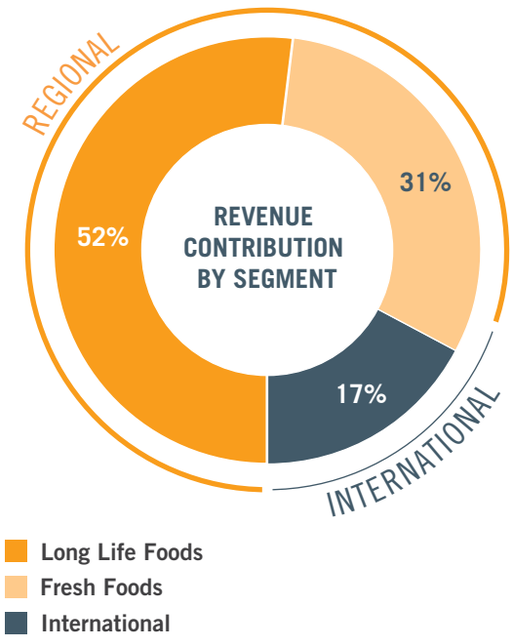
RFG

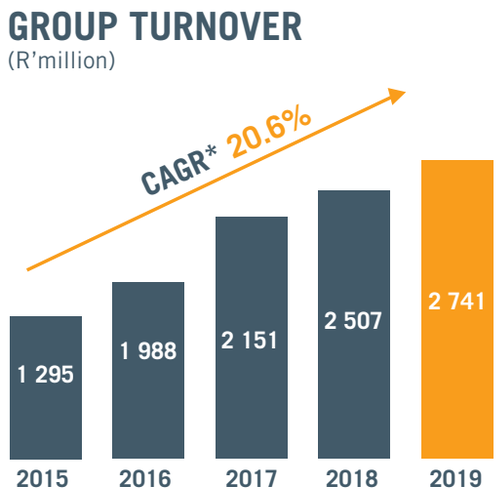
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March **2019**

KEY FEATURES FOR THE SIX MONTHS

Group turnover	Regional turnover	International turnover
+ 9.3%	+ 8.8%	+ 12.3%
Operating profit	**Headline earnings**	**Diluted heps**
+ 6.0%	+ 2.1%	+ 2.2% to 32.1 cents





*Compound annual growth rate.

COMMENTARY

PROFILE

Rhodes Food Group ("the 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 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 all major South African retailers and international customers.

TRADING AND FINANCIAL PERFORMANCE

Group turnover for the six months increased by 9.3% to R2.7 billion.

Turnover in the regional segment (South Africa and the rest of Africa) increased by 8.8%, driven by volume growth of 7.3%, and accounted for 83% of total turnover.

- Long Life Foods increased turnover by 13.4% (9.2% volume growth) with strong performances in fruit juice, dry foods (formerly Pakco), canned vegetables and the meat category which showed an encouraging recovery.
- The Group's brands have gained or maintained market share across core product categories.
- Fresh Foods sales increased by 1.9% on flat volumes, with ready meals and the pie category proving resilient in the current consumer environment. The turnaround in Ma Baker has been completed.

International turnover increased by 12.3%, benefiting from the weaker Rand and growth in export volumes of 2.7%.

The Group's gross profit increased by 8.1% to R685.3 million. The gross profit margin was slightly lower at 25.0% (2018: 25.3%). The margin was negatively impacted by approximately R23 million relating to the lower international selling prices of deciduous canned fruit products as a result of drought-related quality issues, and once-off costs of approximately R14 million arising from the relocation of the pulps and purees plant from Wellington to Groot Drakenstein. The business experienced further margin pressure due to low levels of inflation. These pressures were partially offset by tailwinds of approximately R22 million from the weakening currency.

Operating costs were contained to an increase of 5.8% despite the higher depreciation charges arising from the increased capital expenditure over the past two years.

