



AFGRI LIMITED (Incorporated in the Republic of South Africa)
(Registration number: 1995/004030/06)
ISIN number: ZAE000040549 Share code: AFR

Good agricultural
year leads to
good results from
AFGRI Agri Services

Total
pre-tax profit
+ 47%

AFGRI

Growth, the natural outcome

Audited condensed consolidated financial results for the year ended 30 June 2009 and cash dividend declaration

Group income statement (R'millions)

Note	Year ended 30 June Audited 2009	16 months ended 30 June Audited 2008
Continuing operations		
Sales of goods and services	8 173	9 239
Interest on trade receivables	607	719
Total revenue	8 780	9 958
Cost of sales	(6 328)	(7 601)
Gross profit	2 452	2 357
Other operating income	119	132
Other operating expenses	(1 331)	(1 463)
Operating profit	1 240	1 026
Finance costs	(720)	(610)
Share of profit of associates	33	—
Profit before income tax	553	416
Income tax expense	(106)	(32)
Profit for the period from continuing operations	447	384
Discontinued operations		
Loss for the period from discontinued operations	(93)	(85)
Profit for the period	354	299
Profit for the period attributable to:		
Equityholders of the Company	233	221
Minority interest – Agri Sizwe partners	110	74
– Other minorities	11	4
Profit for the period	354	299
Weighted average number of shares in issue ('m)	320,7	317,4
Diluted weighted average number of shares in issue ('m)	346,1	341,2
Earnings per share from continuing operations (cents)	93,8	89,2
Loss per share from discontinued operations (cents)	(21,1)	(19,7)
Earnings per share from all operations (cents)	72,7	69,5
Diluted earnings per share from continuing operations (cents)	86,9	82,9
Diluted loss per share from discontinued operations (cents)	(19,6)	(18,3)
Diluted earnings per share from all operations (cents)	67,3	64,6

Group statement of comprehensive income (R'millions)

Note	Year ended 30 June Audited 2009	16 months ended 30 June Audited 2008
Profit for the period	354	299
Other comprehensive income		
Exchange differences on translating foreign operations	(51)	61
Cash flow hedges	10	—
Other comprehensive (loss)/income for the period, net of tax	(41)	61
Total comprehensive income for the period	313	360
Total comprehensive income attributable to:		
Equityholders of the Company	192	282
Minority interest – Agri Sizwe partners	110	74
– Other minorities	11	4
Total comprehensive income	313	360

Notes to the condensed consolidated annual financial statements

1. Basis of preparation and accounting policies

These condensed consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34 under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial liabilities (including derivative financial instruments) and biological assets at fair value through profit or loss, the Listings Requirements of the JSE Limited ("JSE") and the South African Companies Act, (Act 61 of 1973) as amended, on a basis consistent with that of the corresponding prior period except for the early adoption of IAS 1 (Revised) and IFRS 8, neither of which have an impact on the results but provide additional disclosure in the annual financial statements.

2. Property, plant and equipment, other intangible assets and goodwill (R'millions)

	Property, plant and equipment	Other intangible assets and goodwill
	Year ended 30 June 2009	16 months ended 30 June 2008
Carrying value beginning of period	1 175	1 018
Additions	384	296
Disposals at book value	(72)	(61)
Foreign currency differences	(9)	15
Depreciation/amortisation	(86)	(89)
Purchase of subsidiaries	—	12
Net sale of subsidiary (including assets held for sale)	(39)	(6)
Impairment	(7)	(10)
Carrying value end of period	1 346	1 175

3. Finance costs (R'millions)

	Year ended 30 June 2009	16 months ended 30 June 2008
Interest paid on bank borrowings used to finance trade receivables	(554)	(484)
Other interest paid to financial institutions	(166)	(126)
Finance cost – Continuing operations (per income statement)	(720)	(610)
Finance cost – Discontinued operations	(30)	(48)
Finance cost – Total	(750)	(658)

Group balance sheet (R'millions)

