

# Rainbow now owns 88.1% of Foodcorp

Rainbow Chicken announced on Monday, 1 July 2013, that it has bought Foodcorp management's 23.9% stake in the company bringing its total effective holding in Foodcorp to 88.1%.



Rainbow Chicken bought an effective 64.2% of the issued ordinary share capital of Foodcorp through its subsidiary Capita Investment Management Proprietary (CIM) in April this year.

Rainbow has a 84.3% shareholding in CIM, which holds 76.1% of Foodcorp. Management retained its holding of 23.9% in Foodcorp and it is this holding that Rainbow has now bought for R393m.

"This purchase is in line with our strategy of becoming a food producer with significant scale to compete more effectively," said Miles Dally, chief executive of Rainbow.

Foodcorp is a leading South African manufacturer of quality branded and private label food products and the range includes Yum Yum peanut butter, Ouma rusks, Pieman's meat pies, Sunbake bread and bakery products, Bobtail and Dogmor pet foods, Nola mayonnaise and the popular maize drink Mageu No.1. Foodcorp also manufactures a wide range of quality convenience, ready-to-eat products for Woolworths and other retailers.

"The diversified range will assist in countering the cyclical nature of chicken production by broadening our range of brands and categories," said Dally, adding "this additional direct stake further consolidates our position and we are very excited about it."