

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

CONSOLIDATED BALANCE SHEET

| R'000 | 30 Sept 2006 | 30 Sept 2005 | 31 March 2006 |
|-------------------------------------|------------------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 1 003 930 | 931 749 | 962 194 |
| Trademarks | 336 | 804 | 404 |
| Goodwill | 287 444 | 287 444 | 287 444 |
| Deferred taxation | | 7 094 | |
| | 1 291 710 | 1 227 091 | 1 250 042 |
| Current assets | | | |
| Inventories | 348 380 | 267 702 | 320 420 |
| Biological assets | 280 122 | 250 016 | 242 199 |
| Trade and other receivables | 599 879 | 514 116 | 517 442 |
| Derivative financial instruments | 15 622 | 22 187 | 19 790 |
| Taxation receivable | | 11 303 | 1 513 |
| Cash and cash equivalents | 268 463 | 121 719 | 394 383 |
| | 1 512 466 | 1 187 043 | 1 495 747 |
| Total assets | 2 804 176 | 2 414 134 | 2 745 789 |
| EQUITY | | | |
| Capital and reserves | 1 666 776 | 1 385 613 | 1 595 901 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Deferred taxation | 170 310 | 173 305 | 168 519 |
| Post-retirement medical obligation | 72 138 | 67 489 | 69 683 |
| Finance lease liability | 116 | 512 | 116 |
| | 242 564 | 241 306 | 238 318 |
| Current liabilities | | | |
| Trade and other payables | 807 811 | 748 907 | 781 800 |
| Provisions | 39 283 | 20 676 | 30 771 |
| Derivative financial instruments | | 343 | 402 |
| Finance lease liability | 524 | 814 | 698 |
| Taxation payable | 47 218 | 16 475 | 97 899 |
| | 894 836 | 787 215 | 911 570 |
| Total liabilities | 1 137 400 | 1 028 521 | 1 149 888 |
| Total equity and liabilities | 2 804 176 | 2 414 134 | 2 745 789 |

STATEMENT OF CHANGES IN EQUITY

| R'000 | Stated capital | Share-based payments | Retained earnings | Total |
|---|------------------|----------------------|-------------------|------------------|
| Balance at 1 April 2005 | 1 105 959 | 8 391 | 172 356 | 1 286 706 |
| Profit for the period attributable to the equity holders of the Group | | | 398 845 | 398 845 |
| Ordinary dividends paid | | | (105 273) | (105 273) |
| Employee share option scheme: | | | | |
| Proceeds from shares issued | 9 788 | | | 9 788 |
| Value of employee services | | 5 835 | | 5 835 |
| Balance at 1 April 2006 | 1 115 747 | 14 226 | 465 928 | 1 595 901 |
| Profit for the period attributable to the equity holders of the Group | | | 171 032 | 171 032 |
| Ordinary dividend paid | | | (112 405) | (112 405) |
| Employee share option scheme: | | | | |
| Proceeds from shares issued | 8 294 | | | 8 294 |
| Value of employee services | | 3 954 | | 3 954 |
| Balance at 30 September 2006 | 1 124 041 | 18 180 | 524 555 | 1 666 776 |

SALIENT FEATURES

Revenue

▲ 13.7%

EBITDA

▲ 18.9%

Operating profit

▲ 20.0%

Headline earnings

▲ 13.7%

Interim dividend per share

▲ 17.6%

HEADLINE EARNINGS

| R'000 | Six months ended 30 Sept 2006 | Six months ended 30 Sept 2005 | Year ended 31 March 2006 |
|--|-------------------------------|-------------------------------|--------------------------|
| Profit for the period attributable to the equity holders of the Group | 171,032 | 149,220 | 398,845 |
| Net asset impairment provision released | | (2,555) | (2,185) |
| Loss on disposal of property, plant and equipment | 1,397 | 4,945 | 3,626 |
| Headline earnings | 172,429 | 151,610 | 400,286 |