Note	30 June Audited 2009	30 June Audited 2008
ASSETS		
Non-current assets		
Property, plant and equipment	1 346	1 175
Goodwill	38	45
Other intangible assets	237	220
Investments in associates	36	3
Available-for-sale financial assets	41	37
Financial receivables	266	165
Deferred income tax assets	157	159
Current assets	7 547	7 363
Inventories	1 023	1 102
Biological assets	53	61
Trade and other receivables	483	904
Trade receivables financed by banks	5 015	3 663
Derivative financial instruments	108	274
Current income tax assets	21	65
Cash and cash equivalents and cash collateral deposits	844	1 294
Cash collateral deposits	597	554
Cash and cash equivalents	247	740
Assets of disposal groups classified as held-for-sale	157	7
Total assets	9 825	9 174
EQUITY		
Capital and reserves attributable to equityholders		
Share capital	—	—
Treasury shares	(90)	(155)
Incentive trust shares	(192)	(124)
Fair value and other reserves	47	80
Retained earnings	1 722	1 578
Minority interests	646	612
Total equity	2 133	1 991
LIABILITIES		
Non-current liabilities		
Borrowings	128	129
Deferred income tax liabilities	201	193
Current liabilities	7 318	6 861
Trade and other payables	1 797	2 015
Derivative financial instruments	89	75
Current income tax liabilities	6	10
Short-term borrowings	59	15
Call loans and bank overdrafts	363	1 083
Bank borrowings to finance trade receivables	5 004	3 663
Liabilities of disposal groups classified as held-for-sale	45	—
Total liabilities	7 692	7 183
Total equity and liabilities	9 825	9 174
Net asset value per share attributable to equityholders (cents)	430	404

4. Reconciliation of headline earnings per share (cents)

	Year ended 30 June 2009	16 months ended 30 June 2008
Earnings	72,7	69,5
Loss from discontinued operations	9,0	3,2
Impairment of assets	2,7	2,2
Negative goodwill on acquisition of share of associate	(7,2)	(0,1)
Loss of the sale of business	3,9	—
Profit on disposal of assets	(6,7)	(1,1)
Headline earnings	74,4	73,7
Diluted headline earnings	68,9	68,5

5. Business segment results

The pre-tax segment results are presented without taking into account any headline earnings adjustments and before the allocation of any minority (including Agri Sizwe) share of profits. Profits or losses before income tax are shown after a charge for internal interest based on each operating unit's net assets throughout the period.

Changes have been made to the aggregation of operating units into reportable segments since the presentation of the prior year financial statements. Changes have also been made to the format of the Business Segment Results.

The comparative figures have been prepared on the same basis and are therefore comparable with the exception of the differing reporting period (12 months in 2009 vs 16 months in 2008). Refer to note 15 for more information.

6. Trade receivables financed by banks and related liability

The only security for the liability is the trade receivables themselves, and in certain cases, additional cash collateral deposits or cash trade receivables of between 10% and 15% of the facility. The Group carries the risk of loss on these trade receivables.

7. Agency agreements

The Group manages agri debtors on behalf of third party financial institutions to the amount of R1 007 million (2008: R938 million). Management fees are paid by these third parties. The Group is liable for bad debts to a maximum of between 5% and 10% of the value of debtors administered.

The Group receives a fee for the handling, grading, storing and administration of commodities on behalf of third parties. The value of these commodities is R3 466 million (2008: R4 440 million).

8. Business combinations

On 25 September 2008 the Group acquired a 45% shareholding in LTP Holdings Limited for nil consideration. LTP Holdings Limited is a property holding company which leases a processing site to a pool of farmers for the processing of tobacco.

In terms of IFRS the associate company's underlying assets, consisting of property, plant and equipment, were fair valued and negative goodwill of R30 million (after tax) identified. The fair value includes a notional liability for an onerous lease contract over the property. The gain has been recognised in the income statement under the heading "Share of profit of associates".

