

RAINBOW CHICKEN TO ACQUIRE FOODCORP

Rainbow Chicken (RCL) today announced the proposed acquisition of an effective 64.2% interest in leading food manufacturer Foodcorp for a cash consideration of R1.037 billion. Foodcorp management is retaining a 23.9% holding in Foodcorp and will continue to manage the company following the acquisition by RCL.

Miles Dally, CEO of RCL commented: ***“The Foodcorp acquisition positions RCL to diversify and enter new attractive food categories with a range of respected and market leading brands while harnessing synergies and scale benefits. It is an important first step for RCL as a restructured business to pursue compelling acquisitions of consumer brands in strategic growth markets in the food sector in South Africa and the greater Sub Saharan Africa.”***

The acquisition of Foodcorp will enable RCL to:

- broaden the range of respected brands and categories in its portfolio to counter the cyclical nature of the food industry;
- combine strengths in consumer insight between the organisations to support product innovation and development;
- become a food player with significant scale to compete more effectively;
- open up further opportunities to expand into Sub-Saharan Africa; and
- leverage Vector's logistics expertise.

RCL will conduct a rights offer fully underwritten by Remgro to contribute funding for strategic growth opportunities including the Foodcorp transaction. The Foodcorp transaction is subject to certain conditions precedent including the approval by the Competition authorities.

Rand Merchant Bank advises RCL.

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Enquiries

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Background notes

Rainbow Chicken Limited (RCL)

RCL is a consumer focused business that adds value to consumers through its range of market leading brands that include Rainbow and Farmer Brown. The Group was restructured in January 2011 into two operating units, namely Rainbow (chicken) and Vector (logistics), each with its own board and managing director responsible for the day to day operations, thus allowing the Chief Executive Officer and Chief Financial Officer of RCL to apply a dedicated focus on strategic growth opportunities for the Group.

Visit www.rainbowchickens.co.za for more information.

Foodcorp Limited

Foodcorp is a leading South African manufacturer of quality branded and private label food products. The Company manufactures, markets and distributes a diversity of food products ranging from basic essentials to top end desserts and convenience meals.

Foodcorp's range of products is among the leading and best recognised brands in South Africa. These include Yum Yum peanut butter, Ouma Rusks, Pieman's meat pies, Sunbake bread and bakery products, Bobtail and Dogmor pet foods, Nola mayonnaise, Glenryck and the popular maize drink, Mageu No 1. The Company also manufactures and sells a wide range of quality convenience, ready-to-eat products for Woolworths and other retailers.

Foodcorp positions its products to appeal to the mass consumer market in South Africa and supplies most of it nationally to major retail outlets, food wholesale outlets, independent retailers, forecourts and the food services industry. It also exports certain products, principally to Western Europe, the Middle and Far East, and the rest of Africa.

The business typically sells around 200 million loaves of bread, 280 000 tons of flour, 120 million pies and 60 million litres of Mageu No.1 a year. Revenue and EBITDA for the year ended 31 August 2012 amounted to R6.9 billion and R773 million, respectively.

Visit www.foodcorp.co.za for more information.

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