

Rainbow Chickens earnings down by 80% to 100%

Rainbow Chicken advised on Monday (19 August) that it expects its earnings per share and headline earnings per share from continuing operations for the year to June to be between 80% and 100% lower than last year.



It said that two major issues facing the local poultry industry - record levels of imports and high feed raw material input costs - had had a dramatic effect on group's chicken operations (Rainbow).

Moreover, non-deductible transaction costs of R45.6m had been recognised in relation to Rainbow's acquisition of an effective 64.2% share in New Foodcorp.

"Despite the inclusion of Foodcorp's tradings results for two months - the effective date of the acquisition was May - earnings were negatively affected by the deterioration in the exchange rate and the valuation of Foodcorp's Euro denominated Senior Secured Notes.

The group's results for the financial year are due to be released on the stock exchange next week.

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