CONSOLIDATED INCOME STATEMENT

| R'000 | Six months ended 30 Sept 2006 | Six months ended 30 Sept 2005 | Year ended 31 March 2006 |
|--|-------------------------------|-------------------------------|--------------------------|
| Revenue | 2 177 770 | 1 915 245 | 4 101 454 |
| Operating profit before depreciation and amortisation | 312 937 | 263 112 | 687 588 |
| Depreciation and amortisation | (56 010) | (48 941) | (109 744) |
| Operating profit | 256 927 | 214 171 | 577 844 |
| Finance costs | (2 358) | (1 470) | (2 351) |
| Finance income | 13 631 | 1 439 | 9 930 |
| Profit before taxation | 268 200 | 214 140 | 585 423 |
| Taxation | (97 168) | (64 920) | (186 578) |
| Profit for the period attributable to the equity holders of the Group | 171 032 | 149 220 | 398 845 |

CONSOLIDATED CASH FLOW INFORMATION

| R'000 | Six months ended 30 Sept 2006 | Six months ended 30 Sept 2005 | Year ended 31 March 2006 |
|---|-------------------------------|-------------------------------|--------------------------|
| Operating profit before working capital requirements | 318 288 | 265 502 | 693 971 |
| Working capital requirements | (107 576) | (13 292) | (13 880) |
| Cash generated by operations | 210 712 | 252 210 | 680 091 |
| Net finance income/(costs) | 11 273 | (31) | 7 579 |
| Dividends paid | (112 405) | (58 009) | (105 273) |
| Taxation paid | (144 545) | (53 204) | (81 341) |
| Net cash flows from operating activities | (34 965) | 140 966 | 501 056 |
| Net cash flows from investing activities | (99 075) | (132 361) | (221 367) |
| Net cash flows from financing activities | 8 120 | 7 107 | 8 687 |
| Net (decrease)/increase in cash and cash equivalents | (125 920) | 15 712 | 288 376 |
| Cash and cash equivalents at the beginning of the period | 394 383 | 106 007 | 106 007 |
| Cash and cash equivalents at the end of the period | 268 463 | 121 719 | 394 383 |

SUPPLEMENTARY INFORMATION

| | | | |
|---|---------|--------|---------|
| Capital expenditure contracted and committed | 151 346 | 69 653 | 102 590 |
| Capital expenditure approved but not contracted | 5 590 | 31 358 | 48 981 |
| Contingent liabilities | 48 466 | 35 984 | 36 914 |

STATISTICS

| | (000's) | 2006 | 2005 | 2004 |
|---|---------|---------|---------|---------|
| Ordinary shares in issue | | 281 738 | 277 343 | 279 222 |
| Weighted average ordinary shares in issue | | 279 360 | 275 321 | 277 096 |
| Fully diluted weighted average ordinary shares in issue | | 286 436 | 282 086 | 285 558 |
| Basic earnings per share (cents) | | 61.2 | 54.2 | 143.9 |
| Basic earnings per share – diluted (cents) | | 59.7 | 52.9 | 139.7 |
| Headline earnings per share (cents) | | 61.7 | 55.1 | 144.5 |
| Headline earnings per share – diluted (cents) | | 60.2 | 53.7 | 140.2 |
| Net asset value per share (cents) | | 591.6 | 499.6 | 571.6 |
| Ordinary dividends: | | | | |
| Interim dividend declared/paid (cents) | | 20.0 | 17.0 | 17.0 |
| Final dividend paid (cents) | | | | 40.0 |

BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 (Interim Financial Reporting) and in compliance with the Companies Act of South Africa of 1973 and the Listings Requirements of the JSE Limited.

The accounting policies are consistent with those of the previous financial period, however they have been updated to include the following new standards, interpretations and amendments which the Group adopted from 1 April 2006 – IFRS 4 (Financial Guarantee Contracts), International Financial Reporting Interpretations Committee (IFRIC) 4 (Determining whether an arrangement contains a lease), and amendments to IAS 19 (Employee Benefits) and IAS 39 (Financial Instruments: Recognition and Measurement). There was no impact on the results for the current or prior periods as a consequence of adopting these new standards, interpretations and amendments.

OVERVIEW AND MARKET CONDITIONS

The Group's results for the six months ended 30 September 2006 reflect headline earnings growth of 13.7% compared to the same period of the previous year.

The South African economy grew at approximately 4%. The macro economic environment has remained positive during the period despite marginally increasing inflation and interest rates. Food inflation is beginning to be impacted by increasing maize and fuel costs.

