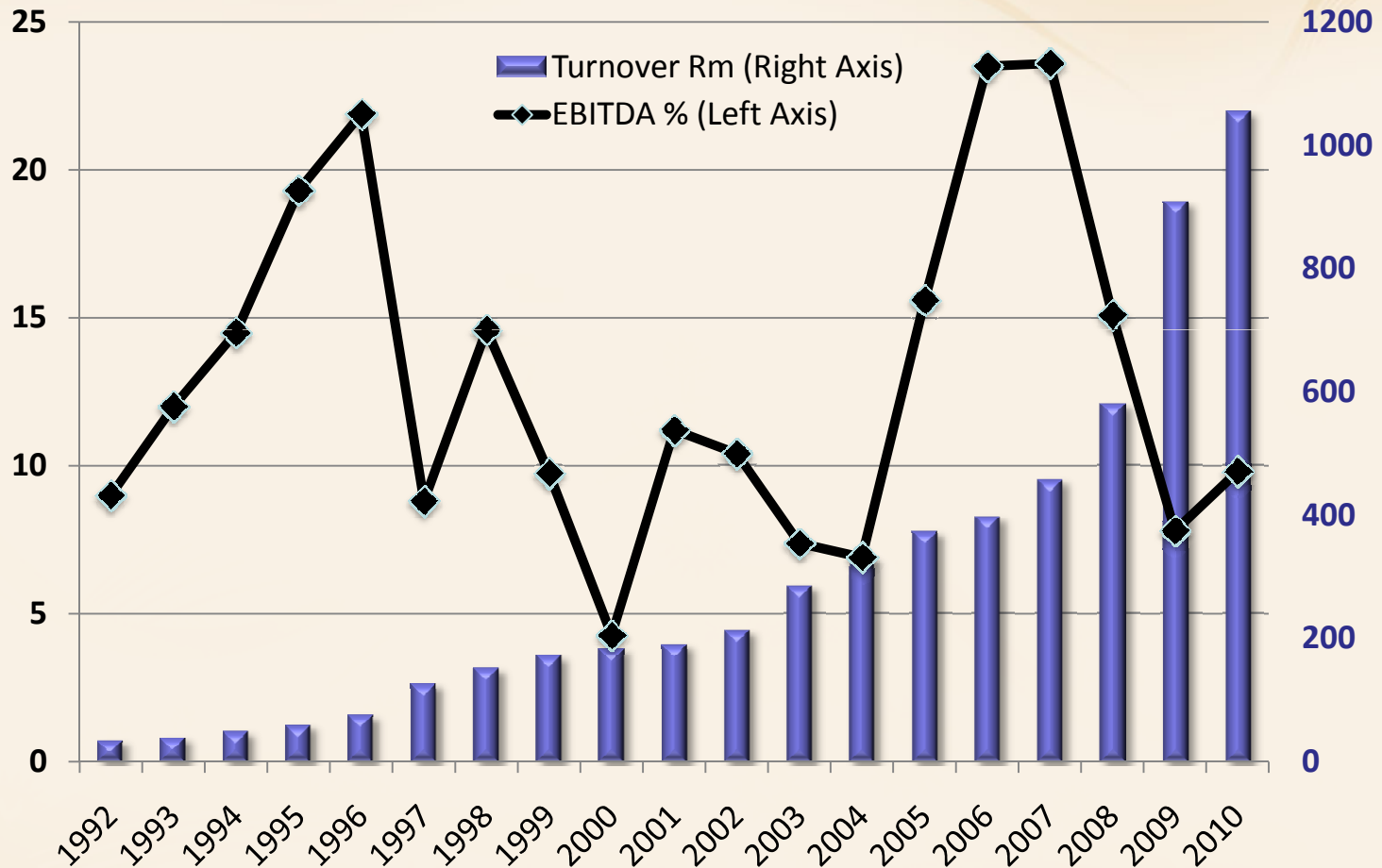




Sovereign Food Investments Results for the 2010 Year

Turnover and operating margin (EBITDA) %



Summary (PBT)

Item	H108	H208	FY08	H109	H209	FY09	H110	H210	FY10
Volume (tons)	26 000	26 140	52 140	34 000	42 800	76 800	44 200	43 200	87 400
Price (R/kg)	10.99	11.31	11.15	10.74	12.69	11.83	12.32	11.84	12.08
Total costs (R/kg)	8.93	10.51	9.72	11.35	11.03	11.17	10.83	11.56	11.18
Feed costs (R/kg)	3.63	4.67	4.15	5.54	5.29	5.39	5.21	5.15	5.18
Non feed costs (R/kg)	5.30	5.84	5.57	5.81	5.74	5.78	5.62	6.41	6.00
Ops Margin (R/kg)	2.06	0.80	1.43	(0.61)	1.66	0.66	1.49	0.28	0.90
Ops Margin %	19%	7%	13%	(6%)	13%	6%	12%	3%	8%
Fin Charges (R/kg)	0.22	0.20	0.21	0.66	0.79	0.73	0.76	0.68	0.71
EPS (cents)	101.7	39.9	141.6	(104.1)	102.6	(1.5)	70.5	(31.7)	30.7