The Group's operating profit increased by 6.0% to R172.7 million while the operating margin declined by 20 basis points to 6.3%. The regional operating margin was diluted by the impact of the once-off costs arising from the relocation of the pulps and purees plant, low selling price inflation and higher depreciation costs, reducing from 7.8% to 7.4%.

The international operating margin improved from -0.3% to 0.8% as the segment benefited from the 10.5% weakening in the value of the Rand against the Group's major trading currencies. Profitability was materially impacted by the drought-related impact on costs and quality of canned fruit.

Headline earnings increased by 2.1% to R84.1 million, with diluted headline earnings per share 2.2% higher at 32.1 cents.

The heightened focus on working capital management is reflected in the increase in net working capital being contained to 2.4%, with inventory levels 1.7% lower. Net working capital days improved to 129 days from 139 days in the previous year.

The improvements in working capital management and lower capital expenditure contributed to stronger cash flows. The Group's net debt to equity ratio improved to 58.9% from 60.4% at the end of March 2018.

The Group invested R129 million (2018: R268 million) in capital projects in the first half of the financial year. These included the completion of the relocation of the pulps and purees plant, the expansion of the Western Cape ready meals facility and the site upgrade at the Groot Drakenstein production hub.

COMMENTARY CONTINUED

OUTLOOK

The Group anticipates a strong second half performance despite consumer spending being expected to remain under severe pressure in the months ahead.

The focus in the regional segment will continue to be on driving organic growth, growing brand shares and on improving margins. The acquisition of RCL's protein snack business has been completed and integrated into the Group's Western Cape ready meals facility.

The international segment is expected to continue to improve its operating margin in the second half of the financial year. The deciduous fruit production season (canned fruit, pulps and purees) has recently been completed and initial assessments reflect an improvement in the quality of the fruit after being affected by the drought for the past two years. Volumes were, however, slightly lower than the previous year.

Following the completion of the major capital investment programme, the Group is focused on generating returns on the capital invested and extracting benefits to improve margins. Other management priorities are to improve the balance sheet by generating stronger cash flows, a continued focus on working capital management and containing costs in the constrained consumer environment.

Capital investment of R80 million is planned for the second half of the financial year. Key projects include the expansion of warehouse capacity at the fruit juice plant, ongoing development of the new pineapple plantations in Eswatini and the completion of the infrastructure upgrade at Groot Drakenstein.

Any reference to future performance included in this announcement has not been reviewed or reported on by the Group's independent auditor.

Bruce Henderson
Chief Executive Officer

Tiaan Schoombie
Chief Financial Officer

Groot Drakenstein
21 May 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Notes	**Reviewed Six-month period ended 31 March 2019 R'000**	Reviewed Six-month period ended 1 April 2018 R'000	Audited Year ended 30 September 2018 R'000
ASSETS				
Non-current assets		**2 513 627**	2 333 815	2 444 595
Property, plant and equipment	3	**1 819 937**	1 658 574	1 776 614
Intangible assets		**222 895**	202 490	197 691
Goodwill		**444 857**	444 857	444 857
Investment in associate		**5 253**	5 740	5 335
Biological assets		**12 501**	10 760	12 047
Deferred taxation asset		**36**	2 688	41
Loans receivable		**8 148**	8 706	8 010
Current assets		**2 395 762**	2 259 795	2 138 950
Inventory	4	**1 369 156**	1 393 491	1 227 748
Accounts receivable		**977 870**	779 390	810 216
Biological assets		**17 099**	10 553	13 622
Loans receivable		**3 490**	4 123	4 210
Taxation receivable		**9 123**	40 804	48 175
Foreign exchange contract asset		**5 551**	14 237	633
Bank balances and cash on hand		**13 473**	17 197	34 346
Total assets		**4 909 389**	4 593 610	4 583 545
EQUITY AND LIABILITIES				
Capital and reserves		**2 342 600**	2 239 771	2 317 840
Share capital		**1 562 509**	1 565 509	1 565 509
Equity-settled employee benefits reserve		**14 052**	13 189	17 723
Accumulated profit		**757 578**	652 025	725 459
Equity attributable to owners of the company		**2 334 139**	2 230 723	2 308 691
Non-controlling interest		**8 461**	9 048	9 149
Non-current liabilities		**1 097 137**	847 135	1 198 836
Long-term loans		**864 765**	650 635	974 933
Deferred taxation liability		**215 031**	180 928	207 653
Employee benefit liability		**17 341**	15 572	16 250
Current liabilities		**1 469 652**	1 506 704	1 066 869
Accounts payable and accruals		**877 817**	737 597	700 620
Employee benefits accrual		**55 616**	50 134	54 647
Current portion of long-term loans		**241 546**	237 327	250 918
Taxation payable		**7 464**	258	2 562
Bank overdraft		**287 209**	481 388	58 122
Total equity and liabilities		**4 909 389**	4 593 610	4 583 545