The weakening of the rand, together with higher international grain prices, led to a 27% increase in local yellow maize prices since March 2006 with prices 68% higher than September 2005. Indications are that plantings of maize for the 2006/7 season are expected to be significantly higher than the 2005/6 season.

The local chicken industry remains on high alert for Avian Influenza (AI). AI outbreaks continue to be reported internationally. Rainbow and the local industry at large, through the Southern African Poultry Association (SAPA) and in co-operation with the National Department of Agriculture, continue to focus on prevention through increased bio-security and stepped-up surveillance and monitoring of flock health.

Notwithstanding the recently weakening rand, chicken import volumes have remained high, having increased 77% during the period. The high level of imports mostly impacts on channels that are not a strategic focus area for Rainbow. On 27 October 2006, the Minister of Trade and Industry approved the extension of the anti-dumping duty against the USA for a further 5 years. Red meat prices have increased significantly with the result that chicken still represents a more affordable protein source.

REVIEW OF OPERATIONS

The Group continues to focus on its five strategic pillars, consumer insight (consumers being the heart of our business), customer focus (creating win-win partnerships), supply chain (delivering excellence), business investment (investing for future growth) and our culture (doing things inspirationally). The results achieved in the period continue to reflect the benefits arising out of this strategy.

Continued product innovation to meet consumer needs has been a feature of this period, particularly in the Individually Quick Frozen (IQF) market where four new products were launched during September under the Rainbow brand. A first into the South African market is Rainbow Flavoured IQF Mixed Portions in three flavours.

The new further processed products have performed well, and have had excellent acceptance by the trade and consumers. The Easyserve and Easybraai range was placed second in the prestigious "Food Review New Product of the Year" competition. Rainbow has continued to actively support its brands via TV advertising, in-store promotions and other point of sale activity.

Continued customer focus and building of strategic partnerships has led to a strong performance in the Foodservice channel. Significant growth has been driven by both key customers in the Quick Service Restaurant (QSR) sector and new business generated from our strategy of improving product mix and expanding our customer base.

Plans are in place to upgrade facilities within agriculture and feedmilling which will enable further supply chain efficiencies and additional chicken volume capacity.

Epol has performed well during the period, having recovered external volumes which were lost due to the feed contamination issue in 2005. The raw material procurement strategy has enabled Epol to be price competitive and the higher external sales volumes have resulted in improved capacity utilisation.

Recovery of the feed contamination claim against the responsible supplier is progressing and is in the hands of their insurers, but to date remains outstanding.

Vector's results for the period are in line with expectations. The new Multi-Temperature Contract Distribution (MTCD) contracts with Spur and Nando's are progressing well. The major capital expansion projects are progressing in line with planned timing, with all additional capacity expected to be operational by November 2006. Vector has continued to invest in new technology, most recently the roll out of a new fully integrated fleet management and supply chain integrity control system.

Rainbow is currently leveraging the Vector SAP system to integrate Rainbow's outbound sales and distribution processes. The Group remains committed to implementing an integrated Enterprise Resource Planning (ERP) system to effectively manage the complex supply chain and are in the process of conducting a systems strategy review. The finalised strategy will provide the direction to allow effective planning and scoping for an extended ERP implementation roadmap.

FINANCIAL REVIEW

| Revenue – Rm | 2006 | 2005 | % |
|--|---------|---------|------|
| Chicken | 1 727.4 | 1 545.1 | 11.8 |
| External sales – Cobb, Epol and Vector | 450.4 | 370.1 | 21.7 |
| Reported revenue | 2 177.8 | 1 915.2 | 13.7 |

Chicken revenue for the six months was 11.8% higher than the same period of the previous year. Rainbow's average price realisation increased by 5.5%. Overall chicken volumes increased by 6.3% with the QSR sector, targeted customers and branded products (including the new further processed products) all showing pleasing growth.

Group revenue increased by 13.7% to R2.2 billion (2005: R1.9 billion) benefiting from Epol and Vector's higher external volumes.

Headline EBITDA increased by 18.4% to R314.3 million (2005: R265.5 million), reflecting the higher realisations and volumes as well as improved customer and product mix. The headline EBITDA margin increased to 14.4% (2005: 13.9%).