Summary (PBT) – Long Term

Item	FY05	FY06	FY07	FY08	FY09	FY10
Volume (tons)	38 025	39 400	48 200	52 140	76 800	87 400
Price (R/kg)	R9.12	R9.98	R9.41	R11.15	R11.83	R12.08
Total costs (R/kg)	R7.85	R7.75	R7.37	R9.72	R11.17	R11.18
Feed costs (R/kg)	R3.54	R2.99	R2.59	R4.15	R5.39	R5.18
Non feed costs (R/kg)	R4.31	R4.76	R4.78	R5.57	R5.78	R6.00
Ops Margin (R/kg)	R1.27	R2.23	R2.04	R1.43	R0.66	R0.90
Ops Margin %	14%	22%	22%	13%	6%	8%
Fin Charges (R/kg)	0.24	0.16	0.09	0.21	0.73	0.71
EPS (cents)	122.7	182.3	206.0	141.6	(1.5)	30.7

Analysis of Feed and Non-Feed Costs in later slides

H210: Guidance vs. Actual

	H110 Actual	H210 Guidance	H210 Actual	H210 Variance
Volume (tons)	44 200	42 800	43 200	400
NSV / Price (R/kg sales)	12.32	11.93	11.84	(0.09)
Feed (R/kg sales)	5.21	4.87	5.15	0.28
Non feed costs excluding interest (R/kg sales)	5.62	5.57	6.41	0.84
Fin charges (R/kg sales)	0.76	0.72	0.68	(0.04)
Net (R/kg sales)	0.73	0.77	(0.40)	(1.17)
Net Rm	32.3	33.0	(17.4)	(50.4)

H210: Guidance vs. Actual : Feed

	H110 Actual	H210 Guidance	H210 Actual	H210 Variance
Feed (R/kg sales)	5.21	4.87	5.15	0.28
Live mass (kg)	1.65	1.65	1.70	0.05
Post yield FCR (kg/kg)	1.62	1.65	1.72	0.07
Feed raw materials R/ton	3,040	2,764	2,760	(4)
Feed milling cost R/ton	160	190	234	44
Feed cost R/ton	3,200	2,954	2,994	40

FCR: We pushed the age out to 40 days in order to gain mass but this resulted in our post yield FCR worsening by 7 points

Feed milling: Raw materials were in line with forecasts but efficiency issues at the mill led to an increase in milling costs

Feed Cost Analysis – Longer Term View

Item	FY05	FY06	FY07	FY08	FY09	FY10
Volume (tons)	38 025	39 400	48 200	52 140	76 800	87 400
NSV (R/kg)	R9.12	R9.98	R9.41	R11.15	R11.83	R12.08
Feed Costs (R/kg)	R3.54	R2.99	R2.59	R4.15	R5.39	R5.18
FCR Post Yield	1.77	1.76	1.72	1.70	1.64	1.67
Raw Material Cost R/ton	R1 806	R1 527	R1 318	R2 213	R3 046	R2 906
Milling Cost R/ton	R194	R171	R176	R232	R244	R197
Feed Cost R/ton	R2 000	R1 698	R1 494	R2 445	R3 290	R3 103
NSV Less Feed (R/kg)	R5.58	R6.99	R6.82	R7.00	R6.44	R6.90
Feed “Marginal” Profit	61%	70%	73%	63%	54%	57%
Rm to bottom line	R212	R275	R329	R364	R494	R603

- For last 5 years, NSV less feed in R/kg remains constant in the R6.50 to R7.00 range
- Our post yield FCR has improved over time apart from FY10

Cost base of poultry (PBIT) – Full year summary

R/kg poultry sold	FY05	FY06	FY07	FY08	FY09	FY10	Change 10 vs. 09
Feed	3.54	2.99	2.59	4.15	5.39	5.18	(0.21)
Day Old Chick	0.75	0.94	0.81	1.14	1.35	1.36	0.01
Non Feed total (excluding DOC)	3.56	3.82	3.97	4.43	4.43	4.64	0.21
Farming costs	0.87	0.96	0.83	0.82	0.76	0.81	0.05
Factory and packaging costs	1.70	1.60	1.72	1.51	1.84	2.00	0.16
Marketing and distribution	0.61	0.69	0.91	1.05	1.13	1.06	(0.07)
Asset impairment	-	-	-	0.12	-	-	-
Group services and risk management	0.38	0.57	0.51	0.93	0.70	0.77	0.07
Total	7.85	7.75	7.37	9.72	11.17	11.18	0.01

H210: Guidance vs. Actual : Non Feed (R/kg sales)

