



LIBSTAR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2014/032444/06)
(JSE share code: LBR) (ISIN: ZAE000250239)

**LIBSTAR HOLDINGS LISTS ON THE MAIN BOARD OF THE JSE
R3 BILLION SUCCESSFULLY RAISED**

Wednesday 9th May 2018 - Shares in Libstar Holdings ('Libstar' or 'the company') (JSE share code: LBR) commenced trading on the main board of the JSE Limited in the Food Products sector this morning. At the listing price of R12.50 per share, the market capitalisation of the company is R7.6 billion.

Libstar successfully raised R3 billion via the listing. This comprised a primary raise of R1.5 billion and a secondary sell-down of R1.5 billion from existing shareholders. International investors showed significant interest in the company, comprising over 30% of the final book of demand.

Libstar is a leading producer and supplier of high quality products in the consumer-packaged goods industry. The company produces and supplies an extensive range of products across seven product categories. These products include Libstar's own brands (e.g. Lancewood dairy products) and dealer own brands (e.g. Woolworths). The company also represents products on behalf of well-known international brands (e.g. Tabasco Sauce).

Andries van Rensburg, CEO, said: **"This is an historic day for Libstar. The business was established back in 2005 and we have grown it into an R8.8 billion turnover company with a compound annual growth rate of 23% over the last three years. We are proud to be making our debut on the JSE and giving our new shareholders the opportunity to have a stake in the future growth of the business. The R1.5 billion new capital we have raised will allow us to invest more into the business and therefore grow our range of products and expand our operations."**

Libstar is also a major supplier to the food services industry, with customers such as KFC and McDonalds. The strategy is to gain further penetration in this growing sector. Additionally, Libstar offers manufacturing solutions to other major branded food companies such as Unilever, Kelloggs and Tiger Brands. The company is looking to develop further its strategic alliances with such national and multinational companies.

Robin Smith, CFO said: **"We are strategically well positioned for long term growth. We have a superior operational platform and a culture of entrepreneurship and product innovation. Our manufacturing and technical competency is superlative. We have deep customer relations and a proven record of success. This listing gives us additional resources to pursue our various growth opportunities."**

At the time of listing, public shareholders in the company owned c.46% of the company (excluding the greenshoe)(c.51% excluding shares treated as treasury shares). The balance of the shares (excluding the greenshoe) are held by Abraaj with c.37% (c.42% excluding shares treated as treasury shares), BEE shareholders c.11% and management c.6% (c.7% excluding shares treated as treasury shares).

Andries added: “We welcome all our new shareholders in Libstar and are very encouraged by the significant interest shown in the company locally and offshore that has helped us raise R3 billion. We have a diverse business model, touching numerous branded product areas, giving us the flexibility to capitalise on a wide range of growth opportunities. We will continue to be on the lookout for acquisitions that build our capacity or enable us to expand into new high-growth categories. We have the formula for future success.”

ENQUIRIES:

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NOTES TO EDITORS

1. OVERVIEW OF LIBSTAR

Libstar is a leading producer and supplier of high quality products in the consumer packaged goods (“CPG”) industry and markets a wide range of products in South Africa and globally. The Company provides a multi-product offering in multiple categories across multiple channels, while strategically positioning itself within the food and beverage and home and personal care sectors and maintaining the flexibility to capitalise on growth areas in the CPG industry.

Libstar produces and supplies an extensive range of products across seven product categories:

- (i) Perishables;
- (ii) Ambient Groceries;
- (iii) Baking and Baking Aids;
- (iv) Snacks and Confectionery;
- (v) Niche Beverages;
- (vi) Home and Personal Care; and
- (vii) Specialised Food Packaging.

These products are supplied to Libstar’s customers as three distinct product offerings:

- (i) Brand Solutions, comprising:
 - a. Libstar Brands (brands that are proprietary to Libstar) and Licensed Brands (brands that are licensed to Libstar by brand-owners);
 - b. Dealer Own Brands and Private Labels that are produced by Libstar in partnership with, or on behalf of, its customers; and
 - c. Principal Brands that are sourced, marketed and distributed by Libstar on behalf of brand-owners;
- (ii) Outsourced Manufacturing Solutions; and
- (iii) Food Service Solutions.

Libstar’s product offerings are marketed, distributed and sold locally and internationally across four sales channels:

- (i) Retail and wholesale;
- (ii) Industrial;
- (iii) Food service industry; and
- (iv) Exports.

The Company currently comprises 27 Business Units, each of which has its own infrastructure, employees and products. Libstar operates a decentralised business model, with each business unit being responsible for its own procurement, production, distribution and logistics, sales and marketing and customer relationships. Part of Libstar’s strategy has been the acquisition and development of value-enhancing small to medium-sized businesses that demonstrate strong management drive and high quality operations. Libstar, in turn, provides a platform for these businesses to grow by providing:

- (i) access to financial, reporting and business intelligence systems;
- (ii) Group supply chain optimisation initiatives;
- (iii) strategic advice and guidance;
- (iv) idea generation;
- (v) product development support;
- (vi) category planning management;
- (vii) demand management training and support;
- (viii) manufacturing and technical support;
- (ix) human resources and talent development programmes; and
- (x) central treasury benefits of access to facilities for the provision of capital to fund growth and investment in infrastructure and technology to build manufacturing capability and capacity.

2. KEY STRENGTHS AND COMPETITIVE ADVANTAGES

The following key strengths and competitive advantages will contribute to the continued growth and success of Libstar:

- Libstar has a superior operational platform, which includes:
 - a diverse business model with flexibility and resilience;
 - a culture of entrepreneurship and innovation;
 - a proven track record of identifying industry trends and accessing innovative product categories;
 - an M&A track record and ability to lead the market with Brand Solutions;
 - a strong technical and manufacturing competency and accreditation of facilities by recognised authorities; and
 - an ability to integrate and grow acquired businesses;
- strong and experienced management team at strategic and operational levels;
- deep customer relationships; and
- a proven track record of profitable and sustainable growth.

3. BUSINESS STRATEGY

Libstar's business strategy is centred around:

- growing selected categories through supply chain optimisation, manufacturing and technical excellence, sales and marketing expertise and upskilling of people and nurturing and further developing customer relationships and consumer admiration;
- expanding Libstar's capabilities through innovation within existing categories, accessing new high-growth categories, undertaking new product development initiatives, understanding and catering to consumption trends (e.g. convenience, health, indulgence) and creating competencies by investing in market research and technical knowledge to expand and optimise Libstar's Brand Solution ability by selective investments in plant, equipment, technology and marketing; and
- acquiring businesses through targeted M&A activity to grow or access identified high growth categories and new markets and channels, expanding current categories and incentivising and retaining entrepreneurs through minority equity interests in order to bring to life Libstar's motto of "the heart of an entrepreneur with the mind of a corporate".