 financial year.

Normalised headline earnings per share ("HEPS") increased by 116.6% to 36.6 cents, assuming the number of shares in issue post listing applied in both 2014 and 2015 and adjusting for R21.8 million listing costs in the period. These results are in line with the trading statement released on 5 May 2015.

Working capital for the period reflects a net increase of R145.4 million owing mainly to an increase in inventory which was partially offset by an increase in trade payables. The increase is in line with the seasonality in the working capital cycle of the business and the growth over the prior year reflects the increased trading activities. Inventory levels were 21.8% higher at the end of March mainly as a result of the lower levels of export shipments and will reduce in the second half as international export orders are delivered. Due to the seasonal nature of fruit production working capital is actively managed over an annual cycle.

Cash generated from operations was R58.9 million lower than the prior period owing mainly to the increased investment in working capital.

The net cash outflow from operating activities was R117.8 million (2014: inflow of R14.1 million) owing to the increase in working capital and payment of interest which was previously accrued. Following the settlement of debt totalling R426 million and restructuring of loans, the net cash inflow from financing activities was R219.8 million compared to an outflow of R57.9 million in the previous year.

Capital expenditure showed a significant increase to R90 million (2014: R23 million) and has been invested mainly in the fruit production facilities in Tulbagh and Swaziland, upgrading the meat production plant, expanding the pie production capacity and installing and upgrading generators at several production facilities to minimise the impact of electricity load shedding.

Trading performance

Regional segment

The regional segment includes business generated in South Africa, which accounts for the majority of the segment, and Sub-Saharan Africa. Sales in this segment are diversified across the entire product range.

Turnover for the six months increased by 18.4% to R950 million. Fresh Foods grew sales by 19.9% to R447 million, driven by strong growth in supply to Woolworths and Corner Bakery. Long Life Foods grew turnover by 17.1% to R503 million through increased demand for canned fruit and vegetables, and the growing contribution from Bull Brand. Price inflation for the segment averaged 9.8% for the period.

Sales in Sub-Saharan Africa (excluding SA) continue to gain momentum and increased by 39.2% over the prior period, driven by the strategic focus on these markets and in particular the addition of canned meat to the group's product range. This is expected to continue into the second half.

Operating profit increased by 73% to R105.4 million as the operating margin improved by 350 basis points from 7.6% to 11.1%. This is mainly attributable to the benefits of the turnaround programme in Bull Brand which is ahead of schedule, further production efficiencies across all plants and volume growth in the period.

The group's brands hold the number 1 or strong number 2 market share positions in most targeted product categories in South Africa. The Rhodes brand has the leading market share in canned pineapple, tomato paste and jam in glass jars, with number two positions in canned fruit, canned jams, canned vegetables and canned tomatoes. Bull Brand, acquired by the group in 2013, is the iconic market leader in corned meat.

International segment

The international segment exports canned fruit, fruit juice purees and concentrates. The main export markets are Europe, the Far East, USA, Canada, Australasia, Russia and the Middle East.

International turnover declined by 1.4% to R344.8 million due to the shift in timing of export orders into the second half and increased volumes of canned fruit being sold into the regional market. Importantly, production volumes for the period were at similar levels to the corresponding period last year. Owing to the seasonality in the canned fruit production cycle the international business is managed on a 12 month basis.

Operating profit reduced by 47.5% to R24.1 million with the operating margin at 7.0% (2014: 13.1%) owing to the reduction in export volumes, fewer shipments to the higher margin Asian and Australasian markets during the period and a once-off customer claim from the USA due to packaging failure which had a net effect of R8.5 million on the segment during the period.

Acquisitions

The group aims to complement organic growth by expanding into new product categories which are complementary to its current product ranges.

