



Investor presentation

May 2006

Imagine life without
RAINBOWTM
Chicken.



- About Rainbow
- Industry perspective
- Market conditions
- 2006 highlights
- Financial review
- Strategic update
- Further Processed products launch
- Prospects
- Questions and answers

Facts

- South Africa's largest processor and marketer of chicken
- Listed on the JSE Securities Exchange
- Founded in 1955
- Headquartered in KwaZulu-Natal, South Africa
- Revenue R4,1 bn
- 6,686 employees
- 5 feed mills
- 4 processing plants
- 22 distribution facilities

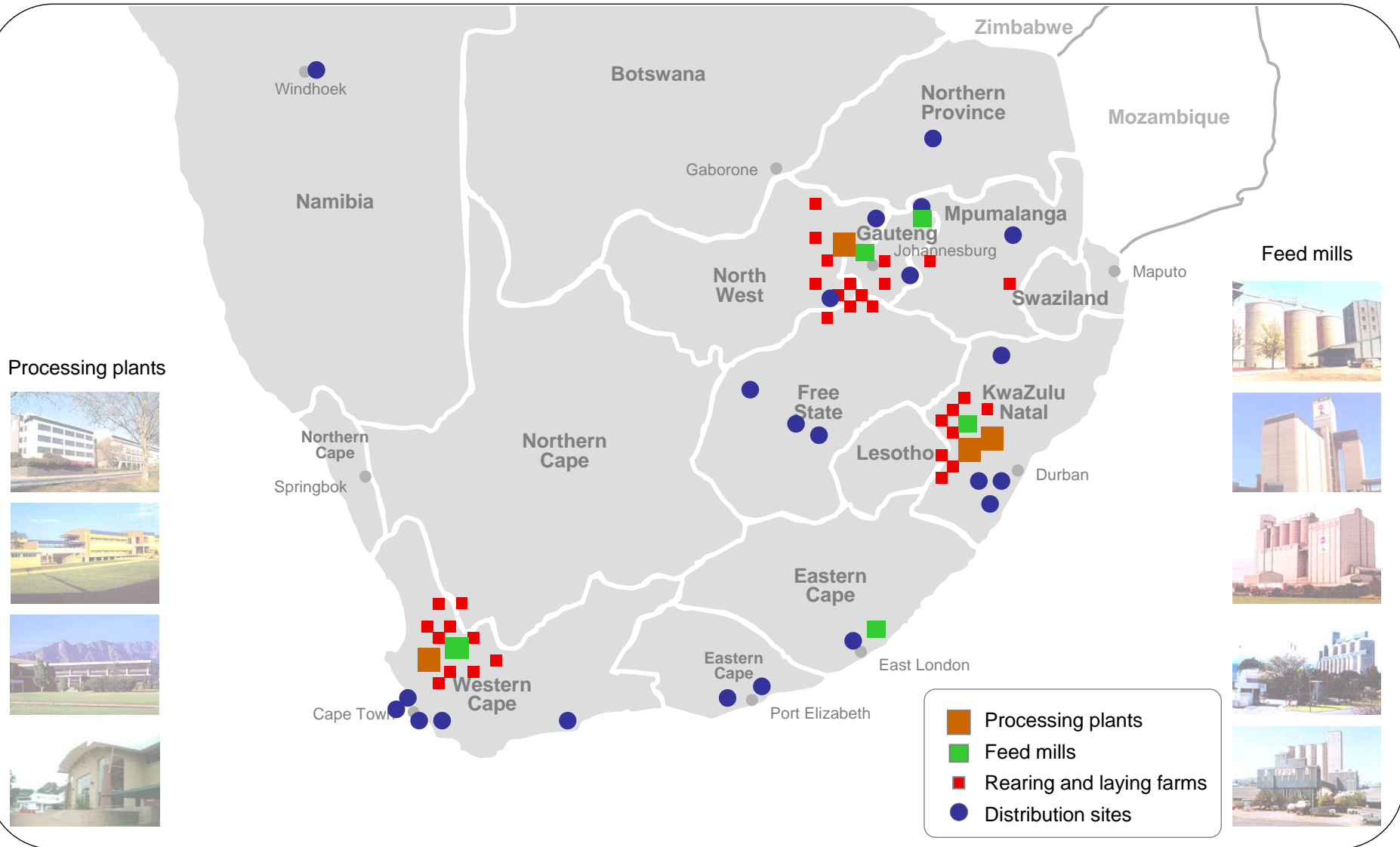
Our common purpose

“Rainbow at the heart of every meal”

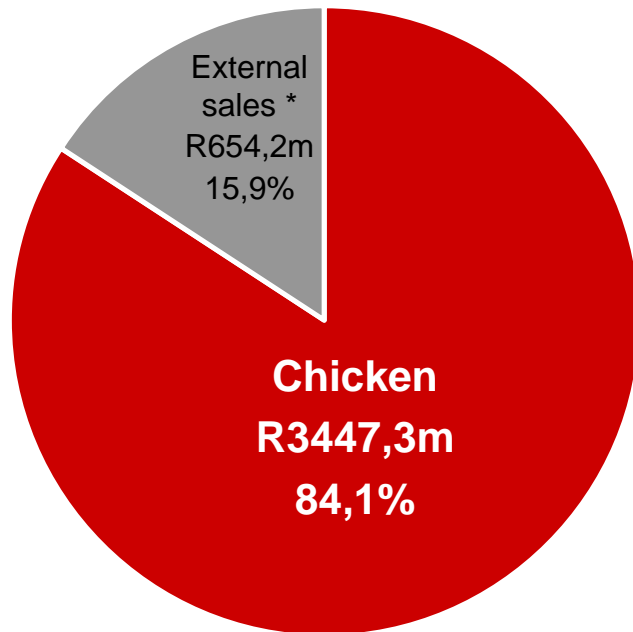


Major facilities

Imagine life without
RAINBOWTM
Chicken.

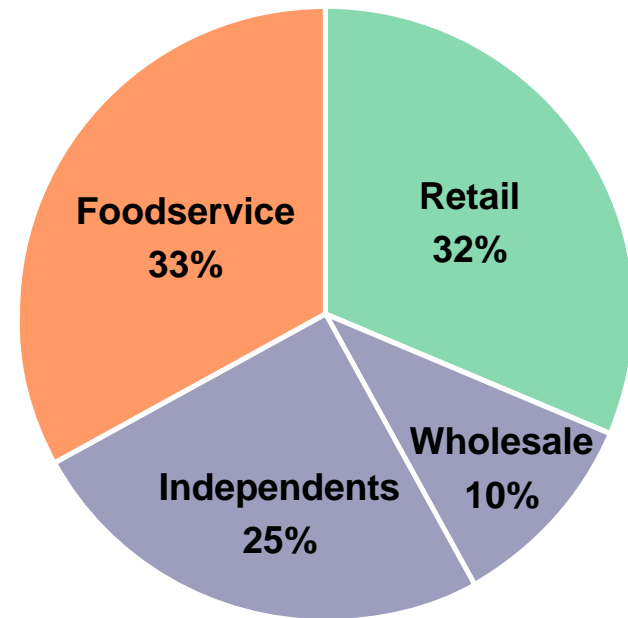


Statutory Revenue (R4101,5m)



* Cobb, Epol, Vector

By Distribution Channel



Distribution channels

Imagine life without
RAINBOWTM
 Chicken.

Retail

Hyper stores



Supermarkets



Foodservice

Quick Service Restaurants



Full Service Restaurants



Contract Caterers



Wholesale & Independents

Cash & Carry Chains



Independents

- Independents
- Sub-Distributors
- Butcheries
- Specialist Wholesalers



Strong national brands

Imagine life without
RAINBOWTM
Chicken.

Rainbow



will become the preferred choice for South African chicken consumers, by taking ownership of all customer poultry contact points through the introduction of products which will exceed consumers needs & wants.

"Grade A Quality, Grade A Taste"

Farmer Brown

will be unashamedly our consumers' premium choice in fresh and value-added chickens. This will be delivered through consumer driven innovation, superior quality and brand building.



"They taste so good 'cos they eat so good"

Bonny Bird

is a value-for-money brand positioned across all consumer groups, particularly those with large families who require reliable Grade A chicken products at a reasonable price.