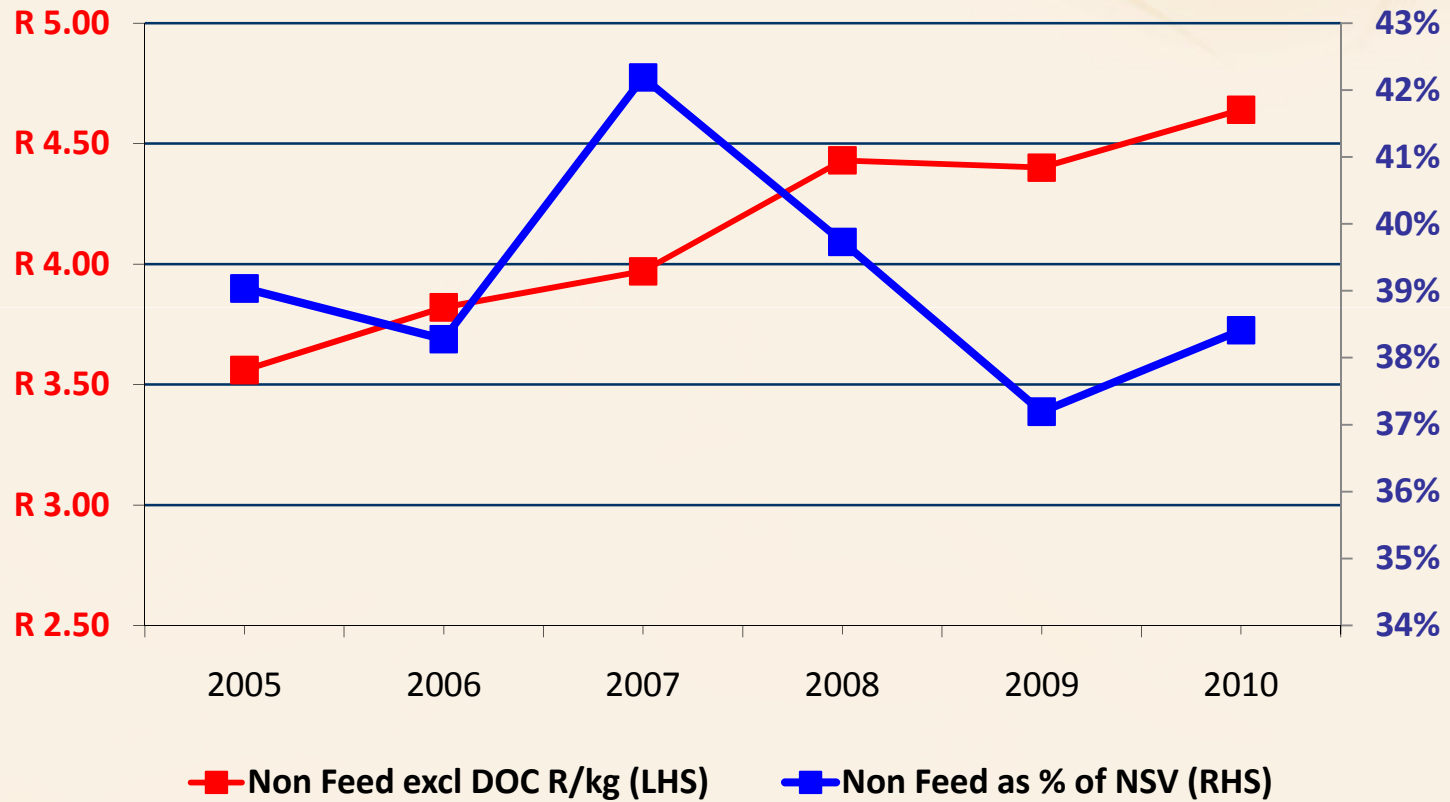
	H110 Actual	H210 Guidance	H210 Actual	H210 Variance
Non feed cost excl. finance charges	5.62	5.57	6.41	0.84
<i>DOC Total R/kg</i>	<i>1.30</i>	<i>1.30</i>	<i>1.42</i>	<i>0.12</i>
DOC (Feed) R/kg	0.60	0.60	0.64	0.04
DOC (Non Feed) R/kg	0.70	0.70	0.78	0.08
Farming cost R/kg	0.76	0.75	0.87	0.12
<i>Total Processing Cost R/kg</i>	<i>1.81</i>	<i>1.87</i>	<i>2.20</i>	<i>0.33</i>
Abattoir Cost R/kg	1.19	1.14	1.31	0.17
Packaging and brine R/kg	0.70	0.73	0.72	-0.01
Imports and Stock Movement R/kg	-0.08	-	0.17	0.17
Distribution and S/M Cost R/kg	1.07	1.00	1.04	0.04
Group Services R/kg	0.68	0.65	0.88	0.23

See following slide for commentary

H210: Guidance vs. Actual : Non Feed

- DOC: Due to production inefficiencies in the Parent Stock business, we bought in eggs to ensure that we could meet volumes
- Farming Cost: We incurred additional costs in searching for production efficiencies
- Abattoir Cost: The abattoir struggled to meet with the increased volume in H2 and therefore incurred additional costs in order to process the volumes
- Imports and Stock Movement: We sold 550t of imported stock in order to meet volume targets, the cost of the stock is carried on this line
- Group Costs: We incurred fees of +- R5m (+-12c) in dealing with the various corporate actions in H2

