

**Draft for client approval**  
**Version 1.1**  
**October 2013**

**Notes:**

- Target media: National and regional newspapers, select electronic media, online
- Key message(s): Agri-Vie takes 63% stake in Cape Olives; attractive growth potential

**AGRI-VIE ANNOUNCES 63% STAKE IN CAPE OLIVE HOLDINGS**

*08 October 2013:* Agri-Vie, the [private equity](#) fund focused on food and [agribusiness investments](#) in Sub-Saharan Africa, has announced a 63% stake in Cape Olive Holdings (Pty) Ltd.

Executive director at Agri-Vie, Izak Strauss, said that the decision to become a major shareholder in Cape Olive comes after the private equity firm identified major growth opportunities for the company in the retail and food services sectors.

Cape Olive is currently the largest table olive supplier in SA packing, amongst others, the market leading Buffet Olives brand. "However, the business has substantial potential to grow its table olive supply to increase its penetration of the foods services sector and the exports into Africa," says Strauss.

He adds that there is growing demand for table olives as the condiments market grows due to a growing middle class and urbanisation in Africa, coupled with an increasing demand from food manufacturing services, caterers, fast food outlets and restaurants.

CEO of Cape Olive Holdings, Richard Allen says that currently 55% of their olive produce goes into table olives, with 45% of the raw product being supplied to olive oil producers.

"Table olives are a quality condiment and over the last three years we have maintained stable production converting our harvest into quality table olives. Raw olives are also sold to other producers for olive oil production. However, over this period we have identified a market for a different quality and different type of product and with Agri-Vie supporting the growth of the business we can now market a bigger percentage of our harvest into table olives products."

Allen adds that as olives are an important part of the condiments market the producer needs to optimise its volume from orchards, but must maintain quality otherwise they run the risk of producing an inferior product.

"South African table olive producers are still the major supplier in the country. However, there is growing competition from importers. By consistently delivering a quality product at competitive price Cape Olives will continue to maintain its strong position in the market," says Allen.

Strauss says that there are also other ways to use the brand. “The emerging economies of sub-Saharan Africa are also driving up demand for condiment olives from hotels and restaurants, as well as food services producers and retailers in the region. Agri-Vie as major shareholders will strategically support the company’s expansion in the export market to Africa.”

He says that Agri-Vie is anticipating an excellent return on investment and will see growth in value within two to three years. “There are already developments underway to expand capability and capacity at the processing facilities and the business will produce more quality olives in a sustainable manner.”

He adds that Agri-Vie’s interest in Cape Olive and its growth capabilities are further supported by the producer’s sustainable Environmental, Social and Governance (ESG) practices and confidence in a great management team. “Growing olives is an environmentally-friendly and sustainable practice. In addition, Cape Olive’s workers are also shareholders in the business, which empowers them economically. There is an existing broad-based employee trust holding 11.98% of the shares through which employees share in the profits of the company,” he concludes.

**-ends-**

#### **About Agri-Vie**

Agri-Vie is a private equity investment fund focused on agribusiness in Sub-Saharan Africa with a mission to generate an above average investment return, as well as demonstrable socio-economic development impacts through its equity investments. The fund was initiated by Agri-Vie Investment Advisors with the cooperation of South African and international investors. The fund’s vision is to be a catalyst for sustainable growth through investing in one of the foundation sectors of Africa’s economies. Agri-Vie seeks to realise this vision through deploying development capital and management know-how according to sound investment and business principles. Agri-Vie Investment Advisors is a financial services provider authorized by the Financial Services Board, Registration number 33826. In December 2012, Agri-Vie won the *Agribusiness Investment Initiative of the Year* award at the African Investor Agribusiness Investment Awards 2012. Visit [www.agrivie.com](http://www.agrivie.com) for more information.