Pacmar (Pty) Ltd ("Pacmar"), the Wellington-based fruit juice manufacturer and distributor, was acquired by the group for R165 million, effective 1 April 2015. Pacmar produces fruit juices and beverages for local, regional and international markets under third party, private label and its own brands including Wilde, Amazing, Zing and Crystal Falls. In its 2014 financial year Pacmar generated revenue of R369 million and EBITDA of R22 million. The acquisition will enable the group to realise synergies between the Pacmar products and the range of fruit purees and juice concentrates produced by the group.

In February 2015 the group announced the planned acquisition of Boland Pulp (Pty) Ltd ("Boland Pulp"), a producer of fruit and vegetable concentrates and purees, for R101.5 million, together with related properties held in Boland Pulp Property Holdings (Pty) Ltd ("Boland Pulp Properties") for R7.9 million. Boland Pulp produces bulk juice concentrates and purees for the domestic and regional markets, and also exports to over 30 countries internationally. Through its retail division Boland Pulp sells purees, sauces and baby foods in innovative re-sealable pouches.

The group also announced plans to acquire Deemster (Pty) Ltd ("Deemster"), a vegetable canning and salad bottling business in Bethlehem, for R10 million.

The acquisitions provide a neat entry for the group into the new categories of baby foods, pickles and long life bottled salads such as gherkins and beetroot.

After the end of the reporting period the group entered into an agreement to acquire Saint Pie (Pty) Ltd ("Saint Pie"), a producer of pies and pastry products based in Lydenburg, Mpumalanga, for R27 million. Saint Pie has a manufacturing operation in Lydenburg and distribution centres in Lydenburg, Pretoria and Welkom. The business generates approximately R60 million in annual turnover from its Saint Pie brand, with a strong focus on fuel forecourts.

Outlook

The group will continue to drive organic growth and grow market share in both the Fresh Foods and Long Life segments while realising the benefits of the ongoing turnaround in Bull Brand, increasing sales in Sub-Saharan Africa and ensuring a strong performance from the international division in the second half.

Following the acquisition of Pacmar, the business will be integrated into the group's Long Life division, with the short-term focus on increasing production capacity and growing market share both regionally and internationally. The acquisitions of Boland Pulp, Boland Pulp Properties and Deemster are currently being finalised and are expected to be effective by 1 July 2015. The effective date of the Saint Pie transaction is expected to be 1 June 2015. These acquisitions are all subject to conditions precedent, including approval from the competition authorities for Boland Pulp.

The pipeline of potential acquisitions is encouraging and management will continue to seek opportunities to acquire food producers that are aligned to the group's core products, or that provide entry into new product categories.

The business generates strong operating cash flows and has capacity to raise debt to fund capital expenditure and the acquisitions announced to date. The board may consider additional sources of funding for future investments, including material acquisitions.

Capital expenditure of R100 million is planned for the second half of 2015 for the ongoing investment in capacity expansion and the upgrading of production facilities.

The directors plan to declare the first dividend for the financial year to September 2015, payable early in 2016, based on a dividend cover ratio of three times diluted HEPS.