Group cash flow statement (R'millions)

	Year ended 30 June Audited 2009	16 months ended 30 June Audited 2008
Operating activities		
Net profit before tax	492	340
Changes in working capital	535	(477)
Other non cash flow items	(99)	1
Tax paid	(53)	(7)
Net cash generated by/(utilised in) operating activities	875	(143)
Net cash utilised in investing activities		
Net cash (utilised in)/generated from financing activities	(194)	366
Net increase/(decrease) in cash and cash equivalents	227	(202)
Cash and cash equivalents at the beginning of year	(343)	(141)
Cash and cash equivalents at the end of the period	(116)	(343)
Cash collateral deposits	597	554
Cash and cash equivalents and cash collateral deposits	481	211

Group statement of changes in equity (R'millions)

	Share capital	Fair value and other reserves	Retained earnings	Treasury shares	Incentive trust share	Agri Sizwe partners	Other minorities	Total
Balance 28 February 2007 (audited)	—	10	1 527	(155)	(151)	564	25	1 820
Total comprehensive income	—	61	221	—	—	74	4	360
Disposal of incentive shares	—	—	—	27	—	—	—	27
Dividends paid	—	—	(170)	—	—	—	—	(170)
Payment to minorities	—	—	—	—	—	(44)	(11)	(55)
Share-based payments	—	9	—	—	—	—	—	9
Balance 30 June 2008 (audited)	—	80	1 578	(155)	(124)	594	18	1 991
Total comprehensive income	—	(41)	233	—	—	110	11	313
Payment to minorities	—	—	—	—	—	(85)	(2)	(87)
Share-based payments	—	8	—	—	—	—	—	8
Dividends paid	—	—	(89)	—	—	—	—	(89)
Transfer of Group shares	—	—	—	65	(65)	—	—	—
Purchase of incentive shares	—	—	—	—	(3)	—	—	(3)
Balance 30 June 2009 (audited)	—	47	1 722	(90)	(192)	619	27	2 133

Declaration of final cash dividend

Notice is hereby given that the directors of AFGRI have declared a final cash dividend of 16,70 cents per share for the year ended 30 June 2009. In accordance with settlement procedures of STRATE, the following dates will apply to the final dividend:

Last day to trade cum the dividend	Friday, 13 November 2009
Trading ex dividend commences	Monday, 16 November 2009
Record date	Friday, 20 November 2009
Dividend payment date	Monday, 23 November 2009

There will be no dematerialisation or rematerialisation of AFGRI shares between Monday, 16 November 2009 and Friday, 20 November 2009, both dates inclusive.

By order of the Board

N van Wyk (Group Company Secretary)
Centurion

9. Discontinued operations

The Seed operation underwent a process of rationalisation with the view to discontinuing and disposing of the underlying assets. The comparative reclassification between continuing and discontinued operations in the Income Statement and Business Segment Results has been made. A sale agreement was finalised and approval of the competition authorities received subsequent to year-end. This sale agreement would have had no effect on the results reported herein.

During 2008 a total of four operations were sold or discontinued. Losses from the finalisation of these sales or closures are also included in the current year's loss from discontinued operations.

10. Subsequent event

Subsequent to the year-end the Group disposed of 11 of its retail stores in the Lowveld region. At 30 June 2009 these assets were identified as a disposal group and included under assets held-for-sale and their results included under discontinued operations. These assets contributed R408 million (2008: R560 million) to the Group's revenue and R4 million (2008: Loss of R2 million) to the Group's profit before tax. A profit of approximately R9 million will be realised on the disposal.

More details regarding this transaction were published on SENS on 22 July 2009.

11. Going concern

The Board of Directors is satisfied that, after taking into account the current banking facilities, its utilisation thereof and the budgeted profit and cash flows for the year ending 30 June 2010, the working capital available to AFGRI will be sufficient to meet its requirements for the next 12 months.

12. Contingent liability

In the prior year the Company and SARS were in disagreement over the treatment of certain trading losses which could result in an income tax liability. During the current year this dispute was resolved in AFGRI's favour and a refund of provisional tax was received.

13. Corporate governance and JSE compliance

The principles of good corporate governance were adhered to. The Group complies with the JSE Listings Requirements regarding the contents of the condensed consolidated annual financial statements.

14. Audit opinion

These condensed consolidated financial results have been audited by our auditors, PricewaterhouseCoopers Inc., who have performed their audit in accordance with the International Standards on Auditing. A copy of their unqualified audit report is available for inspection at the registered office of the Company.

