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## **NEW CHAPTER FOR CAPESPAN**

Heralding the end of an era and the start of a new chapter, Capespan shareholders voted overwhelmingly in favour of Capespan's shareholding simplification process and proposed new structure last week.

"Simplifying the shareholding and implementing the future structure will lead to new opportunities for the organisation," said Capespan Group managing director Neil Oosthuizen.

He continued, "The approvals mean that all shareholders will in future have direct shareholding in the new holding company, Capespan Group Limited. Immediately after implementation the single largest shareholder with 11,5% is Total Produce plc. Meanwhile, Unifruco and Outspan will be wound up voluntarily as Capespan has taken over all their remaining assets and liabilities."

Capespan Group Holdings was established in 1999 by its two parent companies, Unifruco and Outspan. Shareholders of these two companies were mainly growers of deciduous and citrus fruit respectively. Unifruco was formed in 1989 as a follow-on of the co-operative styled Deciduous Fruit Board (DFB), in existence since 1939. Outspan in turn was established in 1994 as the organisation replacing the South African Co-operative Citrus Exchange (SACCE), which controlled citrus exports since 1926.

Therefore, Capespan understood the long history and role the two parent companies had played in developing the South African fruit industry. However, since 1999 Outspan and Unifruco were non-operating companies each holding approximately 39% of the Capespan Group shares on behalf of growers. Because of elements in the structure, this multi-tiered Capespan shareholding contained complexities.

Towards the latter part of 2007, Capespan initiated a shareholding simplification process to increase share tradability, unlock shareholder value, further commercialise the Group and improve corporate governance. Going forward, there also will be substantial savings in administrative and other costs involved in maintaining a complex multi-tiered structure.

Furthermore, to enable shareholders to unlock value, the company, as a second part to the total process, made an offer to repurchase shares up to a certain limit.

Capespan is a global group marketing fruit into 60 countries worldwide. While the core remains fruit marketed from South Africa, 35% of all fruit sold currently is sourced from about 40 other countries. The group also plays a major role in supply chain and logistical services.

**ENDS**

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