Non Feed Costs

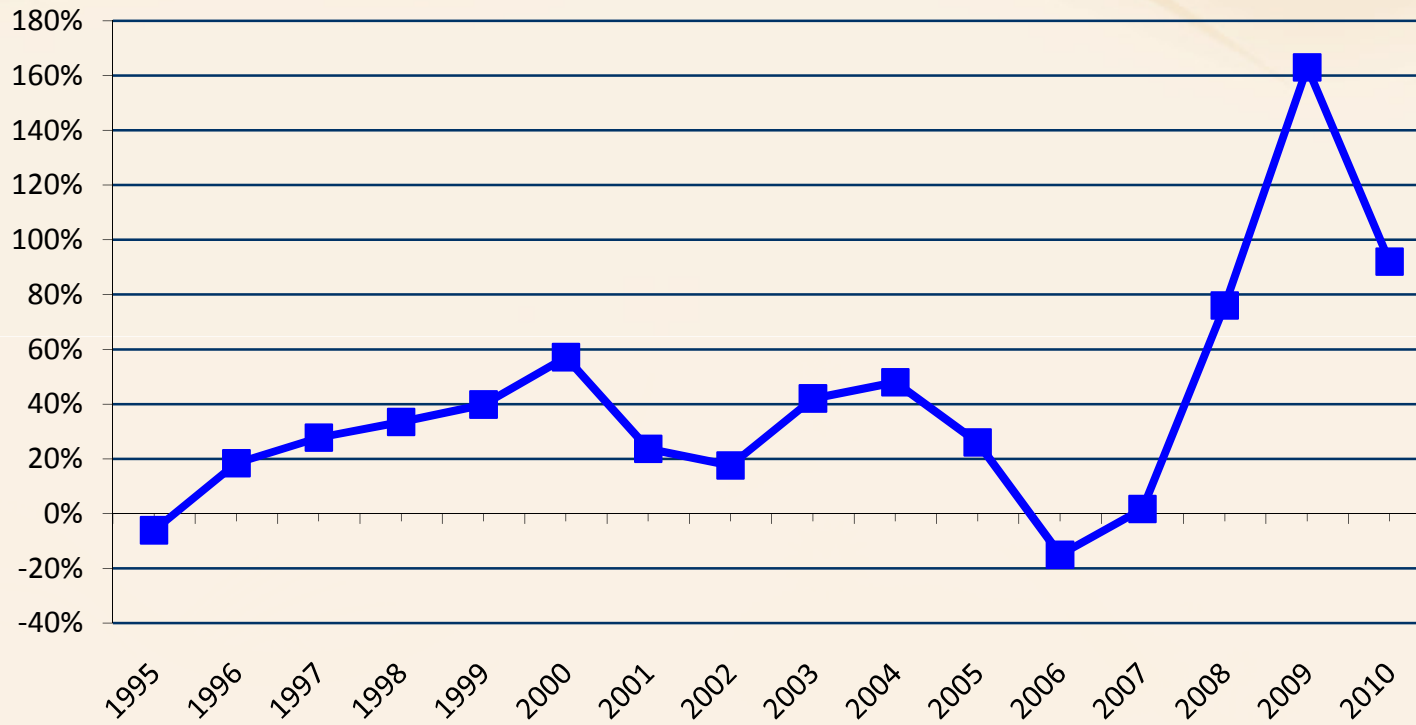


Facilities

Bank	Debt at Feb 2009 Rm	% of Debt	Debt at Feb 2010 Rm	% of Debt
Long Term				
ABSA	153	28%	139	32%
Standard Bank	63	11%	-	-
Nedbank	50	9%	76	17%
Landbank	205	38%	169	39%
Wesbank	43	8%	13	3%
Other	5	1%	-	-
Short Term				
Landbank	30	5%	40	9%
Total	549	100%	437	100%

- Long term facilities are on a reducing balance basis and are linked to specific capex projects. New facilities are negotiated on the same basis and have been put in place for the current year.
- Short term facilities are negotiated annually.

Net Debt: Equity



Net Working Capital

	FY09 Rm	% of Sales	FY10 Rm	% of Sales
Inventory	124	14%	139	13%
Receivables	113	12%	107	10%
Payables	(168)	-18%	(157)	-15%
	69	8%	89	8%

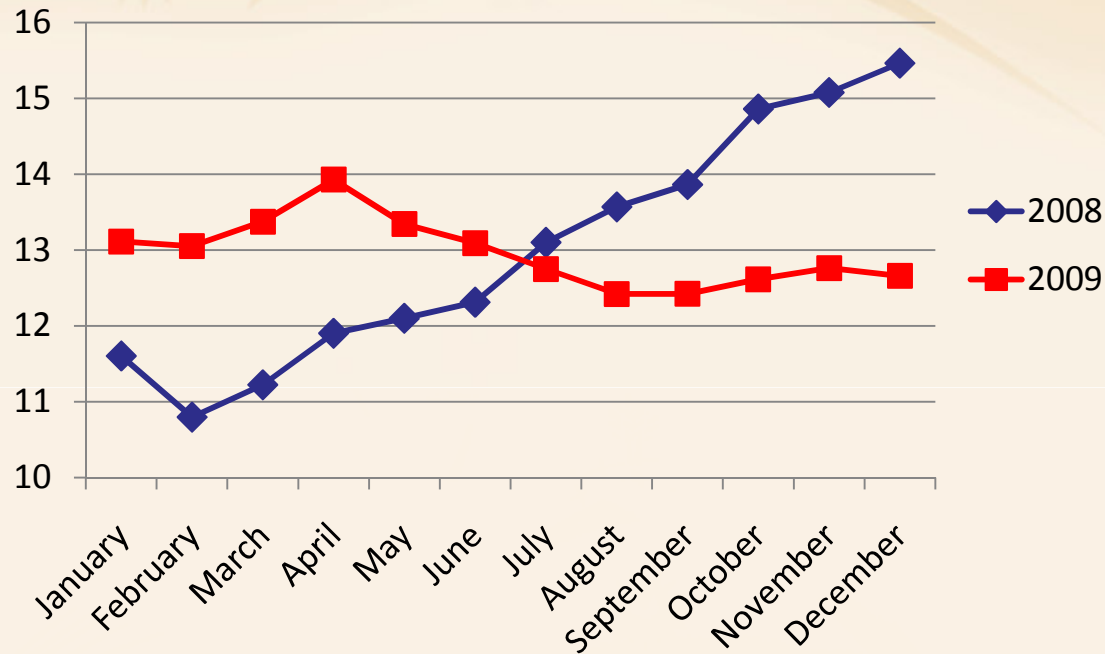
- Working capital has remained constant at 8% of sales
- No material bad debts, debtors were 40 days at FY09 and 32 days at FY10
- Inventory slightly higher than the fall in raw material prices due to us taking in maize at year end as our maize supply contract ended at year end