As previously noted, reporting the financial effects of certain financial instruments used in the feed raw material procurement strategy in accordance with IAS39, introduces volatility to the Group's financial results. The pre-taxation impact of applying IAS39 on the Group's results for the six month period is a negative R34.1 million (2005: R25.8 million positive). The underlying pre-IAS39 performance and margin continues to reflect an improving trend.

| | 2006 | 2005 | % | 2004 | % |
|--------------------------|-------|-------|------|-------|------|
| Headline EBIT (Rm) | | | | | |
| pre-IAS39 | 292.4 | 190.8 | 53.2 | 135.0 | 41.3 |
| post-IAS39 | 258.3 | 216.6 | 19.3 | 109.5 | 97.8 |
| Headline EBIT margin (%) | | | | | |
| pre-IAS39 | 13.4 | 10.0 | 3.4 | 6.8 | 3.2 |
| post-IAS39 | 11.9 | 11.3 | 0.6 | 5.5 | 5.8 |

Taxation increased due to the higher operating profit and secondary tax on companies paid on the significantly increased final dividend. As such the effective taxation rate increased to 36.1% (2005: 30.3%). The 2005 effective taxation rate was impacted by the deferred taxation release of R6.0m (2.8% rate impact) due to the 1% taxation rate adjustment.

Net finance income increased by R11.3m due to the higher cash balances.

Headline earnings increased by 13.7% to R172.4 million (2005: R151.6 million) with diluted headline earnings per share improving by 12.1% to 60.2 cents per share (2005: 53.7 cents per share).

Cash generated by operations decreased by 16.5% to R210.7 million (2005: R252.2 million) as a result of working capital requirements increasing by R94.3m. Trade receivables are higher in line with increased trading and the valuation of inventories is impacted by the higher feed costs.

Capital expenditure was R99.3 million (2005: R141.1 million – including R64.7m in respect of the Further Processing Plant). A further amount of R151.3 million (2005: R69.7 million) has been contracted and committed, but not spent, whilst a further R5.6 million (2005: R31.4 million) has been approved, but not contracted. The Group continues to follow a policy of upgrading its facilities and funding normal levels of replacement capital expenditure from its own resources.

Return on equity on a 12-month rolling basis increased to 27.6% (2005: 22.7%).

DIRECTORATE

There have been no changes to the directorate since the last reporting date.

PROSPECTS

Consumer spending is expected to remain positive over the next six months with demand for chicken specifically as an affordable protein source also expected to remain strong.

Maize prices are likely to remain at the current higher levels and together with the weakened rand, it is expected that feed input costs will continue to increase through to year end.

Earnings growth for the full year on both a pre- and post-IAS39 basis is likely to be lower than the first six months.

DIVIDEND DECLARATION

Notice is hereby given that on 15 November 2006 the Board declared an interim dividend (number 67) of 20.0 cents per ordinary share in respect of the six months ended 30 September 2006 (2005: 17.0 cents).

The salient dates of the declaration and payment of this dividend are as follows:

| | |
|---|-------------------------|
| Last date to trade ordinary shares cum dividend | Friday, 5 January 2007 |
| Ordinary shares trade ex dividend | Monday, 8 January 2007 |
| Record date | Friday, 12 January 2007 |
| Payment date | Monday, 15 January 2007 |

Share certificates may not be dematerialised or rematerialised between Monday, 8 January 2007 and Friday, 12 January 2007 (both dates inclusive).

For and on behalf of the Board

| | | |
|---|---|----------------------------|
| M H Visser Non-executive Chairman | M Dally Chief Executive Officer | Durban 15 November 2006 |
|---|---|----------------------------|

Directors: MH Visser (Non-executive Chairman), M Dally (CEO)*, RH Field*, M Griessel, JB Magwaza, M Nhlahlaha, N Phillips, DW Vale, DG Zwiwelaar
* Executive Directors

Company secretary: SB Heath

Registered office: Rainbow Chicken Limited, One the Boulevard, Westway Office Park, Westville, 3629

Transfer secretaries: Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001

Auditors: PricewaterhouseCoopers Inc

Sponsor: RAND MERCHANT BANK (a division of FirstRand Bank Limited)

Bankers: ABSA Bank Limited

Website: www.rainbowchicken.co.za