

Rainbow Chicken to buy 64.2% of Foodcorp

By [Roy Downing](#)

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SA's largest processor and marketer of chicken Rainbow Chicken on Wednesday, 14 November 2012, announced it is to acquire 64.2% of SA food manufacturer Foodcorp for a cash consideration of R1.037 billion.

The acquisition positions Rainbow to diversify and enter new attractive food categories with a range of respected and market leading brands while harnessing synergies and scale benefits, said CEO Miles Dally.

Foodcorp will retain the remaining 23.9% and will continue to manage the company.

Rainbow said the acquisition will broaden the range of respected brands and categories in its portfolio to counter the cyclical nature of the food industry and combine strengths in consumer insight between the organisations to support product innovation and development.

"It is an important first step for Rainbow Chicken as a restructured business to pursue compelling acquisitions of consumer brands in strategic growth markets in the food sector in SA and the greater Sub Saharan Africa," Dally said.

Rainbow will conduct a rights offer, fully underwritten by Remgro, to contribute funding for strategic growth opportunities including the Foodcorp transaction.

The proposed acquisition is subject to certain conditions, including the approval by the competition authorities.

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