

Tiger Brands to sell meat business units

Tiger Brands has reached agreements to dispose of its value-added meat products business to two separate companies.



Credit: Enterprise Foods

The food manufacturer will sell its abattoir business at Olifantsfontein to pork producer Molare Proprietary Limited for R100m, while it will sell its meat-processing facilities in Germiston, Polokwane and Pretoria for R153m to Silver Blade Abattoir Proprietary Limited, a wholly-owned subsidiary of poultry group Country Bird.

Molare and Country Bird are separate and unrelated purchasers.

On its website, Tiger Brands lists the Enterprise, Renown, Bokkie and Miele-Kip brands under its value-added meat products category.

Tiger Brands said in an update on Monday that as part of the strategic review conducted by the company's board of directors in 2017, the role of value-added meat products within the company's portfolio had been earmarked for further evaluation, given this business's unique value chain and the perishable nature of its underlying products.

The company is facing a class action lawsuit over its role in the listeriosis outbreak in 2018, which killed approximately 200 people in South Africa and was [traced back to a factory](#) run by Tiger Brands-owned Enterprise Foods. The company consequently was forced to recall its processed meats and close four meat-processing facilities.

Tiger Brands said on Monday that any potential liability under the class action will not transfer to the new owners. As part of the agreements, the company indemnifies the purchasers against any potential liability that may arise on conclusion of the

legal process.

The agreements with Molare and Silver Blade Abattoir respectively are subject to Tiger Brands shareholder approval, all regulatory approvals and conclusion of transitional service agreements.

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