

# United Plantations Africa Limited



## COMPANY ANNOUNCEMENT

Company Announcement No. 1/2010  
No. of pages: 19  
Date: 26th February 2010

Contact Person:

Mr. Per Noddeboe  
Managing Director  
Telephone: + 268 437 1311



## United Plantations Africa Limited

(Reg. No 1949/35616/06)

### Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at 42 Wierda Road West, Wierda Valley Sandton, Republic of South Africa on Monday 22nd March, 2010 at 12.00 for the purpose of considering and if approved passing with or without minor modifications the following special and ordinary resolutions:

#### 1. Special Resolution Number 1:

“That, subject to all requisite regulatory approvals being obtained, the Company dispose of its entire shareholding in United Plantations Swaziland Limited, consisting of 50,000 ordinary shares of ZAR 2.00 each, to United Citrus Investments Limited for a purchase price of ZAR 65 million in terms of Section 228 of the Companies Act No. 61 of 1973.”

Reasons and effects: The reason for Special Resolution Number 1 is to enable the directors of the Company to obtain the requisite approval of shareholders required under Section 228 of the Companies Act for the disposal of the whole or greater part of the assets of the Company. The effect of Special Resolution Number 1 is a diminution in the assets of the Company.

#### 2. Special Resolution Number 2:

“That, the Articles of Association of the Company be amended by the addition of a new article 144A as follows: The Company shall be authorized to make payments to its shareholders in terms of and subject to the provisions of Section 90 of the Companies Act No. 61 of 1973.”

Reasons and effects: The reason for Special Resolution Number 2 is to authorize the Company to make payments to its shareholders under Section 90 of the Companies Act. The effect of Special Resolution Number 2 is an amendment to the Articles of Association of the Company.

#### 3. Ordinary Resolution Number 1:

“That, subject to the passing and registration of Special Resolution Number 1 and 2, and subject further to all requisite regulatory approvals being obtained, the Company be authorized, in anticipation of the voluntary winding up of the Company, to distribute liquidation dividends to its shareholders pro-rata to their shareholding in terms of Section 90 of the Companies Act.”

#### 4. Special Resolution Number 3:

“That, subject to the passing and registration of Special Resolution Number 1 and 2 and the passing and implementation of Ordinary Resolution Number 1, the directors of the Company be authorized to take all necessary steps, including the appointment of a liquidator, to wind-up the Company in terms of Section 349 of the Companies Act.”

Reasons and effects: The reason for Special Resolution Number 3 is to enable the directors to commence and implement the voluntary winding-up of the Company. The effect of Special Resolution Number 3, pursuant to the winding-up process having been completed, will be the dissolution of the Company.

This notice should be read together with the concomitant Explanatory Circular. (Page 4 and onwards in this announcement).



A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and, on a poll, vote in his stead. A proxy need not be a member of the Company.

Forms of proxy are attached to this Notice and in order to be valid, must be lodged at either one of the registered offices below no later than 12.00 on Friday 19th March 2010.

**United Plantations Africa Limited**

42 Wierda Road West  
Wierda Valley  
Sandton 2196  
Republic of South Africa

**United Plantations Africa Limited**

Danish Branch Register  
International Plantation Services Limited  
H.C. Andersens Boulevard 49, 3.  
DK-1553 Copenhagen V.  
Denmark

On behalf of the Board

**J.E.B. Hebbert**

Company Secretary  
26th February, 2010

UNITED PLANTATIONS  
AFRICA LIMITED



## UNITED PLANTATIONS AFRICA LIMITED ("UPAL" and/or "the Company")

Explanatory Circular to shareholders of the Company regarding the Extraordinary General Meeting to be held on the 22nd March 2010.

An Extraordinary General Meeting was called for the 15th September 2009 to consider the sale of the Company's wholly owned subsidiary, United Plantations Swaziland Limited ("UPS"), but was postponed at the request of the majority shareholder, namely United Citrus Investments Limited ("UCIL"). The meeting is now being convened on the 22nd March 2010 at the offices of the Company's auditors, PKF (Jhb) Inc as noted in Appendix A below.

The meeting will consider resolutions to approve of the sale of UPS to UCIL, and to authorise the Directors of the Company to declare dividends in contemplation of liquidation, and to authorise the Directors to subsequently wind up the Company. Shareholders in doubt as to the action they should take in relation to these proposals are urged to seek professional financial advice.