"Great Value, Great Taste"

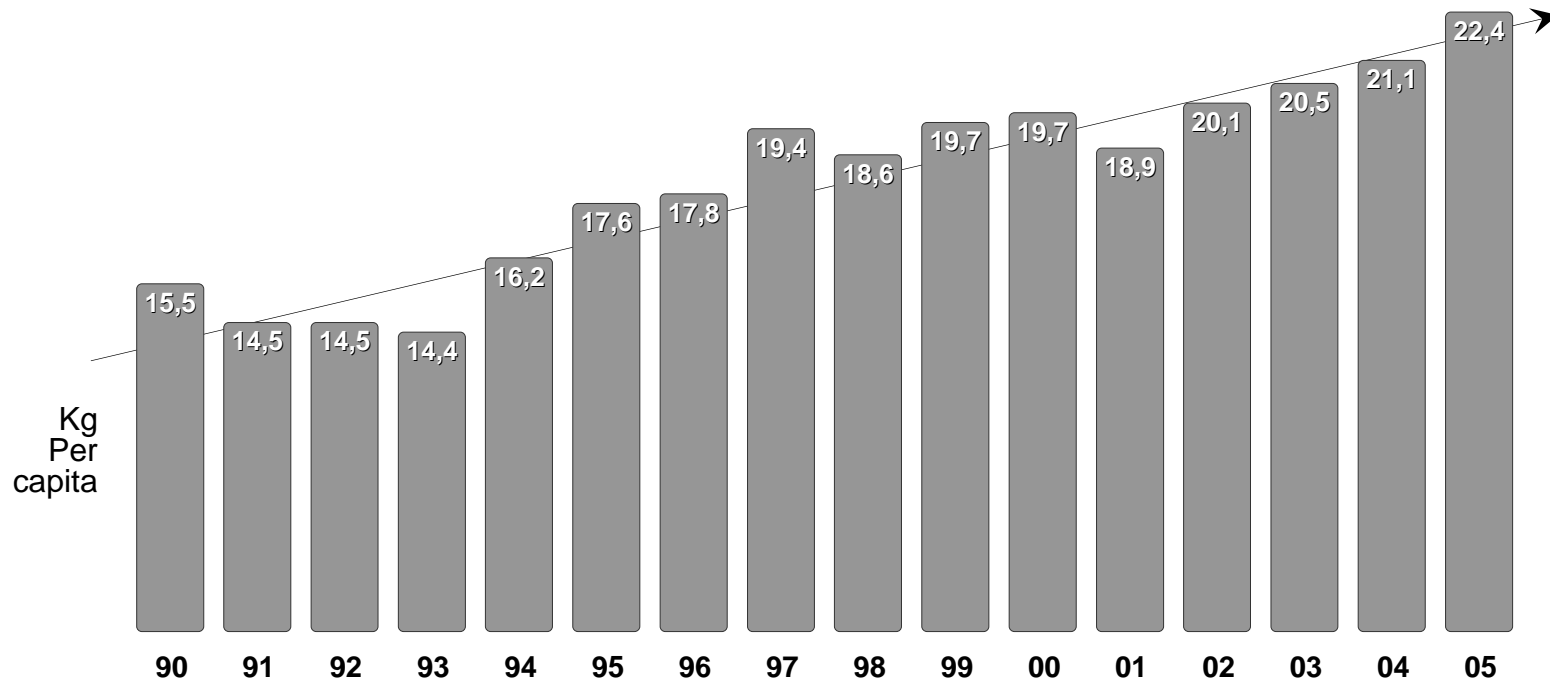
Rainbow FoodSolutions

are "the chicken experts" providing consistent, quality, innovative solutions to the foodservice industry.



"The Chicken Experts"

Estimated per capita consumption of poultry meat

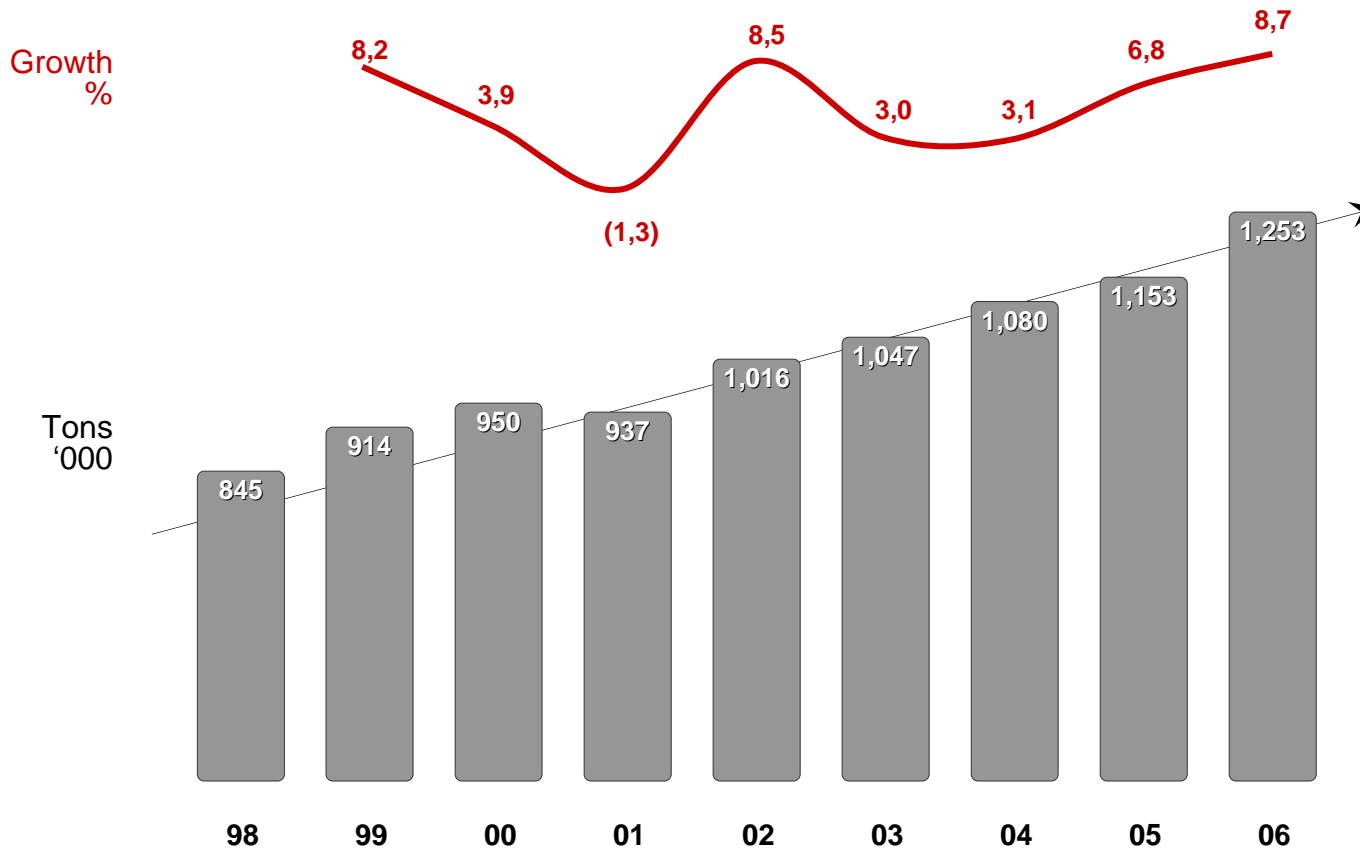


- Continues to reflect growing trend, different to other protein sources (beef consumption declined from 18 to 13 kg over same period)