15. Supplementary unaudited business segment results

The change in the Group's year-end from 28 February to 30 June during the 2008 financial period necessitated the restatement of the internally used management accounts in order to draw comparisons between the 16-month and 12-month periods. As such, and in line with the adoption of a new Business Segment Results format, comparative figures have been prepared and are presented here to assist the users of this financial information draw comparisons. The comparative information provided for the 12-month period to 30 June 2008 has not been audited.

Management also intend to publish the results presentation provided to the investment community during the results road show on the Group's website at www.afgri.co.za.

Administration: Business address and registered office: 1st Floor AFGRI Building, 267 West Street, Centurion, Fax (012) 643 1768, Tel (012) 643 8000 **Company Secretary:** Ms N van Wyk, PO Box 11054, Centurion 0046 **Bankers:** ABSA Bank Limited, Co-operative Centrale Raiffeisen-Boerenleenbank B.A. trading as Rabo Bank, FirstRand Bank Limited, Hong Kong and Shanghai Banking Corporation, Investec Bank Limited, Land and Agricultural Development Bank of SA Limited, Nedcor Limited, Standard Bank of SA Limited, Standard Chartered Bank **Auditors:** PricewaterhouseCoopers Inc., 32 Ida Street, Menlo Park, 0102 **Transfer secretaries:** Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001, PO Box 61051, Marshalltown, 2107, Tel (011) 370 5000 **Sponsor:** RAND MERCHANT BANK (a division of FirstRand Bank Limited), 1 Merchant Place, Cnr Fredman Drive & Rivonia Road, Sandton, 2196, PO Box 786273, Sandton, 2146

Directorate: Non-executive: DD de Beer (Chairman); CA Apsley; JJ Claassen (Joint Vice-Chairman); JJ Ferreira; JPR Mbau (Joint Vice-Chairman); MM Moloelo; KL Thoka; FJ van der Merwe **Executive:** CP Venter (Chief Executive Officer), JA van der Schyff (Financial Director), MI Mogari (Dr) (Corporate Affairs and New Business Director)

Continuing
pre-tax profit
+ 33%

Underperforming
assets disposed of
at a loss of
R93 million

Group profit
+ 18%
to R354 million

Cash
generated of
R227 million

This announcement is available on
SENS and AFGRI's website at:

www.afgri.co.za

Audited business segment results (R'millions)