Bruce Henderson
Chief Executive Officer

Tiaan Schoombie
Chief Financial Officer

Groot Drakenstein
25 May 2015

Condensed consolidated interim statement of financial position

as at 29 March 2015

	Notes	Reviewed Six-month period ended 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
ASSETS				
Non-current assets		**799 357**	707 124	744 609
Property, plant and equipment	4	**593 973**	489 734	529 152
Intangible assets		**51 051**	51 051	51 051
Goodwill		**126 325**	126 325	126 325
Biological assets	6	**27 899**	28 143	28 015
Loans receivable		**–**	9 450	9 275
Other financial instruments	7.1	**109**	2 421	791
Current assets		**1 212 655**	999 055	936 332
Inventory	5	**788 835**	647 828	542 632
Accounts receivable		**418 858**	342 240	390 029
Loans receivable		**2 906**	1 687	1 941
Bank balances and cash on hand		**2 056**	3 550	1 730
Foreign exchange contract asset	7.2	**–**	3 750	–
Total assets		**2 012 012**	1 706 179	1 680 941
EQUITY AND LIABILITIES				
Capital and reserves		**905 566**	231 401	273 888
Share capital	8	**720 205**	150 001	150 001
Accumulated profit		**179 883**	75 051	117 567
Equity attributable to owners of the company		**900 088**	225 052	267 568
Non-controlling interest		**5 478**	6 349	6 320
Non-current liabilities		**333 811**	687 611	741 401
Preference shares	8	**–**	156 005	156 005
Preference shareholders for dividend accrual	8	**–**	47 897	67 228
Long-term loans	8	**276 610**	424 728	465 434
Deferred taxation liability		**47 626**	50 930	43 603
Employee benefit liability		**9 575**	8 051	9 131
Current liabilities		**772 635**	787 167	665 652
Accounts payable		**490 298**	448 886	333 113
Provision for employee benefits		**69 779**	66 361	99 275
Current portion of long-term loans	8	**66 559**	54 242	72 799
Taxation payable		**34 682**	29 834	29 684
Other loan		**–**	10 812	–
Bank overdraft		**109 762**	177 032	128 605
Foreign exchange contract liability	7.2	**1 555**	–	2 176
Total equity and liabilities		**2 012 012**	1 706 179	1 680 941

Condensed consolidated interim statement of profit or loss and other comprehensive income

for the six months ended 29 March 2015

	Notes	Reviewed Six-month period ended 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
Revenue		**1 294 852**	1 151 837	2 444 225
Cost of goods sold		**(937 740)**	(835 497)	(1 790 090)
Gross profit		**357 112**	316 340	654 135
Other income		**15 664**	3 488	15 977
Operating costs		**(268 556)**	(212 434)	(433 992)
Earnings before interest and taxation		**104 220**	107 394	236 120
Interest paid		**(14 877)**	(48 349)	(103 446)
Interest received		**146**	985	597
Earnings before taxation		**89 489**	60 030	133 271
Taxation		**(31 422)**	(21 862)	(50 804)
Earnings for the period		**58 067**	38 168	82 467
Earnings attributable to:				
Owners of the company		**58 909**	37 714	81 898
Non-controlling interest		**(842)**	454	569
		58 067	38 168	82 467
Other comprehensive income				
Items that will not be classified subsequently to profit or loss		**–**	–	(1 812)
Remeasurement of employee benefit liability		**–**	–	(2 783)
Deferred taxation effect		**–**	–	971
Total comprehensive income for the period		**58 067**	38 168	80 655
Total comprehensive income attributable to:				
Owners of the company		**58 909**	37 714	80 230
Non-controlling interest		**(842)**	454	425
		58 067	38 168	80 655
Earnings per share (cents)		**26.7**	22.1	47.9
Headline earnings per share (cents)	9.1	**26.7**	21.8	47.5
Diluted earnings per share (cents)		**25.6**	21.0	45.5
Diluted headline earnings per share (cents)	9.2	**25.7**	20.7	45.2

Condensed consolidated interim statement of changes in equity

for the six months ended 29 March 2015

	Share capital R'000	Accumulated profit R'000	Non-controlling interest R'000	**Total R'000**
Balance at 29 September 2013 – audited	150 001	37 337	5 895	**193 233**
Total comprehensive income for the period	–	37 714	454	**38 168**
Balance at 30 March 2014 – reviewed	150 001	75 051	6 349	**231 401**
Total comprehensive income for the period	–	42 516	(29)	**42 487**
Balance at 28 September 2014 – audited	150 001	117 567	6 320	**273 888**
Issue of ordinary share capital	570 204	3 407	–	**573 611**
Total comprehensive income for the period	–	58 909	(842)	**58 067**
Balance at 29 March 2015 – reviewed	720 205	179 883	5 478	**905 566**