Source: SAPA



Estimated poultry consumption growth

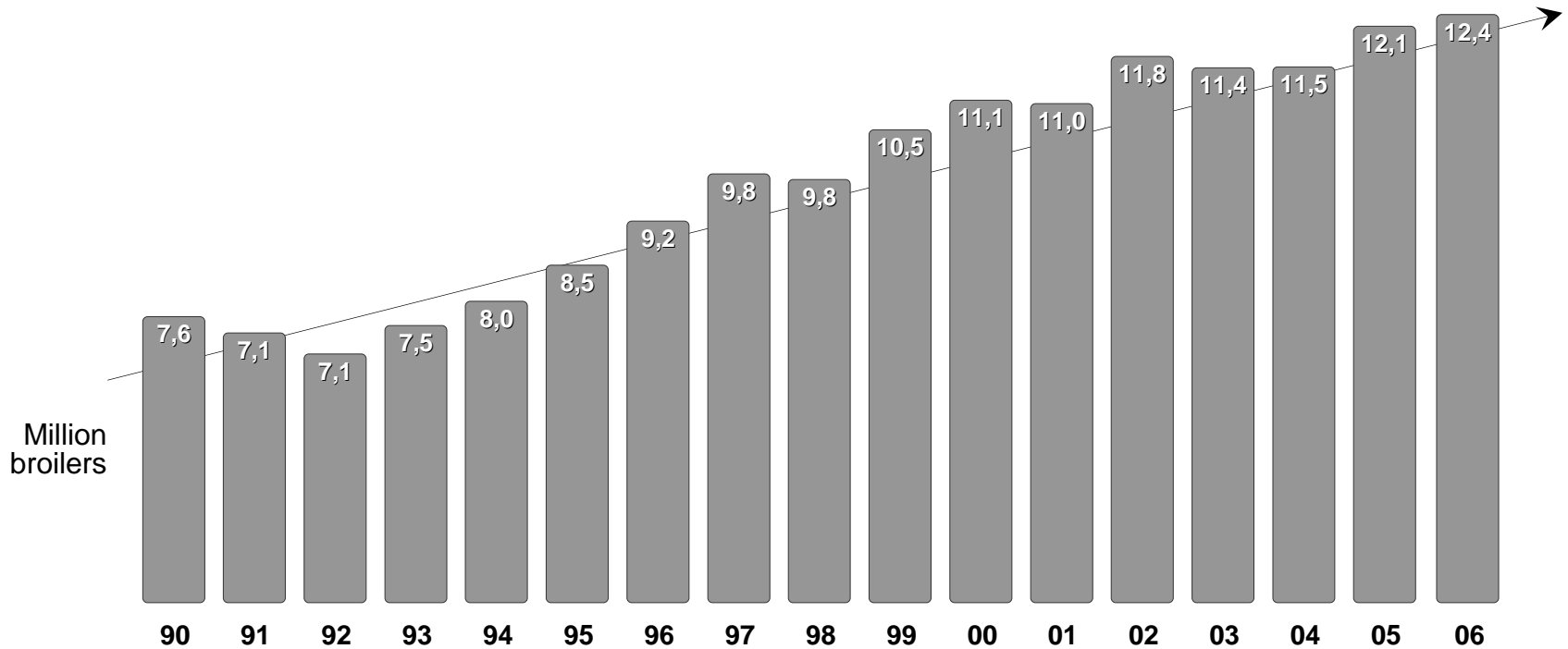


Source: SAPA



Average broiler production per week

Excludes imports



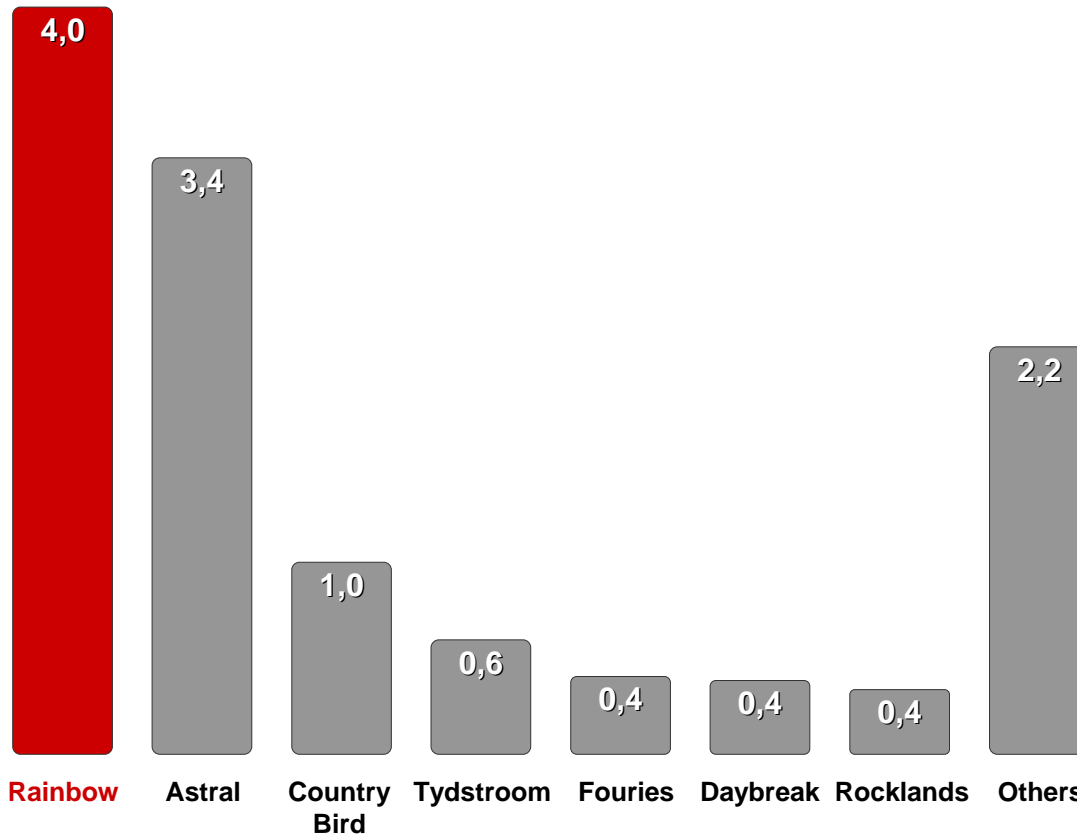
- Steady growth over last 3 years
- Recent investments in the industry likely to see capacity increase further

Source: SAPA



Average broiler production per week by producer

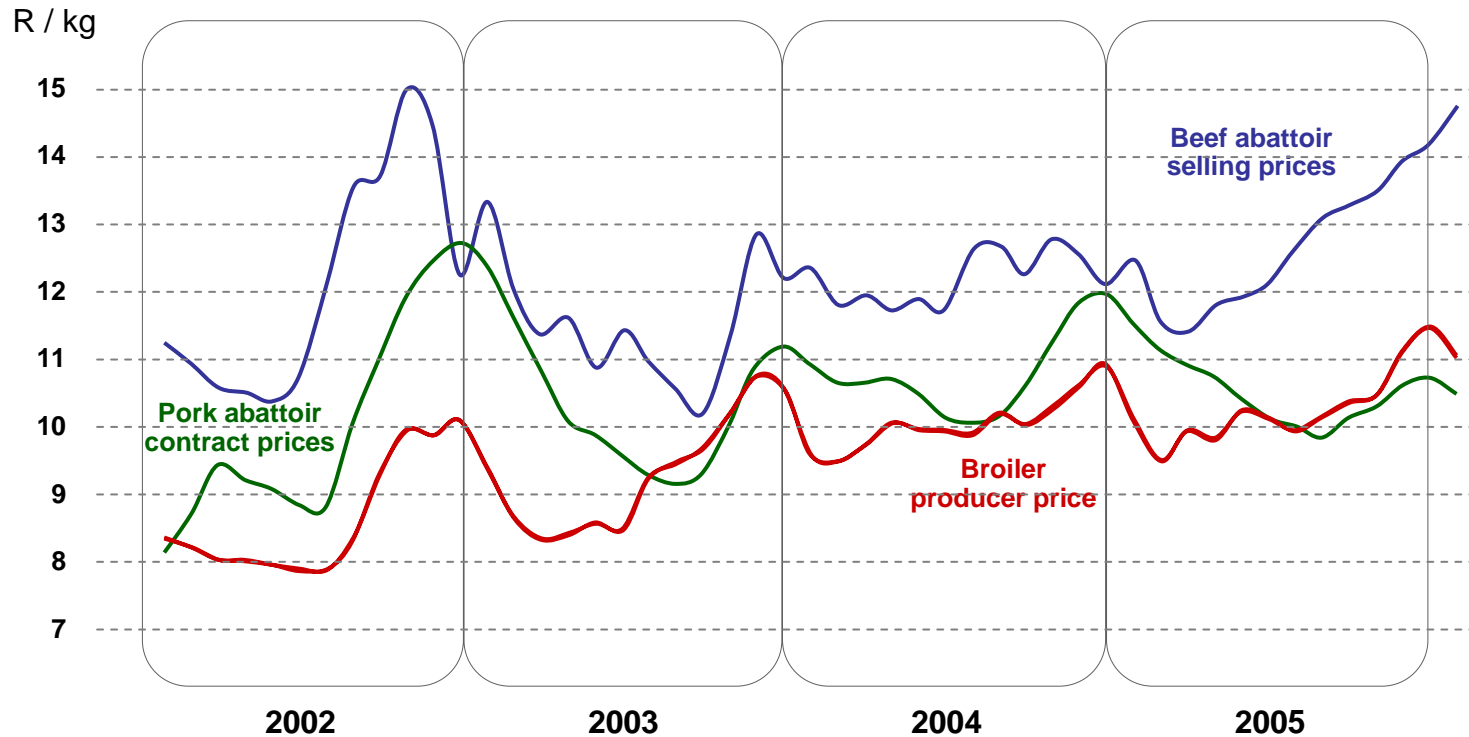
Million broilers per week as at March 2006



