

# Premier Foods acquires controlling stake in Swazi bread businesses

Premier Foods has paid R85 million for a controlling stake in two Swaziland based bread and confectionary businesses, Mr Bread and Swaziland United Bakeries, which combined have 75% share of Swaziland's bread market through well-established local brands such as Supreme bread. The group intends to re-introduce Blue Ribbon bread, which is its biggest bread brand in South Africa.



Premier Foods will support the businesses technically and strategically to strengthen their market position. Wayne Levendale, current MD of Mr Bread, will become CEO of the joint operations and will retain a major shareholding together with other key members of staff.

Commenting on the announcement, Ian Visser, Premier Foods Group CEO, said, "Following our transaction with Brait last year, we are now in a position to carry out our strategy to participate actively in new sub-Saharan markets where we can acquire and grow assets aligned with our existing products and operations.

"These acquisitions fit perfectly with our investment criteria and we look forward to working closely with the management team to develop high quality but affordable products for the Swazi market."

In July 2011, international investment group Brait SA increased its stake in Premier Foods to become a long-term strategic shareholder with a view to support its next phase of growth. This resulted in the group gaining improved access to capital for investments focused on the development of new products and brand extensions, capacity expansions across the supply chain, strategic mergers & acquisitions linked to adjacent products as well as the participation in new sub-Saharan markets meeting the group's criteria.

Levendale commented, "This investment by the group brings many benefits, including much needed access to expertise in terms of technology, operational efficiencies, product quality and skills transfer. Consumers can expect a better service through an improved delivery network and the introduction of new product ranges including high-end confectionery products at affordable prices.

"Beyond this, it is pleasing to see that Swaziland's current economic woes have not deterred essential foreign direct investments that support Swazi ownership," he concludes.

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