Condensed consolidated interim statement of cash flows

for the six months ended 29 March 2015

	Reviewed Six-month period ended 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
Cash flows from operating activities			
Operating cash flows before working capital changes	**129 823**	130 833	282 589
Working capital changes	**(145 429)**	(87 576)	(106 142)
Cash (utilised in)/generated from operations	**(15 606)**	43 257	176 447
Net interest paid	**(79 058)**	(14 785)	(38 853)
Taxation paid	**(23 176)**	(14 398)	(49 809)
Net cash (outflow)/inflow from operating activities	**(117 840)**	14 074	87 785
Cash flows from investing activities			
Purchase of property, plant and equipment	**(89 988)**	(23 499)	(87 763)
Proceeds on disposal of property, plant and equipment	**125**	619	859
Loan receivable raised	**(1 510)**	(75)	(150)
Loans repaid	**8 570**	304	554
Net cash outflow from investing activities	**(82 803)**	(22 651)	(86 500)
Cash flows from financing activities			
Issues of ordinary share capital	**575 642**	–	–
Preference share capital repaid	**(156 005)**	–	–
Loans raised	**321 343**	3 870	77 318
Loans repaid	**(521 168)**	(61 728)	(98 431)
Net cash inflow/(outflow) from financing activities	**219 812**	(57 858)	(21 113)
Net increase/(decrease) in cash and cash equivalents	**19 169**	(66 435)	(19 828)
Cash and cash equivalents at beginning of the period	**(126 875)**	(107 047)	(107 047)
Cash and cash equivalents at end of the period	**(107 706)**	(173 482)	(126 875)

Condensed consolidated interim segmental report

for the six months ended 29 March 2015

Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision-makers 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 directors 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 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 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
	Segment revenue		
Regional			
Fresh products sales	**447 165**	372 803	777 213
Long life products sales	**502 897**	429 507	818 438
	950 062	802 310	1 595 651
International			
Long life products sales	**344 790**	349 527	848 574
Total	**1 294 852**	1 151 837	2 444 225
	Segment earnings		
Regional	**105 375**	60 919	139 316
International	**24 131**	45 925	96 004
Total	**129 506**	106 844	235 320
Other income	**–**	550	800
Listing fees	**(21 796)**	–	–
Acquisition costs	**(3 490)**	–	–
Interest received	**146**	985	597
Interest paid	**(14 877)**	(48 349)	(103 446)
Earnings before taxation	**89 489**	60 030	133 271

Segment revenue reported above represents revenue generated from external customers. Intercompany sales amounted to R118 706 032 (six months ended 30 March 2014: R127 613 984, year ended 28 September 2014: R321 469 319).

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 1. Segment profit represents the profit before tax earned by each segment without allocation of other income, JSE listing fees, acquisition costs incurred on the acquisition of Pacmar Proprietary Limited and Pacmar Properties Proprietary Limited, 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.

Geographical information

The group's non-current assets by location of operations (excluding financial instruments, goodwill and deferred tax assets) are detailed below. The chief operating decision-makers do not evaluate any other of the group's assets or liabilities on a segmental basis for decision making purposes.

	Reviewed Six-month period ended 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
	Non-current assets		
Republic of South Africa	**579 480**	503 789	542 470
Kingdom of Swaziland	**93 443**	74 589	75 023
	672 923	578 378	617 493

Information regarding major customers

Three customers individually contributed 10% or more of the group's revenues arising from both regional and international sources.

Notes to the condensed consolidated interim financial statements

for the six months ended 29 March 2015

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 months ended 29 March 2015 comprise the company and its subsidiaries (together referred to as the 'group'). The main business of the group is the manufacturing and marketing of convenience foods. These include fresh and frozen ready meals, pastry based products, canned jams, canned fruits, canned vegetables, canned meat, fruit purees and concentrates and dairy products. There were no major changes in the nature of the business for the group in the six-month period ended March 2015 and 2014.