Source: Management estimate

- 12,4m broilers produced per week
- 1m tons per annum
- Astral = Earlybird Farms + County Fair
- Others = approximately 48 smaller producers producing less than 200k broilers per week
- Imports on similar basis equate to 1,6m broilers per week

Beef, Pork and Poultry prices

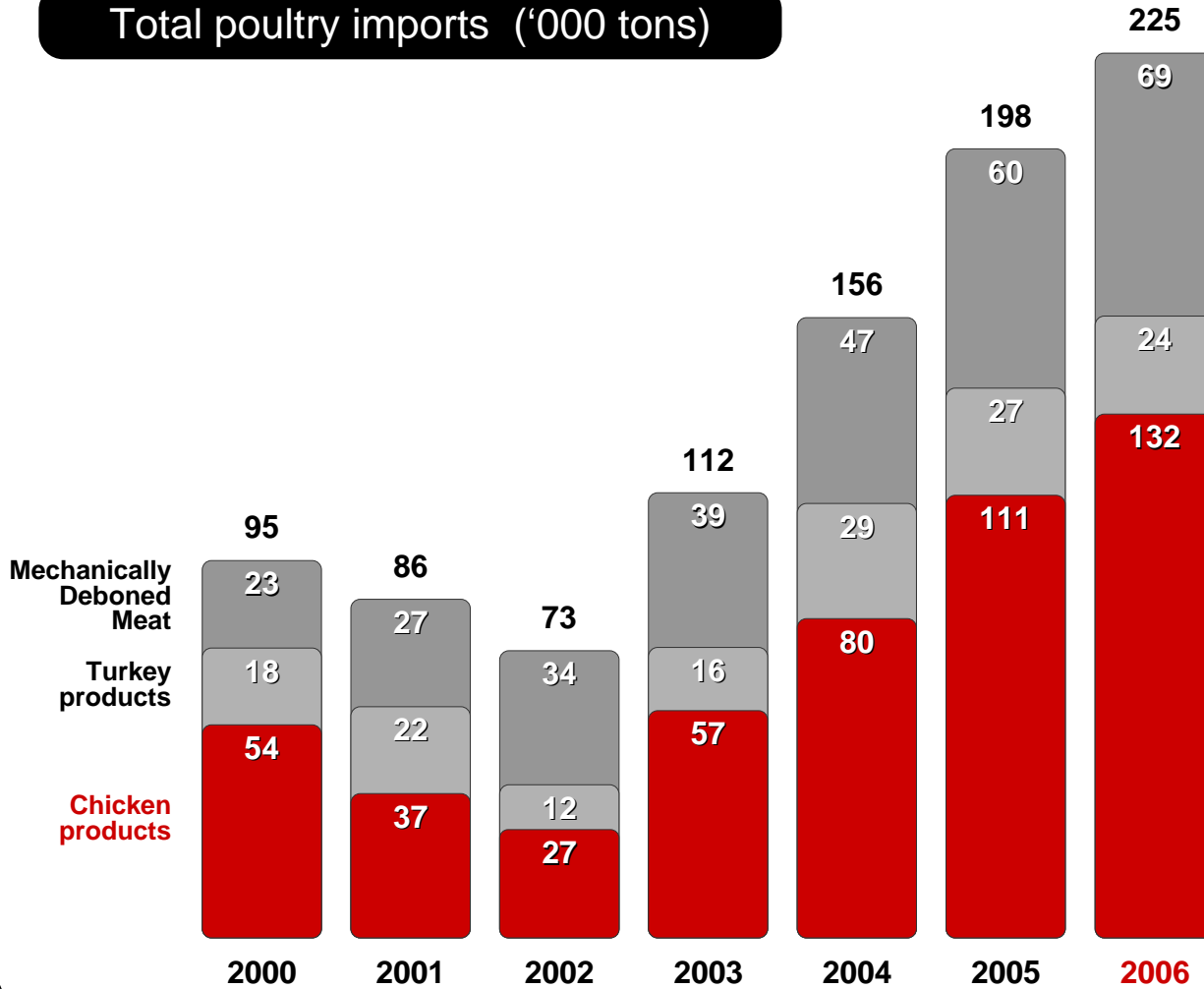


- Poultry prices becoming less volatile
- Beef prices increased significantly

Source: SAPA

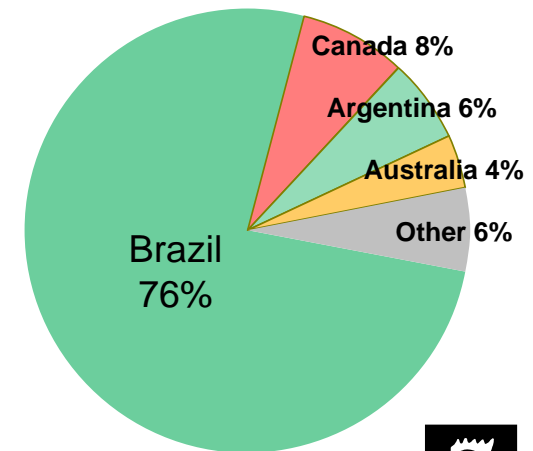


Total poultry imports ('000 tons)



- Imports increased substantially over past few years
- Chicken products still focused mainly on small range of products (dark meat and offal)
- Extension of anti-dumping tariff (USA) under review

2006 origin



Source: SAPA



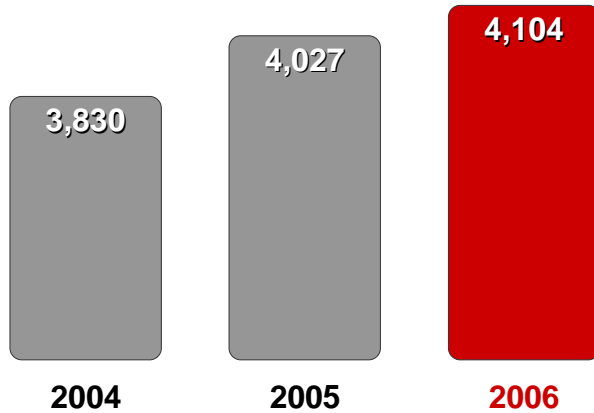
- Economy grown by 4,4%, assisted by:
 - Further tax relief
 - Low inflation
 - Stable interest rates
- } Increased consumer spending

- Local chicken industry grown by 8% in volume terms
- Reduced planting and lower anticipated yields resulted in 63% increase in 31 March year-on-year maize price
- AI SA status
 - Local industry remains on high alert
 - International outbreaks reported in Asia, Europe and Africa
 - Focus on prevention through increased bio-security and stepped-up surveillance and monitoring of flock health
 - Good co-operation between Government and Industry

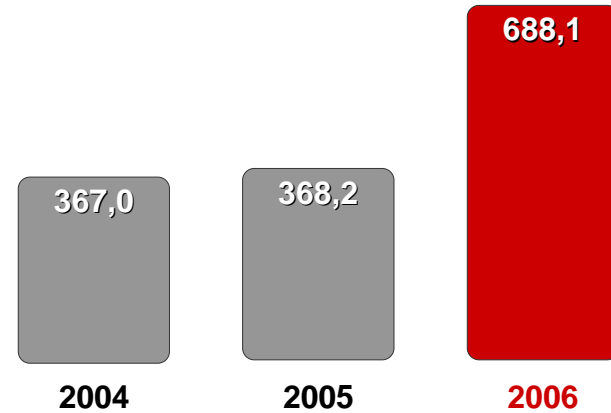
2006 highlights

Imagine life without
RAINBOWTM
Chicken.

