

Clover to raise capital for expansion

Yesterday 29 November 2010, Clover, which has been operating since 1898 in the South African dairy and FM industry, suspended trading in the ordinary and preference shares on the over the counter market in order to facilitate the migration of trade to the main board of the JSE and the offering of new ordinary shares.



It is expected to list on the securities exchange operated by the JSE Limited on Tuesday 14 December 2010. The company will list its ordinary shares under the share code "CLR" in the "Food Producers" sector of the JSE Main Board and its preference shares in the preference share sector of the Main Board under the share code "CLRP."

The listing will be in conjunction with an offer to raise up to R500 million (excluding the over allotment option) by way of a private placement of new ordinary shares in the company's issued share capital with institutional investors, selected other investors, management and existing ordinary shareholders. Rand Merchant Bank, a division of FirstRand Bank Limited, is lead advisor and book runner for the offer.

The offer price for the shares will be between R9.00 and R12.00 per share. The final price will be determined following the conclusion of the offer and is expected to be announced on SENS on Thursday 9 December 2010. The net proceeds of the offer of ordinary shares will be used to fund the company's capital projects, working capital and for general corporate purposes.

Capital project aims

Its primary capital project, Project Cielo Blu, aims to redress historical inefficiencies in the supply chain, increase profitability and expand capacity to support current and future growth plans through the relocation of production facilities closer to milk sources in order to reduce distribution and related costs. It also intends the expansion of key production and distribution centres and warehouses to create sufficient capacity to support current and future medium-term growth.

Its chief executive, Johann Vorster, commented, "I look forward to welcoming new shareholders through this listing and capital raising. We have a clearly defined strategy to expand the business and the listing represents a major milestone in positioning the company for its next growth phase."

The company's prelisting statement was published yesterday and is available on the website www.clover.co.za. However, it should be noted that the offer is not open to the public.