

## *Media Article...*

**Source : Business Day – Nicola Mawson**

**Posted to the Web : 11 December 2007**

### **“COUNTRY FOODS PROFIT MUSHROOMS**

MUSHROOM and fruit juice company Country Foods Group said most of the 327% leap in revenue in its maiden results was thanks to acquisitions, and that it was in talks with a view to adding further bolt-on operations.

About 70% of the company's growth in revenue was the result of recent acquisitions.

The group said revenue leapt 327% to R171m in the year to September, from the R40m it turned over in the previous 15 months.

Operating costs increased 148% to R33,5m from R13,5m, but net profit rose 397% to R13m from R2,6m.

CEO Roberto Casaletti said a couple of negotiations were under way and the company would continue to seek new additions that would bolt on. Future purchases would be funded through a combination of debt and equity, he said.

Country Foods had established subsidiaries in Tunisia and Morocco that were expected to feed into the US and UK markets.

Its US subsidiary, Forest Products International, had extended its distribution network and was expected to start distributing several additional products on the east coast of the US.

Casaletti said the company also expected to relieve some of its capacity constraints as its midlands facility came online. The production facility was expected increase supply of products to SA, the US and Europe.

In addition, the group sought to identify brands that fitted into its distribution network. Casaletti said the company wanted to add niche brands from time to time.

He said the company was starting to benefit from sharing assets within the company, which was expected to result in margin growth.

Last year, the company acquired Country Mushrooms, Fruitime and Porcini Mushrooms.”