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six-month period ended 31 March 2019

		Reviewed Six-month period ended 31 March 2019 R'000	Reviewed Six-month period ended 1 April 2018 R'000	Audited Year ended 30 September 2018 R'000
Revenue		**2 741 446**	2 507 375	5 109 342
Cost of goods sold		**(2 056 158)**	(1 873 723)	(3 839 637)
Gross profit		**685 288**	633 652	1 269 705
Other income		**21 120**	36 275	35 621
Operating costs		**(536 708)**	(507 193)	(991 308)
Profit before interest and taxation		**169 700**	162 734	314 018
Interest paid		**(59 318)**	(51 855)	(115 123)
Interest received		**1 271**	93	2 189
Profit before taxation		**111 653**	110 972	201 084
Taxation		**(31 466)**	(30 107)	(46 756)
Profit for the period		**80 187**	80 865	154 328
Profit attributable to:				
Owners of the company		**80 875**	81 068	154 430
Non-controlling interest		**(688)**	(203)	(102)
		80 187	80 865	154 328
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss		**–**	–	72
Remeasurement of employee benefit liability		**–**	–	100
Deferred taxation effect		**–**	–	(28)
Total comprehensive income for the period		**80 187**	80 865	154 400
Total comprehensive income attributable to:				
Owners of the company		**80 875**	81 068	154 502
Non-controlling interest		**(688)**	(203)	(102)
		80 187	80 865	154 400
Earnings per share	(cents)	**30.9**	32.1	61.1
Diluted earnings per share	(cents)	**30.9**	30.9	59.0

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six-month period ended 31 March 2019

	Share capital R'000	Equity-settled employee benefits reserve R'000	Accumulated profit R'000	Non-controlling interest R'000	Total R'000
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
Share-based payment expense recognised	–	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
Total comprehensive income for the period	–	–	73 434	101	73 535
Share-based payment expense recognised	–	4 534	–	–	4 534
Balance at 30 September 2018 – audited	1 565 509	17 723	725 459	9 149	2 317 840
Total comprehensive income for the period	**–**	**–**	**80 875**	**(688)**	**80 187**
Share-based payment expense recognised	**–**	**2 885**	**–**	**–**	**2 885**
Share-based payment settlement	**–**	**(6 566)**	**4 356**	**–**	**(2 200)**
Treasury shares dividends received	**–**	**–**	**229**	**–**	**229**
Dividend paid	**–**	**–**	**(53 341)**	**–**	**(53 341)**
Redemption of preference shares	**(3 000)**	**–**	**–**	**–**	**(3 000)**
Balance at 31 March 2019 – reviewed	**1 562 509**	**14 052**	**757 578**	**8 461**	**2 342 600**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six-month period ended 31 March 2019