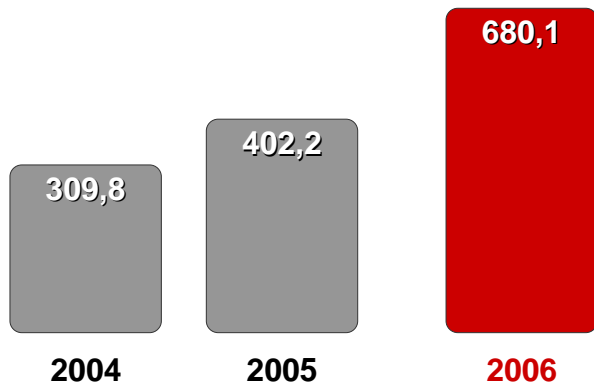
Revenue (Rm) + 1,8%



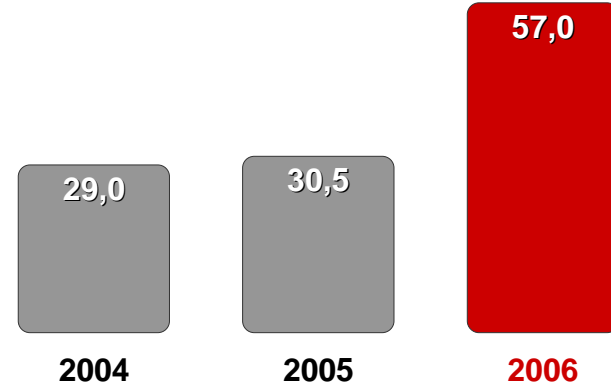
Headline EBITDA (Rm) + 86,9%



Cash generated (Rm) + 69,1%

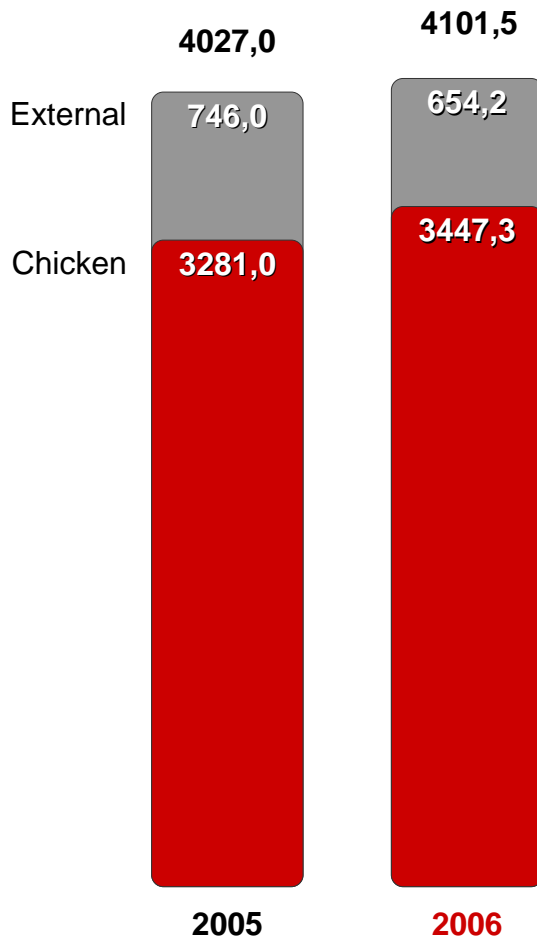


Dividends per share (cents) + 86,9%



		2005	2006	
Revenue	Rm	4 027,0	4 101,5	+ 1,8%
Headline EBITDA	Rm	368,2	688,1	+ 86,9%
Effective tax rate	%	32,7	31,9	- 0,8%
Headline earnings	Rm	211,0	400,3	+ 89,7%
HEPS - fully diluted	cents	75,0	140,2	+ 86,9%
Cash generated by ops	Rm	402,2	680,1	+ 69,1%
Net cash	Rm	106,0	394,4	+ 272,1%
Dividends per share	cents	30,5	57,0	+ 86,9%
Capex spend	Rm	200,0	234,4	+ 17,2%
NAV per share	cents	467,1	571,6	+ 22,4%
Return on equity	%	18,7	27,7	+ 9,0%

Revenue (Rm) + 1,8%



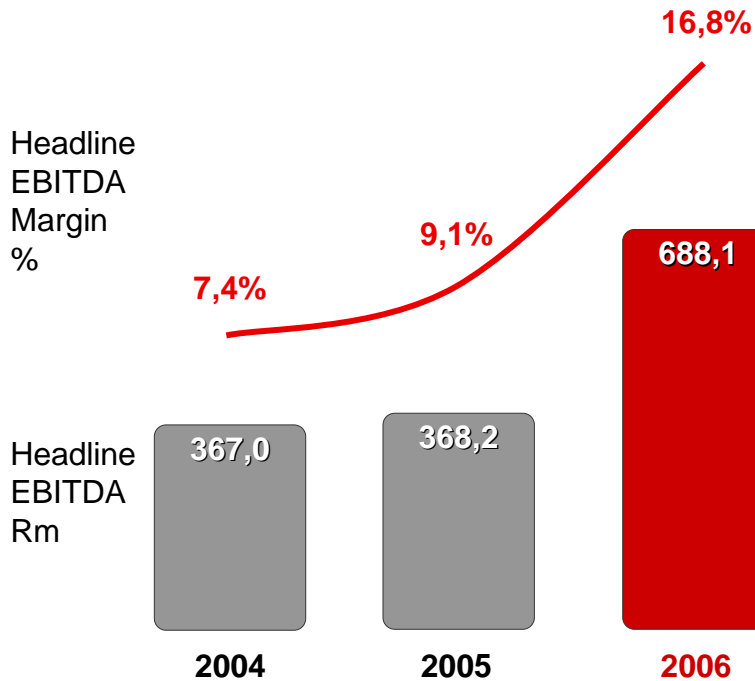
Chicken sales + 5,1%

- Volumes up 3,1% in total. Growth in sales to targeted customers and in branded products up 14%, offset by reduction of supply to re-processors
- Food inflation remains low
- Average price realisation growth of 2,0% as improved product mix offset by lower contractual foodservice pricing

External sales (Cobb, Epol, Vector) - 12,3%

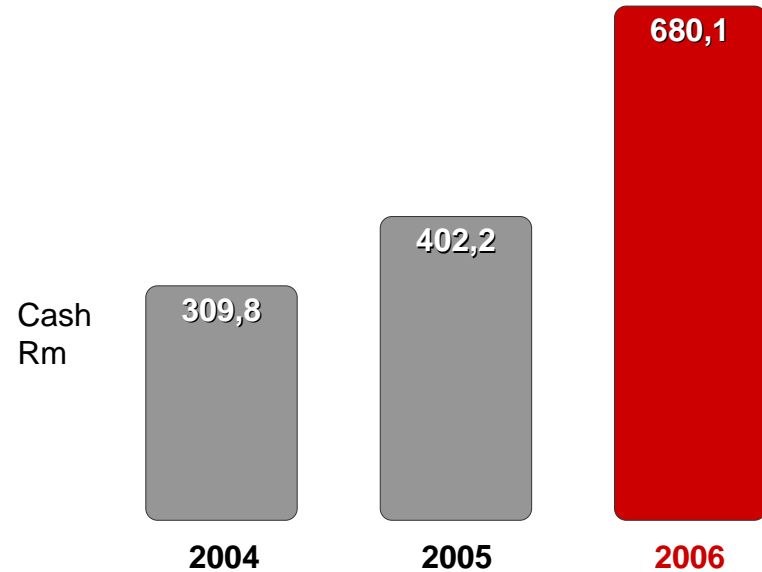
- Epol sales value lower by virtue of the lower maize cost
- Lower, but recovering external volumes as a consequence of the feed contamination issue in 2005

