

Chicken producer manages tiny rise

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Chicken producer Sovereign Foods has reported an increase in full-year earnings of 5% to 108.4c a share for the period to end-February. No dividend has been declared. At the half-way stage, the company had notched up earnings of 80c a share, indicating that trading in the second six months generated 28c only of earnings.



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The industry has been hit hard by tough economic conditions and the continuing drought, which adversely affected the maize price.

Management said the spot price of white maize had increased 91% in the second half of the year compared with the same period in financial 2015. The price of yellow maize was up 65%.

The company, which has been battling with minority shareholders since October when it attempted to push through an empowerment scheme, released details of what is essentially the third attempt to implement the same controversial scheme. The second attempt was blocked by a high court order in April.

In Tuesday's SENS announcement, Sovereign said it was proposing a new series of "interconditional transactions", comprising the introduction of empowerment partners, the repurchase of 5% of its shares, and the introduction of a new executive remuneration policy.

Shareholders holding more than 70% of the eligible voting shares have given irrevocable undertakings to support the latest transaction.

Source: Business Day

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