	Note	**Reviewed Six-month period ended 31 March 2019 R'000**	Reviewed Six-month period ended 1 April 2018 R'000	Audited Year ended 30 September 2018 R'000
Cash flows from operating activities				
Cash generated from operations		**115 999**	135 754	487 517
Net interest paid		**(57 626)**	(51 766)	(114 441)
Taxation refunded/(paid)		**19 871**	(16 348)	(8 072)
Net cash inflow from operating activities		**78 244**	67 640	365 004
Cash flows from investing activities				
Purchase of property, plant and equipment		**(128 983)**	(268 475)	(479 557)
Proceeds on disposal of property, plant and equipment		**5 849**	4 865	16 202
Acquisition of intangible assets	6	**(30 000)**	–	–
Loans receivable advanced		**–**	(3 273)	(3 273)
Loans receivable repaid		**582**	246	763
Dividend paid		**(53 341)**	(81 719)	(81 719)
Treasury shares dividend received		**229**	–	350
Net cash outflow from investing activities		**(205 664)**	(348 356)	(547 234)
Cash flows from financing activities				
Redemption of preference shares		**(3 000)**	–	–
Loans raised		**–**	75 589	525 000
Loans repaid		**(119 540)**	(105 215)	(215 567)
Government grant received		**–**	–	2 870
Net cash (outflow)/inflow from financing activities		**(122 540)**	(29 626)	312 303
Net (decrease)/increase in cash and cash equivalents		**(249 960)**	(310 342)	130 073
Cash and cash equivalents at beginning of the period		**(23 776)**	(153 849)	(153 849)
Cash and cash equivalents at end of the period		**(273 736)**	(464 191)	(23 776)

CONDENSED CONSOLIDATED SEGMENTAL REPORT

for the six-month period ended 31 March 2019

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 31 March 2019 R'000	Reviewed Six-month period ended 1 April 2018 R'000	Audited Year ended 30 September 2018 R'000
	Segment revenue		
Regional			
Fresh products sales	**860 605**	844 955	1 686 980
Long life products sales	**1 419 560**	1 251 622	2 433 113
	2 280 165	2 096 577	4 120 093
International			
Long life products sales	**461 281**	410 798	989 249
Total	**2 741 446**	2 507 375	5 109 342
	Segment profit		
Regional	**168 995**	164 322	321 249
International	**3 722**	(1 348)	(5 242)
Total	**172 717**	162 974	316 007
Impairment loss	**(3 017)**	–	(1 727)
Acquisition costs	**–**	(240)	(262)
Interest received	**1 271**	93	2 189
Interest paid	**(59 318)**	(51 855)	(115 123)
Profit before taxation	**111 653**	110 972	201 084
	Segment depreciation		
Regional	**63 012**	51 591	106 015
International	**12 301**	13 844	31 279
Total	**75 313**	65 435	137 294
	Segment amortisation		
Regional	**4 711**	4 511	8 989
International	**85**	281	602
Total	**4 796**	4 792	9 591

CONDENSED CONSOLIDATED SEGMENTAL REPORT CONTINUED

for the six-month period ended 31 March 2019

Segment revenue reported above represents revenue generated from external customers. Inter-company sales amounted to R275.886 million (six months ended 1 April 2018: R271.840 million, year ended 30 September 2018 R429.312 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 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.

GEOGRAPHICAL INFORMATION

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

	Reviewed Six-month period ended 31 March 2019 R'000	Reviewed Six-month period ended 1 April 2018 R'000	Audited Year ended 30 September 2018 R'000
	Non-current assets		
Republic of South Africa	**1 924 726**	1 753 647	1 860 455
Kingdom of Eswatini	**144 008**	132 623	139 242
	2 068 734	1 886 270	1 999 697
	Revenue		
Republic of South Africa	**2 680 770**	2 458 651	4 970 796
Kingdom of Eswatini	**60 676**	48 724	138 546
	2 741 446	2 507 375	5 109 342

INFORMATION REGARDING MAJOR CUSTOMERS

Two customers (six months ended 1 April 2018: two, year ended 30 September 2018: 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 31 March 2019

1. BASIS OF PREPARATION

Rhodes Food Group Holdings Limited is a company domiciled in the Republic of South Africa. These condensed consolidated financial statements as at and for the six-month period ended 31 March 2019 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 meal solutions. These include fresh and frozen ready meals, pastry-based products, dairy products, juice and juice products, fruit purees and concentrates and long life meals including jams, fruits, salads, vegetables, meat and dry packed foods. There were no major changes in the nature of the business for the Group during the periods ended 31 March 2019 and 1 April 2018.

