

Country Foods in BEE deal

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Tiisetso Motsoeneng

Johannesburg - AltX-listed mushroom, fruit and vegetable distributor Country Foods has sold just over 4% of its issued share capital to Kagiso Trust for R5.5m in an empowerment deal.

In terms of the deal, Country Foods would acquire Kagiso Trust's 30% shareholding in its subsidiary Midlands Mushroom Farms through the issue of 5.5 million shares to Kagiso at R1 each.

Kagiso Trust will also be allowed to buy an additional 7.5 million shares at the ruling price on the open market, ultimately giving Kagiso just over a 10% holding in Country Foods.

"As we move towards meeting our BEE targets, Kagiso Trust, with its agribusiness private equity fund, will most certainly be our preferred empowerment partner, and our relationship is ongoing and growing," said Country Foods CEO Robi Casaletti.

At 12:24, shares in Country Foods were unchanged at R103.

Source: I-Net Bridge

Kagiso Trust buys into Country Foods

Nicola Mawson

A KAGISO Trust subsidiary is to take a 10% shareholding in mushroom and fruit juice company Country Foods Group.

CEO Robi Casaletti said yesterday the Kagiso Enterprises Rural Private Equity Fund (Kerpef) had swapped its 30% stake in Country Foods subsidiary Midlands Mushroom Farms for a 4% stake in the holding company.

Kerpef had also agreed to buy 7,5-million shares at market price from vendors who had agreed to sell to increase its stake to 10%, he said. Buying the shares on the open market would avoid diluting other shareholders' stakes, as the additional shares issued were offset by a reduction in minority interests in the overall group.

The stake Kerpef has in Midlands has been valued at R5,5m and has been swapped for 5,5-million shares in the holding company.

Casaletti said he would like to see Kerpef increase its stake further, as the two companies had benefited from a shared interest in rural areas.

A Kagiso Trust executive, Paballo Makosholo, said Kerpef's investment would help it in furthering its goals to reach and empower marginalised rural communities.

He said Kerpef aimed to uplift the rural poor, and Country Foods' food-processing operations were mainly located in rural areas. The empowerment partner's relationship dated back to being a founding member and funder of the Midlands processing facility.

Kagiso would be represented on the Country Foods board through the appointment of one nonexecutive director.

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