Headline EBITDA margin + 7,7%



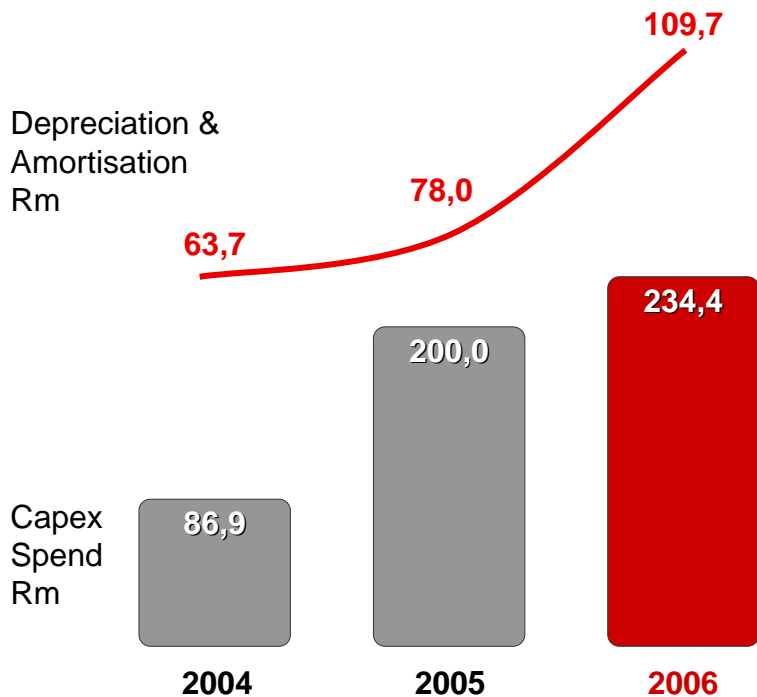
- Improved mix
- Lower feed input cost
- Inclusion of Vector's earnings for full year

Cash generated by ops + 69,1%



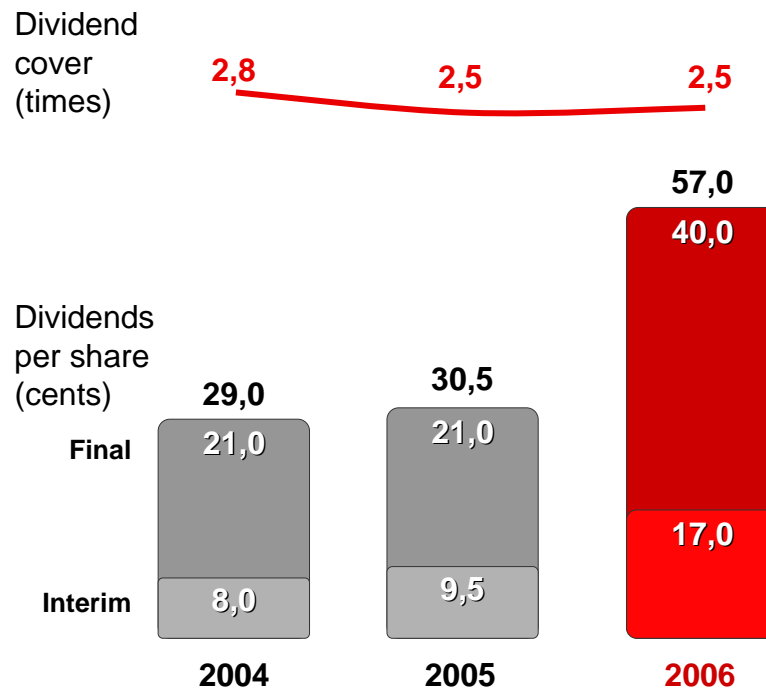
- Function of improved overall group performance
- Continued focus on managing working capital requirements

Capex spend + 17,2%



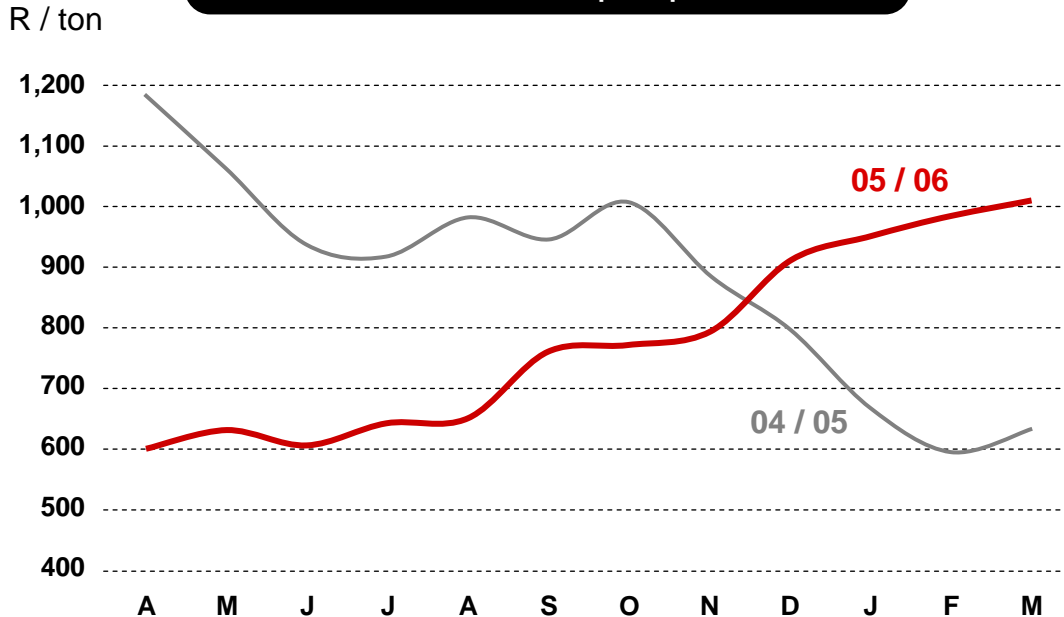
- R156m capex spend over last 2 years in respect of Further Processing plant
- Completion of upgrades to Worcester and Rustenburg plants in current year

Dividends per share + 86,9%



- Dividend policy will take into account:
 - Performance
 - Cash flow
 - Future prospects of the business

Yellow maize spot prices



Source: SAFEX

Rainbow policy

Forward purchase contracts

± 30%

Options and futures

± 30%

Over the counter / direct forward contracts with producers and spot purchases

± 40%

Rainbow action

- Policy mitigates current industry crisis
- Import maize to coastal mills when price competitive
- White maize only used when pricing advantage

Industry dynamics

- Concern over reduced planting and lower anticipated yields
- Leading to a 63,0% price increase (year-on-year 31 March)
- Soya prices lower