year ended 30 June 2009 and 16 months ended 30 June 2008

	AFGRI FINANCIAL SERVICES				AFGRI AGRI SERVICES								AFGRI FOODS AND OTHER								TOTALS						
	Capital		Broking		Producer Services				Logistic Services				Foods				Other				Continuing operations		Discontinued operations		All operations		
	2009	2008	2009	2008	Primary inputs		Retail		Logistics		Trading		Animal protein		Oil and protein		Corporate		Group eliminations		2009	2008	2009	2008	2009	2008	2009
Revenue	878	1 135	9	54	1 235	1 634	3 131	3 457	431	343	157	130	2 582	3 252	501	664	3	3	(147)	(714)	8 780	9 958	484	732	9 264	10 690	
- sale of goods and services	271	416	9	54	1 235	1 634	3 131	3 457	431	343	157	130	2 582	3 252	501	664	3	3	(147)	(714)	8 173	9 239	484	732	8 657	9 971	
- interest on trade receivables	607	719	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	607	719	-	-	607	719	
Operating profit/(loss) (before the items below)	486	518	6	24	75	61	198	91	207	118	28	14	278	234	30	45	(130)	(98)	-	-	1 178	1 007	(21)	(42)	1 157	965	
- other operating income	84	97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35	35	-	-	119	132	-	-	119	132	
- pension fund surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59	-	-	-	59	-	-	-	59	-	
- depreciation and amortisation	(12)	(5)	-	-	(5)	(7)	(17)	(20)	(15)	(11)	-	-	(51)	(54)	(6)	(11)	(10)	(5)	-	-	(116)	(113)	(2)	(5)	(118)	(118)	
- allocation of Corporate costs	(33)	(18)	(5)	-	(9)	(12)	(24)	(27)	(32)	(31)	(9)	(9)	(22)	(15)	(9)	(11)	143	123	-	-	-	-	-	-	-	-	
Operating profit/(loss)	525	592	1	24	61	42	157	44	160	76	19	5	205	165	15	23	97	55	-	-	1 240	1 026	(23)	(47)	1 217	979	
Other items of profit and loss	-	-	-	-	-	-	32	-	1	-	-	-	-	-	-	-	-	-	-	-	33	-	(47)	(13)	(14)	(13)	
- fair value adjustment to disposal group assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(46)	(10)	(46)	(10)	
- share of profit/(loss) of associates	-	-	-	-	-	-	32	-	1	-	-	-	-	-	-	-	-	-	-	-	33	-	(1)	(3)	32	(3)	
Profit/(loss) before finance costs	525	592	1	24	61	42	189	44	161	76	19	5	205	165	15	23	97	55	-	-	1 273	1 026	(70)	(60)	1 203	966	
Finance costs	(534)	(551)	-	-	(24)	1	(51)	(18)	(23)	(2)	(4)	(1)	(51)	(14)	(1)	2	(32)	(27)	-	-	(720)	(610)	(30)	(48)	(750)	(658)	
Profit/(loss) before income tax	(9)	41	1	24	37	43	138	26	138	74	15	4	154	151	14	25	65	28	-	-	553	416	(100)	(108)	453	308	
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(106)	(32)	7	23	(99)	(9)	
Profit after tax	5 333	4 915	1	1	255	364	1 557	1 194	390	355	796	720	1 430	1 130	253	359	549	552	(739)	(416)	447	384	(93)	(85)	354	299	
Assets	328	199	-	-	57	99	285	295	322	305	39	57	812	617	104	138	174	101	-	-	9 825	9 174	-	-	2 121	1 811	
Non-current assets	91	334	-	-	123	166	945	767	9	8	172	300	264	202	67	81	104	61	(413)	(416)	1 362	1 503	-	-	1 362	1 503	
Other current assets	4 338	3 430	-	-	59	88	304	72	59	42	527	298	347	288	78	117	112	232	(326)	-	5 498	4 567	-	-	5 498	4 567	
Trade and other receivables	576	952	1	1	16	11	23	60	-	-	58	65	7	23	4	23	159	158	-	-	844	1 293	-	-	844	1 293	
Cash and cash equivalents	4 628	4 365	-	(17)	146	226	890	663	54	52	487	1 997	662	616	122	146	1 402	1 189	(699)	(2 054)	7 692	7 183	-	-	7 692	7 183	
Liabilities	114	116	-	-	4	4	5	5	-	-	-	1	141	109	9	13	56	74	-	-	329	322	-	-	329	322	
Non-current liabilities	400	581	-	(17)	142	222	885	658	54	52	487	1 996	521	507	113	133	93	37	(699)	(2 054)	1 996	2 115	-	-	1 996	2 115	
Other current liabilities	4 114	3 663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	890	-	-	-	5 004	3 663	-	-	5 004	3 663	
Borrowings to finance trade receivables	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	363	1 078	-	-	363	1 083	-	-	363	1 083	
Call loans and overdrafts	168	19	-	-	14	36	38	73	26	42	3	2	212	190	4	18	10	19	-	-	475	399	-	-	475	399	

Commentary

The directors of AFGRI Limited ("AFGRI" or "the Company") are pleased to present the audited condensed consolidated financial results of the AFGRI group of companies ("the Group") for the year ended 30 June 2009. The consolidated earnings attributable to equityholders reflect a 5% improvement over the 16 months of the previous financial period.

In a very difficult year for the financial services segment of the Group and an extensive "clean out" of underperforming assets (after-tax loss of R93 million), AFGRI's improved performance for the year ended 30 June 2009 was underpinned by strong performances from its traditional agri-services activities resulting from a near record maize crop, a generally improved farming environment and improved operational efficiencies. Continued contributions from the Food segment and certain one-off gains (after-tax profit of R72 million) allowed the Group to post an 18% improvement in profits over those of the comparative 16-month prior period.