Dividend

- Due to the large capital expansion program in FY09 and the balance in FY10 it would not be prudent to declare a dividend this year
- We expect to return to paying a dividend as gearing returns to more acceptable levels

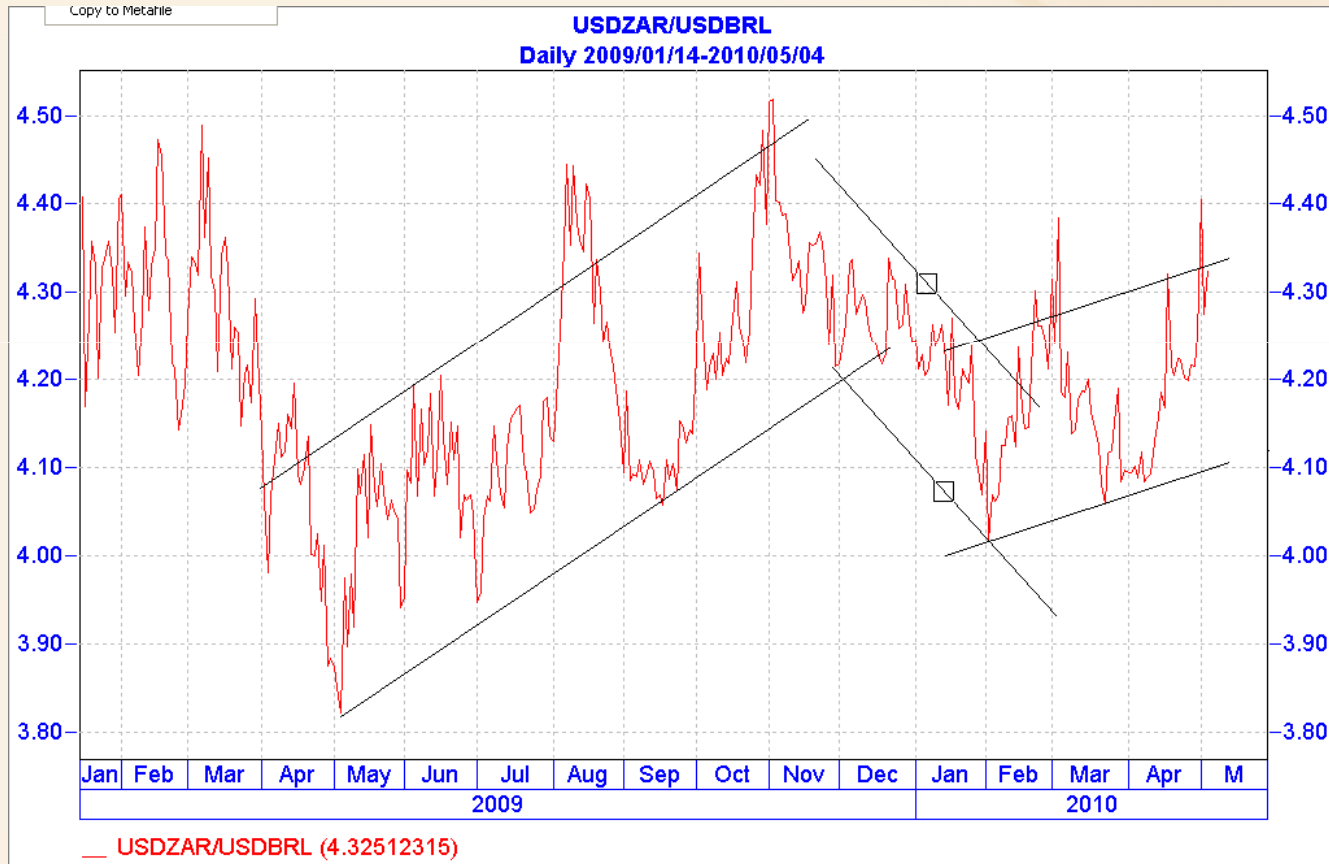
Pricing

SAPA Frozen Producer Prices