The reviewed financial results are prepared in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting 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 presentation of the interim financial statements are consistent with those applied for the year ended 28 September 2014, except for the following new or revised standards, amendments thereto and interpretations as issued by International Accounting Standards Board, which are effective for the current reporting period that were adopted:

1.1 IAS 36 (amendment) Recoverable amount disclosures for non-financial assets (effective 1 January 2014)

1.2 IFRS 8 (amendment) Operating segments (effective 1 July 2014)

1.3 IFRS 13 (amendment) Fair value measurement (effective 1 July 2014)

The adoption of these new and revised accounting standards did not have a material impact on the results and as such there is no change to comparative information resulting from the adoption of these standards.

The interim financial statements contain the information required by IAS 34: Interim Financial Reporting, and the accounting policies adopted and methods of computation are in accordance with IFRS. These interim financial statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the group's financial position and performance since the last consolidated financial statements as at and for the year ended 28 September 2014. 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 April 2015 Rhodes Food Group Proprietary Limited, a 100% held subsidiary of Rhodes Food Group Limited, acquired 100% of the shares in Pacmar Proprietary Limited and Pacmar Properties Proprietary Limited. Rhodes Food Group Proprietary Limited further entered into a sales agreement to purchase the sales assets and sales liabilities of Boland Pulp Proprietary Limited, Boland Pulp Property Holdings Proprietary Limited and Deemster Proprietary Limited, as well as the sales assets and sales liabilities of Saint Pie Proprietary Limited, which is subject to conditions precedent as stipulated per the SENS announcement issued 20 February 2015 and 11 May 2015 respectively.

The directors are not aware of any other matter or circumstance of a material nature arising since the end of the six months ended 29 March 2015 which significantly affect the financial position of the group or the results of its operations.

4. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 29 March 2015, the group acquired assets with a cost of R89 987 944 (six months ended 30 March 2014: R23 499 188, year ended 28 September 2014: R87 763 245).

Assets with a carrying amount of R309 188 were disposed of during this period (six months ended 30 March 2014: Rnil, year ended 28 September 2014: R21 500). This disposal resulted in a loss of R184 188 (six months ended 30 March 2014: gain of R619 003, year ended 28 September 2014: gain of R838 183), which was recognised as part of 'other income' in the condensed consolidated statement of profit or loss and other comprehensive income.

During the six-month period ended 29 March 2015, the group contracted R46 870 684 (six months ended 30 March 2014: R44 610 775, year ended 28 September 2014: R28 247 694) 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 securities to the property, plant and equipment.

5. INVENTORY

A provision of R14 882 934 for the six months ended 29 March 2015 (six months ended 30 March 2014: R10 887 844, year ended 28 September 2014: R28 471 013) was raised in order to disclose inventory at the lower of cost or net realisable value.

Notes to the condensed consolidated interim financial statements

for the six months ended 29 March 2015

	Reviewed Six-month period ended 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
6. BIOLOGICAL ASSETS			
Livestock	**8 485**	7 742	8 602
Growing crops	**19 414**	20 401	19 413
	27 899	28 143	28 015

Measurement of fair value of livestock

The fair values of the livestock have been categorised as level 3 fair values based on the inputs to valuation techniques used (fair value measurements are derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data). The valuation technique is based on the fair values less estimated point-of-sale costs of which the unobservable inputs consist of premiums on the classification of livestock and premiums for quality depending on the physical attributes of the livestock.

Measurement of fair value of growing crops

The fair values of the pineapple plantations have been categorised as level 3 fair values based on the inputs to valuation techniques used. The valuation technique is based on the fair value (which approximates market value) less estimated point-of-sale costs at the point of harvest of which the unobservable inputs consist of estimated volumes (average of 54 975 tons delivered for a four-year period) and estimated pricing (R1 222 per ton delivered) of pineapples harvested.