Operational review (revenue and profit before income tax)

A new business segment format was presented for the first time with the interim results released in March 2009 and the Group has early adopted IFRS 8 - *Operating Segments*. The Group's management reviews financial information based on a 12-month comparable prior period using management information prepared on a basis consistent with the annual financial statements. With the approval of the JSE, two business segment statements are presented herein: one reflecting the 16 months audited comparatives; the other providing unaudited 12-month comparative information. Comments and comparisons appearing in the following operational review are based on the unaudited 12-month segment comparative figures:

Continuing operations

AFGRI Financial Services

In a period of decreasing interest rates, interest revenue for the Group's financial services division (comprising the Capital and Broking operating units) increased by 2% due to a larger average debtors book. The worldwide liquidity crisis during the last quarter of 2008 resulted in the re-pricing of AFGRI's underlying facilities. It was not possible to pass on all of this re-pricing to the Group's customers, resulting in a reduction in the net interest margin. Despite the difficult economic environment the strong South African agricultural sector has meant that the quality of the Group's debtors book remains exceptional with bad debt write-offs limited to 0,3% in the current year. The division's bad debt impairment allowance has been increased by R25 million to R124 million.

This segment reported a loss before tax for the year of R8 million compared to a profit for the prior 12-month period of R58 million. Whilst profitability was affected by the "credit crunch" the management of liquidity during this difficult period is commendable, including the implementation of the R2,5 billion Rabo Bank securitisation.

AFGRI Agri Services

Included within AFGRI Agri Services are the Group's two main agri-services segments: AFGRI Producer Services and AFGRI Logistic Services.

The Group's retail, John Deere dealership and direct farming inputs business (AFGRI Producer Services) produced an excellent performance driven by the successful 2007/8 crop season and the large area planted for the 2008/9 crop. Although the retail division closed 22 stores in the prior year as part of a rationalisation programme, turnover for the segment increased by some 4% during the period. The division increased its

market share for farming mechanisation equipment during the period. Only the more urban located Farm City stores suffered from the difficult retail conditions. Significantly improved margins in the retail operation and the benefits of the prior year rationalisation resulted in this division reporting a pre-tax profit of R175 million, a 118% improvement. Included in this result is a gain arising from the Group's acquisition of a 45% interest in an associate, (for nil consideration), LTP Holdings Limited, a property holding company which provides facilities to a pool of farmers for the processing of tobacco. The fair value of the company's underlying assets was established in terms of IFRS and an after-tax negative goodwill of R30 million identified which is reflected under "Share of profit of associates" on the face of the income statement. The after-tax effect of this gain has been excluded when determining the Group's headline earnings. Excluding the impact of this negative goodwill, this segment reported an 81% growth in profit before tax.

The grain storage, trading and logistic services segment (AFGRI Logistic Services) of the Group performed exceptionally well on the back of a second year of a large maize crop and operational efficiencies within the logistics operation. Revenue for the Handling and Storage and Logistic divisions increased by 58% on the comparative 12-month period. This growth in revenue translated into an 84% growth in profit before tax for the division to R138 million (2008: R75 million). The Trading division performed satisfactorily, increasing the total volumes handled by some 124% and managing approximately 10% of South Africa's maize exports during the period. A mark-to-market gain of R31 million, reported in the prior year under IFRS rules resulted in the Trading division reporting an overall decline in profitability of 40% to R15 million (2008: R25 million).

AFGRI Foods

The AFGRI Foods division, representing the more industrial elements of the Group and comprising the Animal Feeds, Daybreak Farms and Nedan business units continued to perform above expectations. Revenue remained constant in this division despite a 3% reduction in Animal Feed volumes. The maintenance of margins and cost control within the Animal Feeds division resulted in a 21% increase in this division's pre-tax profit. The Daybreak Farms operation has been returned to profitability after a difficult 2008 and this is expected to continue now that its processing facility has been matched to its production capacity of 650 000 birds per week. The collapse of soft oil prices during the latter part of 2008 and a softening in the retail environment resulted in pressure on the margins of the Nedan operation.

Overall, this segment reported a profit before tax of R168 million (2008: R146 million), an increase of 15%.

Discontinued operations

The Group's Seed unit underwent a critical review of its strategy and operations after several years of disappointing results. A proposal to impair the operating assets to fair value and dispose of this business unit was agreed to by the Board. The Seed business reported post-tax losses of R61 million (2008: R12 million), and its assets are reflected as assets held-for-sale. A sale transaction was finalised subsequent to year-end.