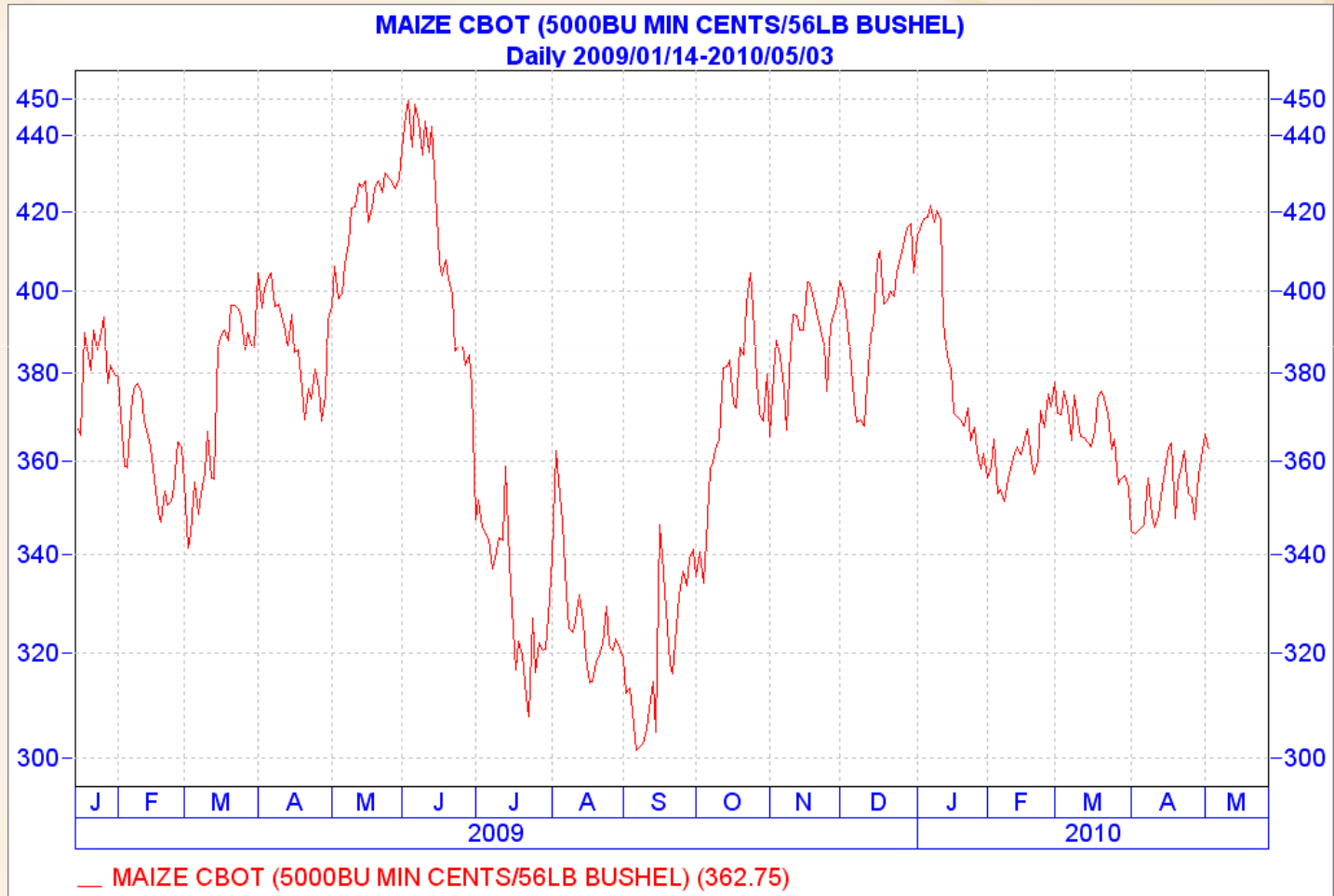


- Pricing has weakened during the second half of the year as a result of softer consumer demand and higher levels of imports
- Pricing has continued to struggle in the first 2 months of FY11
- Imports have remained high as result of strong ZAR / BRL
- Brazilian anti dumping process