Financial review

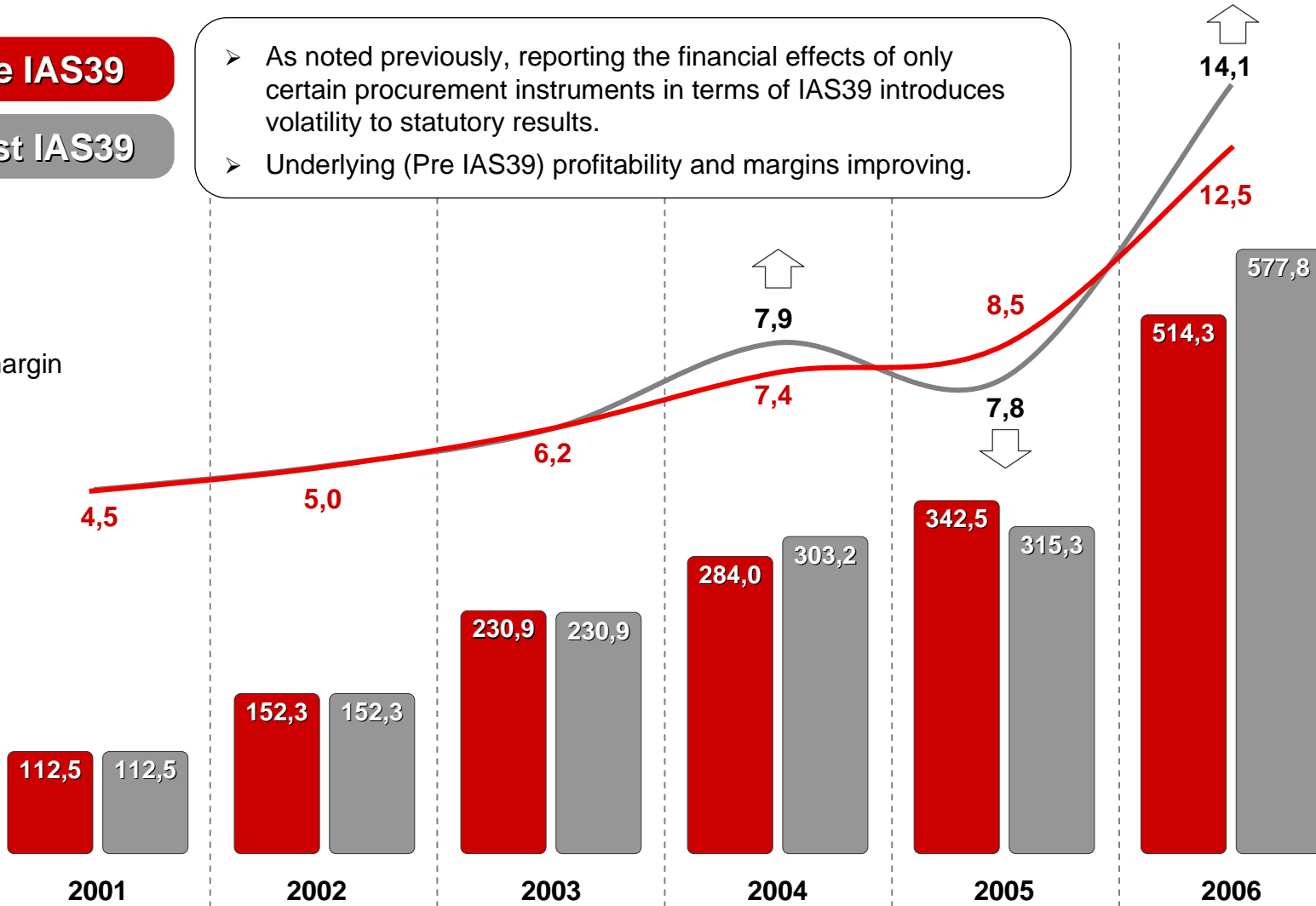
Pre IAS39

Post IAS39

- As noted previously, reporting the financial effects of only certain procurement instruments in terms of IAS39 introduces volatility to statutory results.
- Underlying (Pre IAS39) profitability and margins improving.

EBIT margin (%)

EBIT (Rm)



Strategic update - 5 key initiatives

Imagine life without
RAINBOWTM
 Chicken.

- The Consumer is at the heart of our business.
- We need to understand Consumer and Shopper habits, their needs and lives in order to create brands that excite and satisfy.
- To build strong brands we need to Innovate, Differentiate and Communicate.

1

Consumer insight



the heart of our business

- Significant consumer research undertaken.
- Total brand support spend up to R24m.
- Rainbow TV campaign particularly successful.
- Rainbow products relaunched on Grade A Quality platform with focused Point Of Sale management.
- Farmer Brown repositioned as a premium brand in the fresh category, nationally.
- Launch of 66 new further processed products.

- Our Customers are our partners in reaching Consumers.
- We need to make the Chicken category attractive to Customers and their Shoppers.
- FoodSolutions enables us to satisfy out-of-home consumption (growing category).

2

Customer focus



creating win-win partnerships

- Pleasing growth achieved in targeted customers with an improved product mix.
- This growth has been enabled through no longer supplying non-strategic, unprofitable third parties like reprocessors.
- Investment in category management capability.

- Supply chain's focus is to produce the right size bird at the lowest cost.
- The key to this being achieved is the integration of the Breed (Cobb), Feed (Epol), and Processing functions, targeting cost competitiveness measured on a global basis.
- Supply chain needs to constantly evolve around changing consumer and customer needs.

3

Supply chain



delivering excellence

- Completed significant upgrades to Rustenburg and Worcester processing plants.
- Commissioned new Further Processed plant in Hammarsdale.
- Epol the first operation in South Africa and the first feedmilling operation in the world to achieve ISO 22000 certification.
- Vector's new contracts progressing well.

- Appropriate investment is key to ensuring continued growth.
- Continue to invest in inspirational people, our great brands, and processes that result in best operating practice.

4

Business investment



investing for future growth

- Significant investment has been made in the past two years in our brands, business operations and people.
- IT project to leverage Vector's SAP system to integrate outbound sales and distribution process.
- Further preparatory work to be performed in respect of the extended ERP roll-out.

- Our Common Purpose
"Rainbow at the heart of every meal"
- Behavioural change
"We don't make chicken, we create memorable meal occasions"
- Create a Brand-centric organisation
- Winners
"Doing things inspirationally"

5

Our culture

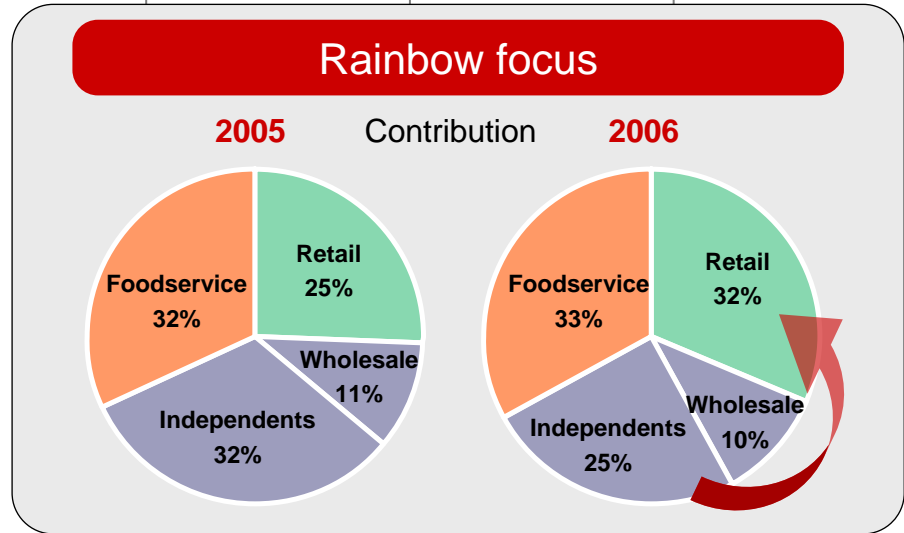
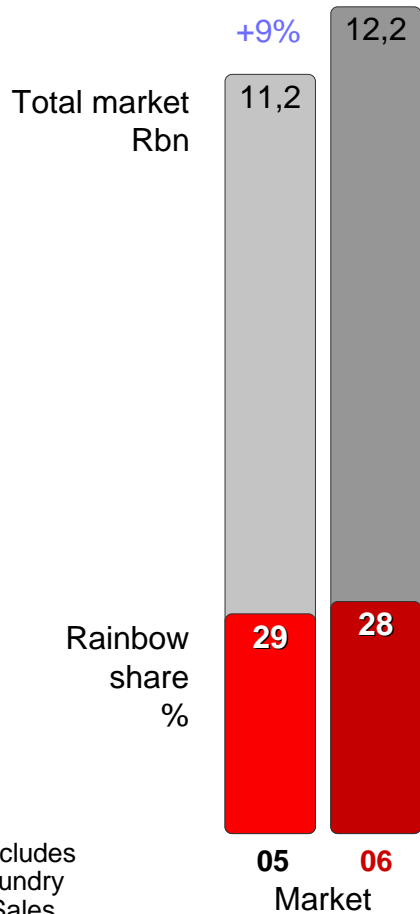


doing things inspirationally

- This aspect is more of a journey with a number of initiatives currently in place.
- Significant board restructure in May 2005 set the platform for the strategic direction.