The remainder of the post-tax losses from discontinued operations of R32 million represents final losses realised from the discontinued Farming (R18 million), Snacks (R12 million), Citrifruit (R1 million), Deposita (R1 million) and Cotton (R2 million) business units. A post-tax profit of R4 million, being the profit associated with the Lowveld retail stores disposed of subsequent to year-end is also reflected as a discontinued operation.

Earnings and headline earnings

Comments and comparisons below are based on the audited financial statements, using the 16-month audited comparative information.

Profit before tax from continuing operations increased by 33% (R137 million) based on the results reported for the previous 16 months. The increase in profit from continuing operations includes certain unexpected one-off gains including the negative goodwill arising on the acquisition of the share of the tobacco associate and a R59 million gain arising from the apportionment of the Group's Pension Fund surplus. Ignoring these one-off gains, the Group reported a 12% increase in pre-tax profits from continuing operations for the year when compared to the prior of 16-months period.

This improved performance did not fully flow through to profit after-tax due to a 167% increase in the average tax rate. A current year STC charge of R13 million and the advantage of raising of a R23 million deferred tax asset in the previous year were the main reasons for the increase in the tax charge.

Despite the much higher tax charge, and absorbing R93 million in after-tax losses from discontinued operations the Group's overall profit for the year increased by 18% to R354 million.

AFGRI's earnings attributable to ordinary shareholders grew by 5% to R233 million. The Group achieved earnings per share of 72,7 cents (2008: 69,5 cents).

Cash flow

The 37% (R1,35 billion) significant growth in the Group's financed debtors was funded by facilities raised for this specific purpose. The cash generated from operating activities of R875 million has been applied to capital expenditure (R475 million), cash collateral deposits to support growth in the debtors' book (R43 million), distributions to shareholders and the Agri Sizwe partners (R176 million) and an overall increase in cash and cash equivalent balances of R227 million.

Changes to the Board of Directors and Company Secretary

Mr JA van der Schyff was appointed as the Group Financial Director on 15 September 2008. Mr CP Venter was appointed to the Board of Directors in the position of Chief Executive Officer with effect from 1 October 2008. Ms SL Reynolds resigned as Company Secretary on 30 November 2008. Mr PJP Badenhorst acted as interim Company Secretary from 1 December 2008 to 3 March 2009 whereafter Ms N van Wyk was appointed.

Prospects

The difficult global economic conditions have impacted on the Group's lending margins and limited the planned growth in its debtors' book. This has been countered by a strong agricultural year in South Africa. The Group's management continues to aggressively control working capital and cash flows, and has adopted an extensive cost control programme. A Group strategy review has resulted in a clearer focus and the discontinuance of underperforming business units has now come to an end. The Financial Services division has seen off the worst of the "credit crunch" and, with lessons learnt, emerged a more focused business than before. A further deterioration in the South African economy may impact the Foods division. The recently lower grain prices may result in a reduction in the area to be planted for the summer season, impacting upon the Producer Services division. The current year's large crop will support the Logistic division's results through the forthcoming financial year.

By order of the Board

DD de Beer (Non-Executive Chairman)
1 September 2009

CP Venter (Chief Executive Officer)

Unaudited business segment results (R'millions)

12 months ended 30 June 2009 and 12 months ended 30 June 2008

	AFGRI FINANCIAL SERVICES				AFGRI AGRI SERVICES								AFGRI FOODS AND OTHER								TOTALS						
	Capital		Broking		Producer Services				Logistic Services				Foods				Other				Continuing operations		Discontinued operations		All operations		
	2009	2008	2009	2008	Primary inputs		Retail		Logistics		Trading		Animal protein		Oil and protein		Corporate		Group eliminations		2009	2008	2009	2008	2009	2008	2009
Revenue	878	928	9	42	1 235	1 400	3 131	2 816	431	272	157	93	2 582	2 566	501	519	3	2	(147)	(585)	8 780	8 053	484	606	9 264	8 659	
- sale of goods and services	271	333	9	42	1 235	1 400	3 131	2 816	431	272																	