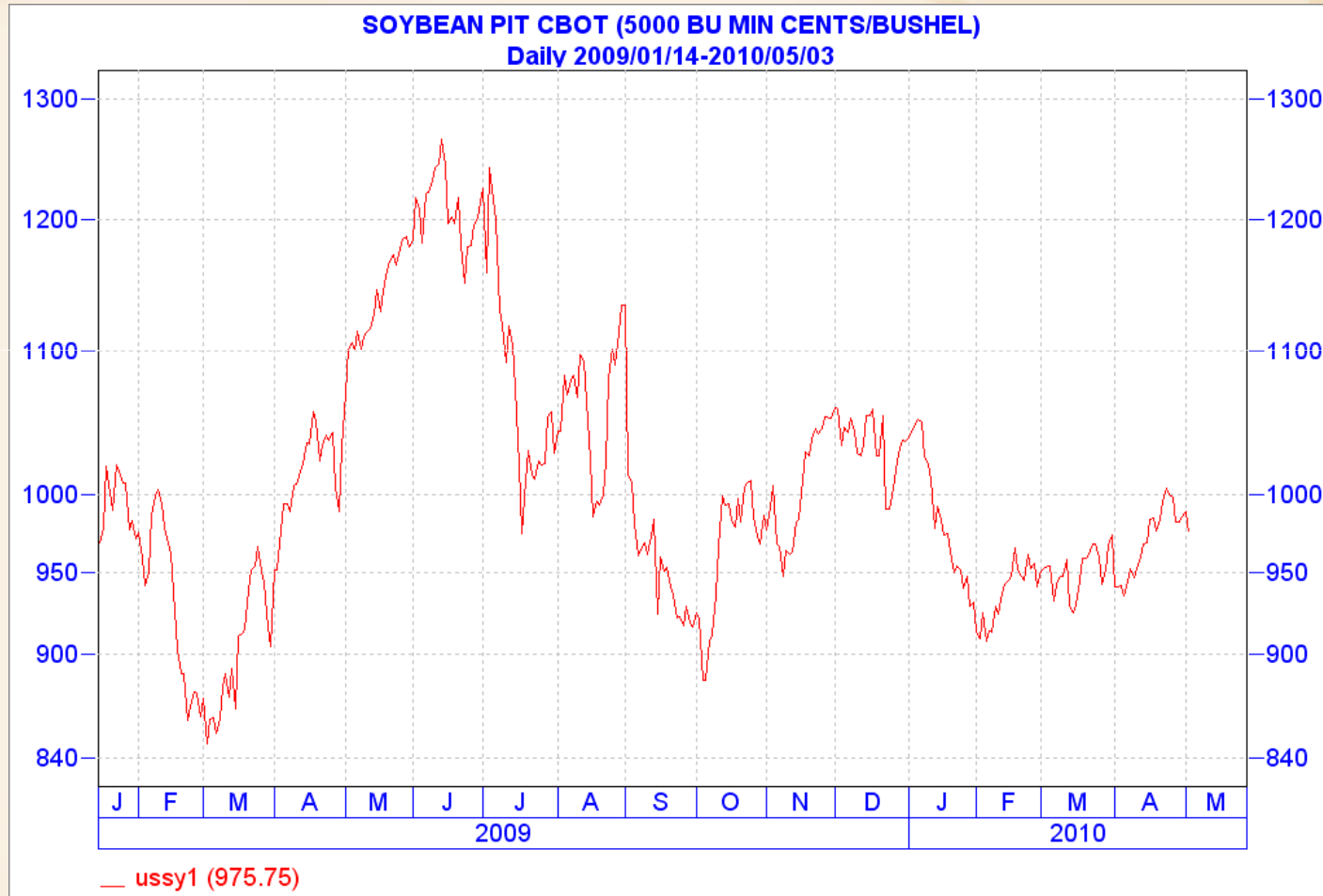
Pricing – ZAR to the Brazilian Real



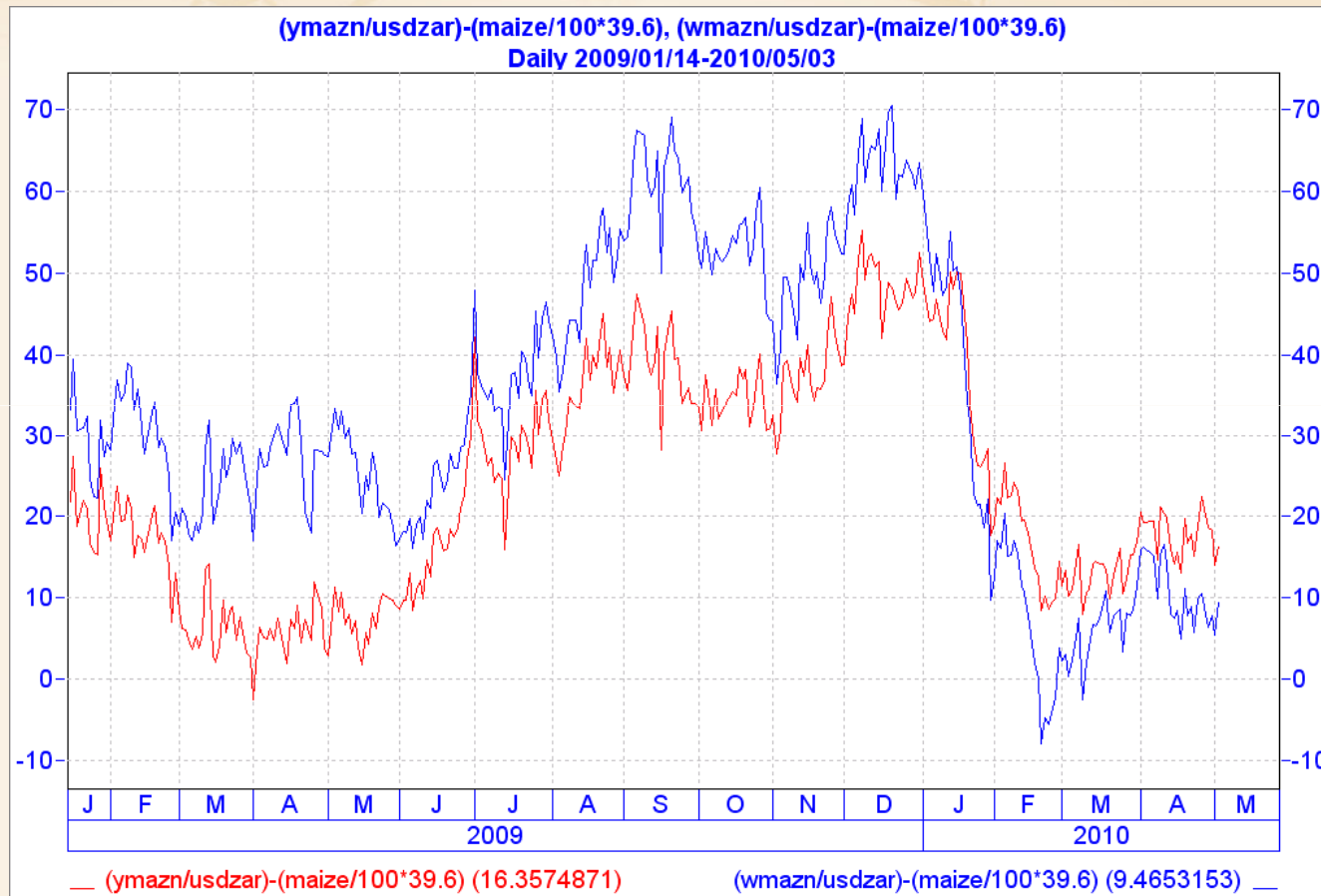
USA Maize Prices – Large volatility over the past year



