

27 Tiger Brands Limited shares held by subsidiary and empowerment entities

27.1 Tiger Brands Limited shares held by subsidiary

A total of 10 326 758 (2013: 10 326 758) shares are held as treasury stock.

27.2 Tiger Brands Limited shares held by empowerment entities

A total of 21 338 578 (2013: 21 351 327) shares are owned by empowerment entities.

On 19 September 2005, shareholders approved a Scheme of Arrangement (section 311 of the Companies Act 61 of 1973) in terms of which Tiger Brands would facilitate the acquisition of a 4% direct ownership interest in its issued ordinary share capital by a broad base of staff employed within the group. The court order sanctioning the scheme was registered by the Registrar of Companies on 29 September 2005, being the effective date of acquisition of the scheme shares.

The total value of the staff empowerment transaction was R723,5 million, based on the closing price of the company's shares on the JSE Limited on 13 July 2005 of R112 per share. The transaction was implemented on 17 October 2005 through a number of trusts and a special-purpose vehicle. The acquisition of 5 896 140 Tiger Brands shares by the Black Managers Trust and Thusani Empowerment Investment Holdings (Pty) Limited in terms of the scheme, at an aggregate cost of R649,5 million was shown as a deduction from equity in the group statement of financial position. This reduced to R502,2 million in 2008 as a result of the Adcock Ingram unbundling. As from 2008, such shares in Adcock Ingram are reflected as listed investments classified as available for sale.

The cost of the Tiger Brands shares acquired by the General Staff Trust (547 733 shares), together with the total expenses of the BEE transaction, was reflected as an abnormal item of R69,4 million in the group income statement in 2005.