The following table shows a reconciliation between the opening balance and closing balance for level 3 valuations:

	Reviewed Six-month period ended 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
Carrying value at the beginning of the period	**28 015**	28 046	28 046
(Losses)/gains included in profit or loss	**(117)**	98	(31)
Change in fair value (realised)	**–**	–	–
Change in fair value (unrealised)	**(117)**	98	(31)
Gains included in other comprehensive income	**–**	–	–
Carrying value at the end of the period	**27 898**	28 144	28 015
7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
7.1 Other financial instruments			
Interest rate swap – not designated in hedge accounting relationship			
Financial asset			
Non-current	**109**	2 421	791
Current (included in accounts receivable)	**–**	701	1 173
	109	3 122	1 964
7.2 Foreign exchange contracts			
Contract (loss)/profit	**(1 555)**	3 750	2 176

Financial instruments at fair value through profit and loss	Level	Valuation technique
Interest rate swap	Level 2*	Mark to market valuation by issuer of instrument
Foreign exchange contracts	Level 2*	Mark to market rates by issuer of instrument

* *Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived from prices).*

Notes to the condensed consolidated interim financial statements (continued)

for the six months ended 29 March 2015

8. ISSUE OF ORDINARY SHARE CAPITAL

The company commenced the public trading of its issued share capital on the JSE Limited on 2 October 2014 which included the listing of 50 000 000 ordinary shares issued during a private placement prior to listing. 375 000 of these shares we previously held as treasury shares. R600 000 000 was raised during the private placement prior to the listing and the net proceeds of this were used to repay the following portion of the group's debt:

– the "A" cumulative redeemable preference shares and related dividend accrual for the total amount of R223 233 172;

– the Nedbank Limited mezzanine loan of R174 131 260;

– the Capitalworks Rhodes Food Investment Partnership loan of R21 375 690;

– the South African Investment Partnership loan of R3 183 435; and

– the South African Investment Partnership II loan of R9 020 064.

	Reviewed Six-month period ended 29 March 2015 R'000	Reviewed Six-month period ended 30 March 2014 R'000	Audited year ended 28 September 2014 R'000
9. HEADLINE EARNINGS PER SHARE			
9.1 Headline earnings per share			
Reconciliation between earnings attributable to owners of the parent and headline earnings:			
Earnings attributable to owners of the parent	**58 909**	37 714	81 898
Adjustments to earnings attributable to owners of the parent	**132**	(446)	(603)
Gross loss/(profit) on disposal of property, plant and equipment	**184**	(619)	(838)
Taxation effect	**(52)**	173	235
Headline earnings	**59 041**	37 268	81 295
Headline earnings per share (cents)	**26.7**	21.8	47.5
Normalised headline earnings per share (cents)[1, 3]	**36.6**	21.8	47.5
Normalised headline earnings per share (cents)[1, 2, 3]	**36.6**	16.9	36.8
9.2 Diluted headline earnings per share			
Diluted headline earnings per share (cents)	**25.7**	20.7	45.2
Normalised diluted headline earnings per share (cents)[1, 3]	**35.1**	20.7	45.2
Normalised diluted headline earnings per share (cents)[1, 2, 3]	**35.1**	16.2	35.3
9.3 Weighted average number of shares in issue			
Weighted average number of shares in issue	**221 000 000**	171 000 000	171 000 000
Weighted average number of dilutive shares in issue	**230 000 000**	180 000 000	180 000 000
Weighted average number of shares in issue assuming the number of shares in issue post listing applied in 2015 and 2014 [2, 3]	**221 000 000**	221 000 000	221 000 000
Weighted average number of dilutive shares in issue assuming the number of shares in issue post listing applied in 2015 and 2014 [2, 3]	**230 000 000**	230 000 000	230 000 000

Notes to the condensed consolidated interim financial statements

for the six months ended 29 March 2015

9. HEADLINE EARNINGS PER SHARE (continued)

[1] *Normalised headline earnings and normalised diluted headline earnings have been adjusted for once-off listing fees incurred of R21 795 875, relating to the public trading of the company's issued share capital on the JSE Limited.*