The condensed consolidated financial statements are prepared in accordance with and contain the information required by IAS34: 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, the requirements of the Companies Act of South Africa and the JSE Listings Requirements.

During the interim period ended 31 March 2019, the Group applied the following new and revised International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for accounting periods that begin on or after 1 January 2018.

- **IFRS 9 – Financial Instruments**

  Management has classified and measured the financial assets and liabilities recognised by the Group in accordance with the requirements of IFRS 9. There has been no material impact as a result of adoption of the standard.

- **IFRS 15 – Revenue from Contracts with Customers**

  The Group's contracts with customers do not contain multiple performance obligations which are required to be met. The Group's revenue recognition policies are not complex and relate to the delivery of goods to customers as a single performance obligation. There has been no impact as a result of adoption of the standard.

Other than as indicated above, the accounting policies and methods of computation applied in the preparation of the condensed consolidated financial statements are consistent with those applied in the audited consolidated financial statements for the year ended 30 September 2018.

These condensed consolidated 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. PROPERTY, PLANT AND EQUIPMENT

During the six-month period ended 31 March 2019 the following transactions accounted for the movement in the property, plant and equipment balance:

COST	Opening balance R'000	Loss of control of subsidiary R'000	Additions R'000	Government grant received R'000	Disposals R'000	Impairment R'000	Closing balance R'000
31 March 2019	**2 185 493**	**–**	**128 983**	**–**	**(14 590)**	**(3 017)**	**2 296 869**
1 April 2018	1 765 295	–	268 475	–	(18 148)	–	2 015 622
30 September 2018	1 765 295	(1 959)	479 557	(2 870)	(52 669)	(1 861)	2 185 493

ACCUMULATED DEPRECIATION	Opening balance R'000	Loss of control of subsidiary R'000	Depreciation R'000	Disposals R'000	Impairment R'000	Closing balance R'000
31 March 2019	**408 879**	**–**	**75 313**	**(7 260)**	**–**	**476 932**
1 April 2018	304 802	–	65 435	(13 189)	–	357 048
30 September 2018	304 802	(1 398)	137 294	(31 685)	(134)	408 879

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

for the six-month period ended 31 March 2019

NET ASSET VALUE	Opening balance R'000	Closing balance R'000
31 March 2019	**1 776 614**	**1 819 937**
1 April 2018	1 460 493	1 658 574
30 September 2018	1 460 493	1 776 614

The disposal of property, plant and equipment resulted in a loss of R1.481 million (six months ended 1 April 2018: loss of R0.094 million, year ended 30 September 2018 loss of R4.782 million). The impairment of property, plant and equipment resulted in a loss of R3.017 million (six months ended 1 April 2018: loss of Rnil million, year ended 30 September 2018: loss of R1.727 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 31 March 2019, the Group contracted R32.063 million (six months ended 1 April 2018: R105.595 million, year ended 30 September 2018: R29.502 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.

4. INVENTORY

A provision of R20.518 million is included in the inventory balance as at 31 March 2019 (1 April 2018: R13.490 million, 30 September 2018: R20.518 million) in order to recognise inventory at the lower of cost or net realisable value.