USA Soya Bean Prices – Expected to drop further due to large USA and South America crops



Maize prices – SA Maize was overpriced but has now corrected

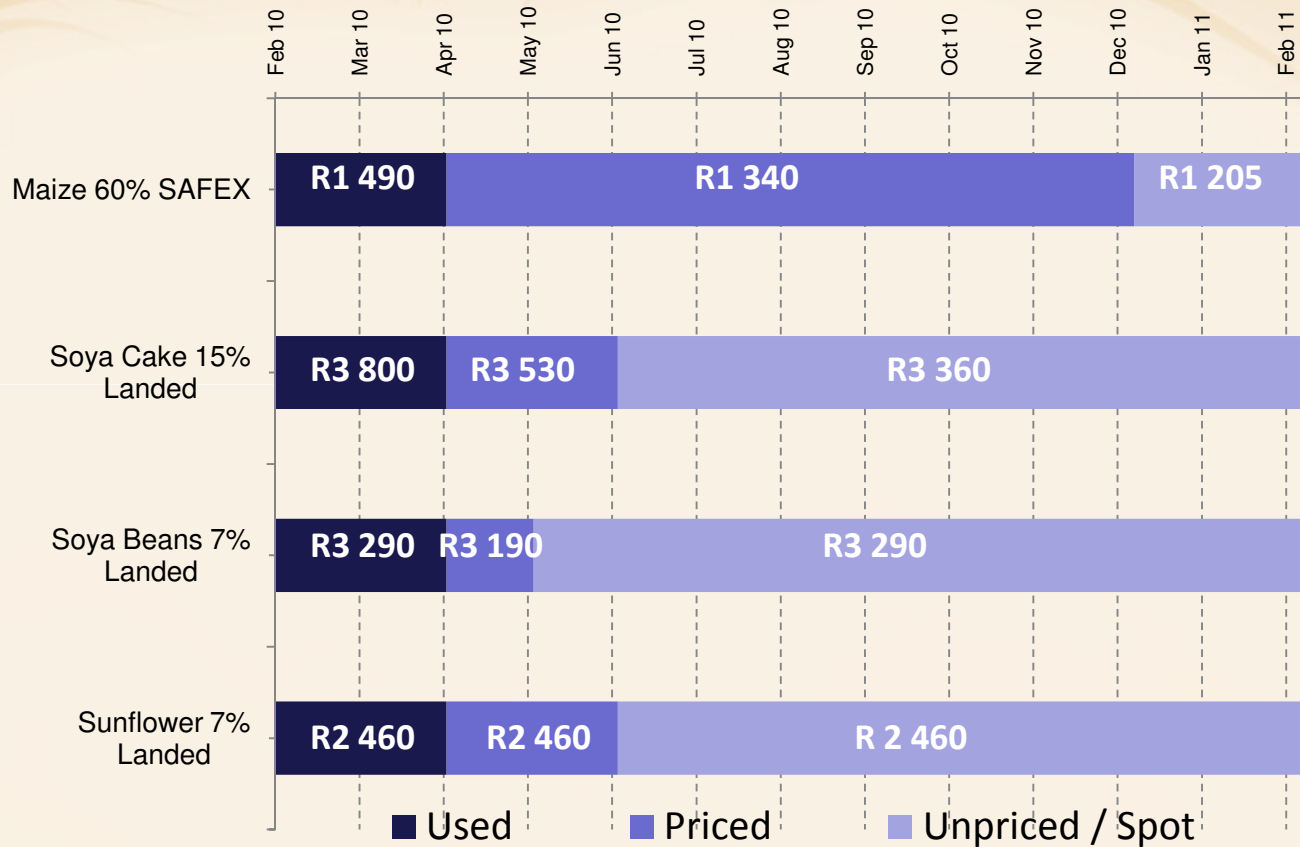


(SAFEX Maize spot / R/\$ spot) – (CBOT Maize), all per ton

Raw Materials – Summary

- We can use either white or yellow maize, whichever is cheapest
- We have priced forward 72 000 tons of maize at a SAFEX price of R1 340 and have 18 000 tons un-priced
- We believe that maize will still fall further with the large SA and international harvest.
- We have priced forward only 2 months of Soya Cake and 1 month of Soya Beans

Raw Materials – Long Position



R value refers to the average price and the % refers to the % of total volume used in our feed

Current equivalent average SAFEX maize price for May, Jul, Sep and Dec 2010 is R1 175

Current equivalent average landed beans price for May 2010 is R3 180

Prospects

“Management’s focus in the coming year will be to optimize product mix and resolve the cost issues at both the feed and non-feed levels by addressing internal in-efficiencies and minimizing the impact of external cost input increases.”