[2] *On 2 October 2014 the company commenced the public trading of its issued share capital on the JSE Limited which included the listing of 50 000 000 ordinary shares issued. Normalised headline earnings and normalised diluted headline earnings per share for the period and prior period have been adjusted with the assumption that these additional shares were issued in both 2015 and 2014.*

[3] *The pro forma financial information has been prepared for illustrative purposes only to provide information on how the normalised headline earnings and normalised diluted headline earnings adjustment might have impacted on the financial results of the group. Because of its nature, the pro forma financial information may not be a fair reflection of the group's results of operation, financial position, changes in equity or cash flows.*

The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies that comply with International Financial Reporting Standards. These are consistent with the audited consolidated financial statements for the year ended 28 September 2014.

There are no post-balance sheet events which require adjustment to the pro forma information.

The directors are responsible for compiling the pro forma financial information on the basis of the application criteria specified in the JSE Listings Requirements.

The pro forma financial information should be read in conjunction with the unqualified Deloitte & Touche independent reporting accountants' report thereon, which is available for inspection at the company's registered offices (Pniel Road, Groot Drakenstein, 7680), at no charge, during normal business hours.

10. CONTINGENT LIABILITIES

The group has entered into guarantees, the outcome of which has not been determined. The guarantees from import and operations activities for the six months ended 29 March 2015 is R7 434 287 (six months ended 30 March 2014: R3 118 870, year ended 28 September 2014: R7 434 287). There are no other changes in the contingent liabilities from the prior period.

11. SIX-MONTH PERIOD END

The group's interim financial period ends in March which reflects 26 weeks of trading and as a result the reporting date may differ year on year. References to an interim financial period are to the 26 weeks ended on or about 31 March. As a result the interim financial statements were prepared for the six month period ended 29 March 2015 (30 March 2014).

12. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board of directors on 15 May 2015.

13. DIVIDENDS

The company did not declare any dividend for the six-month period ended 29 March 2015.

14. REVIEW CONCLUSION

The group's auditors, Deloitte & Touche, have issued an unqualified review conclusion 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 company's auditors.

Independent auditor's review report on condensed consolidated interim financial statements for the six months ended 29 March 2015

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 interim report, which comprise the condensed consolidated interim statement of financial position as at 29 March 2015 and the condensed consolidated interim statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Directors' responsibility for the interim financial statements

The directors are responsible for the preparation and presentation of these interim 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 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 interim 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 interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries 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 financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of Rhodes Food Group Holdings Limited for the six months ended 29 March 2015 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 Auditors

Per MA van Wyk
Partner

25 May 2015

Audit – Stellenbosch
Unit 11 Ground Floor, La Gratitude, 97 Dorp Street, Stellenbosch 7600

National Executive*: LL Bam Chief Executive* AE Swiegers Chief Operating Officer* GM Pinnock Audit DL Kennedy Risk Advisory *NB Kader Tax TP Pillay Consulting* K Black Clients & Industries* JK Mazzocco Talent & Transformation* MJ Jarvis Finance *M Jordan Strategy S Gwala Managed Services* TJ Brown Chairman of the Board* MJ Comber Deputy Chairman of the Board

* *Partner and Registered Auditor*

A full list of partners and directors is available on request.

B-BBEE rating: Level 2 contributor in terms of the Chartered Accountancy Profession Sector Code

Member of Deloitte Touche Tohmatsu Limited

Corporate information

Rhodes Food Group Holdings Limited

(Previously Rhodes Food Group Holdings Proprietary 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) BAS Henderson (Chief Executive Officer) MR Bower* TP Leeuw* LA Makenete* CC Schoombie (Chief Financial Officer) CL Smart** GJH Willis** ** Independent non-executive* ***Non-executive*
Company secretary	Statucor Proprietary Limited
Transfer secretaries	Computershare Investor Services Proprietary Limited 70 Marshall Street, Johannesburg 2001 PO Box 61051, Marshalltown 2107
Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited
Auditors and reporting accountants	Deloitte & Touche

ince

www.rhodesfoodgroup.com