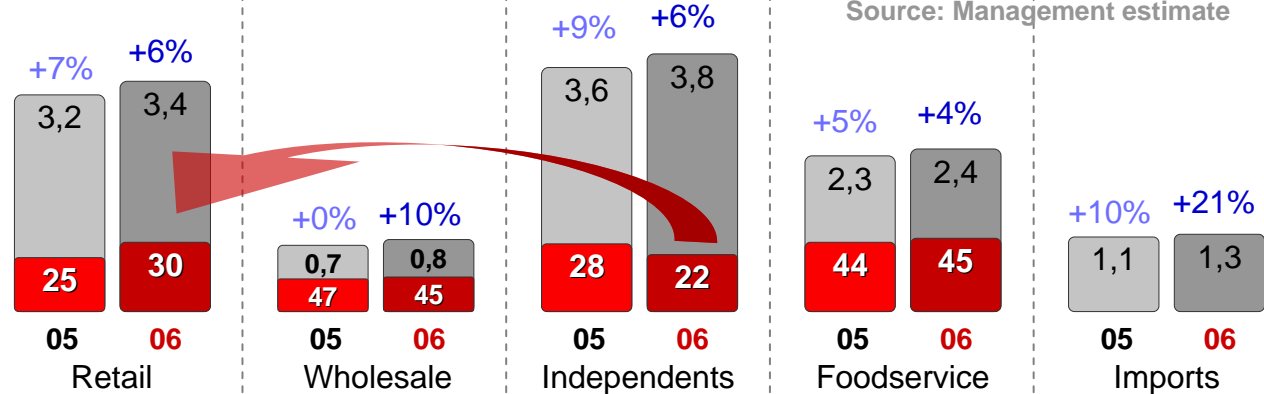
Poultry market by channel

Market growth



Source: Management estimate

Excludes Sundry Sales



Further Processed products launch

Imagine life without
RAINBOWTM
Chicken.

Background

- **FoodSolutions** driven
- Expanding volume capability
- 18 new products



Fully Cooked Range



Freezer-to-fryer Coated Range



Retail opportunity identified

- Expertise leveraged into Retail
- Differentiated brand offerings
- 3 new categories
- Category management - only national brand offering consumers Raw, Further Processed and Fully Cooked chicken

Frozen Crumbed Chicken

- R135m
- High level of activity
- Low brand loyalty

Chilled Processed Meats

- R1,4bn
- No active category focus on chicken

Fully Cooked Chicken

- R400m
- Only rotisserie products available

Further Processed products launch

Imagine life without
RAINBOWTM
Chicken.

Retail opportunity

- Major new product launch
- 48 new products

RAINBOW
introduces



**Simply
Chicken**TM

100%
CHICKEN
RAINBOW
GRADE
A

A range of superior quality chicken products made from 100% RAINBOW Grade A chicken meat, giving consumers products that are tastier and more nutritious.

The loved and trusted **FARMER BROWN** brand introduces a range of innovative products for every meal occasion.



Frozen Crumbed Chicken



Further Processed products launch

Imagine life without
RAINBOW[™]
Chicken.

Chilled Processed Meats



Viennas

Polony



Sliced Chicken



Chicken Mayonnaise

Fully Cooked Chicken

easybraai



easyserve



Further Processed products launch

Imagine life without
RAINBOWTM
Chicken.

Big Brand Support

- 3 TV ads
- 2 "Brand Power" ads
- Impactful Point-Of-Sale
- Activation
 - In-store
 - Out of store at events

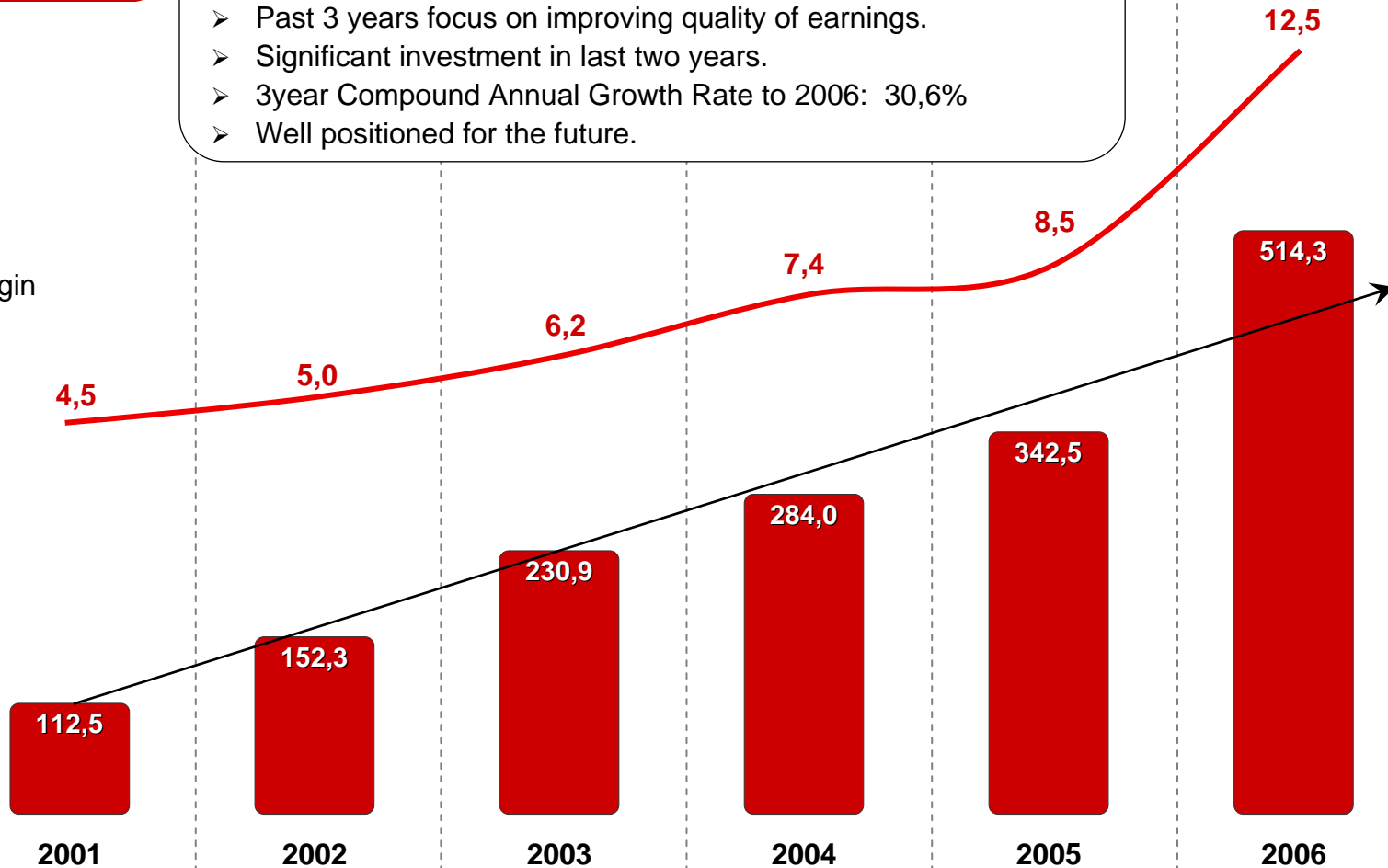


Pre IAS39

- Good growth in Earnings.
- 2005 compromised by feed contamination impact.
- Past 3 years focus on improving quality of earnings.
- Significant investment in last two years.
- 3year Compound Annual Growth Rate to 2006: 30,6%
- Well positioned for the future.

EBIT margin
(%)

EBIT
(Rm)



- Consumer spending expected to remain positive. Demand for chicken specifically as an affordable protein source is also expected to remain strong.
- Maize prices likely to remain at current higher levels, with the impact on feed input costs only partly offset by the lower soya price.
- Results for the period ahead will continue to be negatively impacted by the investment cost associated with the Further Processing plant while initial capacity utilisation is relatively low. Returns will however be in line with original expectation.
- Capex in agriculture and feedmilling over the next few years expected to be higher than normal. This will enable further supply chain efficiencies and additional chicken volume capacity.
- Excluding any potential impact of IAS39, Rainbow expects to report real earnings growth for the next financial year.



Investor presentation

May 2006

Imagine life without
RAINBOWTM
Chicken.

Questions and answers