5. HEADLINE EARNINGS PER SHARE

		Reviewed Six-month period ended 31 March 2019 R'000	Reviewed Six-month period ended 1 April 2018 R'000	Audited Year ended 30 September 2018 R'000
5.1 HEADLINE EARNINGS PER SHARE				
Reconciliation between profit attributable to owners of the parent and headline earnings:				
Profit attributable to owners of the parent		**80 875**	81 068	154 430
Adjustments to profit attributable to owners of the parent		**3 239**	1 284	4 686
Loss on disposal of property, plant and equipment		**1 481**	94	4 782
Impairment of property, plant and equipment		**3 017**	–	1 727
Loss of control of subsidiary		**–**	1 216	1 216
Taxation effect		**(1 259)**	(26)	(1 823)
Headline earnings		**84 114**	82 352	159 116
Headline earnings per share	(cents)	**32.1**	32.6	63.0
5.2 DILUTED HEADLINE EARNINGS PER SHARE				
Headline earnings		**84 114**	82 352	159 116
Diluted headline earnings per share	(cents)	**32.1**	31.4	60.8
5.3 WEIGHTED AVERAGE NUMBER OF SHARES IN ISSUE				
Ordinary shares in issue at beginning of the period		**253 762 018**	253 762 018	253 762 018
Weighted number of shares issued during the period		**9 000 000**	–	–
Treasury shares		**(1 125 000)**	(1 125 000)	(1 125 000)
Weighted average number of shares in issue		**261 637 018**	252 637 018	252 637 018
Effect of convertible preference shares		**–**	9 000 000	9 000 000
Effect of share options		**489 926**	403 093	201 094
Weighted average number of dilutive shares in issue		**262 126 944**	262 040 111	261 838 112

6. ACQUISITION OF INTANGIBLE ASSETS

On 28 February 2019, the Group acquired a protein snack business from RCL Foods Consumer (Pty) Ltd for R30 million. The consideration paid has been allocated to intangible assets.

7. RELATED PARTY TRANSACTIONS

The Group generated sales from Peaty Mills Plc for R97.137 million (six months ended 1 April 2018: R86.122 million, year ended 30 September 2018: R233.109 million). Included in trade receivables are amounts due from Peaty Mills Plc for R32.510 million (six months ended 1 April 2018: R34.960 million, year ended 30 September 2018: R56.098 million).

The Group generated sales from Ma Baker Xpress (Pty) Ltd for R6.775 million (six months ended 1 April 2018: R7.147 million, year ended 30 September 2018: R14.188 million). Included in trade receivables are amounts due from Ma Baker Xpress (Pty) Ltd for R5.626 million (six months ended 1 April 2018: R2.690 million, year ended 30 September 2018: R3.906 million).

There were no other significant related party transactions during the period under review.

8. DIVIDENDS

On 14 January 2019, a dividend of 20.3 cents (15 January 2018: 31.1 cents) per share was paid amounting to a total dividend of R53.341 million (2018: R81.719 million).

9. EVENTS SUBSEQUENT TO REPORTING DATE

The board of directors is not aware of any matter or circumstance of a material nature arising since the end of the six-month period, otherwise not dealt with in the condensed consolidated financial statements, which significantly affects the financial position of the Group or the results of its operations.

10. 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. References to an interim financial period are to the 26 weeks ended on or about 31 March. As a result the condensed consolidated financial statements were prepared for the 26 week period ended 31 March 2019 (26 week period ended 1 April 2018).

11. REVIEW REPORT

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

The Group's auditors have issued an unmodified review conclusion on the condensed consolidated 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 condensed consolidated financial statements, which comprise the condensed consolidated statement of financial position as at 31 March 2019 and the condensed consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and selected explanatory notes.

Directors' Responsibility for the Interim 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 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 condensed consolidated 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 condensed consolidated 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.

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 period ended 31 March 2019 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
21 May 2019

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* (Lead Independent Director) BAS Henderson (Chief Executive Officer) TP Leeuw* LA Makenete* BN Njobe* CC Schoombie (Chief Financial Officer) CL Smart** GJH Willis** ** Independent non-executive* *** Non-executive*
Company secretary	BM Lakey
Transfer secretaries	Computershare Investor Services Proprietary Limited
Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited
Auditors	Deloitte & Touche

www.rfg.com