The Company is registered in South Africa and is subject to the South African Company's Act and Financial Securities regulations.

### 1. Matters relating to the disposal of UPS to UCIL

In the notice of 15th September 2009 it was stated that the majority shareholder, namely UCIL, proposed to make an offer to the shareholders of the Company in connection with a proposal made by UCIL to acquire UPS, which requires the approval of shareholders.

In terms of the South African Companies Act ("SACA"), the disposal of a major asset of any company requires a special resolution which must be passed in terms of the provisions of section 199 of the SACA and which must also thereafter be registered by the South African Registrar of Companies. In terms of section 199 of SACA, 21 days clear notice must be given to shareholders of the intention to pass a special resolution and if to be passed on a show of hands, must be passed by not less than 75% of the number of shareholders entitled to vote and present at such quorate meeting, either in person or by proxy.

A disposal by a company of its major asset is deemed by SACA to constitute an affected transaction in terms of the Securities Regulation Code ("the Code") and accordingly must be regulated by the Securities Regulation Panel ("the Panel").

Having taken cognisance of the fact that shareholders in South Africa comprise only 0,2% of the issued shares in UPAL and further that UPAL shareholders will enjoy the protection under the rules and regulations of NASDAQ OMX Copenhagen A/S, the Panel has agreed to dispense with certain of the disclosure requirements of the Code.

As the proposed disposal of UPS is to a related party as defined in the Code, the Panel requires that an independent valuation of UPS be undertaken for the benefit of UPAL shareholders in order that they may make an informed decision on the resolution proposing the disposal of UPS.

Shareholders have been asked to amend the Company's Articles of Association so as to authorise the Company to make payments to its shareholders in terms of section 90 of SACA. This will enable the Company to distribute dividends to shareholders in anticipation of its liquidation in terms of the provisions of this section of the Act.



Section 90 of the SACA provides that a company may make payments to its shareholders subject to the provisions detailed below and if authorised thereto by such company's Articles of Association. Section 90 further provides that payments under section 90 of the SACA cannot be made or be authorised by the directors if there are reasonable grounds for believing that:

- The company is, or would after the payment be, unable to pay its debts as they become due in the ordinary course of business; or
- The consolidated assets of the company, fairly valued, would after payment be less than the consolidated liabilities of the company.

## **2. Offer to purchase subsidiary**

UCIL has made an offer to purchase the subsidiary company UPS for ZAR 65 million. The offer is based on the Independent Valuation of UPS undertaken by BDO Spencer Steward (Pty) Ltd Financial Services Division.

The offer price of ZAR 65 million is higher than the valuation price of ZAR 62.1 million.

## **3. Valuation of subsidiary**

The purchase price is based on the Income valuation approach.

A brief explanation of the valuation approaches may be found in Appendix D below. The detailed Independent Valuation report may be viewed at the locations listed under 11 below.

## **4. Payment for the subsidiary**

The consideration will be settled by UCIL as follows:

- ZAR 11,700,460 in cash being the proportionate share of the minority shareholders in the Company. (Satisfactory proof of possession of these funds by UCIL has been provided to the UPAL Board. These funds will be transferred to International Plantation Services, UPAL's Transfer Secretaries, on the sale of UPS to UCIL). Interest on this amount will accumulate to minority shareholders at the prevailing money market rate from the date of the sale of UPS.
- ZAR 53,299,540 in promissory notes or other appropriate financial instruments ('notes') being the proportionate share of the Buyer in the Company. (The notes are issued at par with no interest and will be set off by UCIL against its proportionate share of the liquidation dividend.)



## 5. Conditions

The sale and winding up is conditional, inter alia, upon the approval of the SA Reserve Bank and Swaziland Central Bank (UPS is a Swaziland registered company), as well as the approval of the SA Securities Regulation Panel. (Hereinafter referred to as “the relevant Governmental approvals”.)

## 6. Result of Resolutions

In the event that the Special Resolution (to approve the sale of UPS and to authorise the Directors to declare a dividend in contemplation of the winding up of the Company, and subsequently to action such winding up) is approved by shareholders and subject to the receipt of the relevant Governmental approvals, the following actions will be undertaken:

- a) the shares in UPS will be transferred to UCIL within 30 days and payment to UPAL will be made on transfer in terms of paragraph 4 above.
- b) the liabilities and taxes of the Company will be settled in connection with UPS repaying its debt to the Company, which debt as of 31st January 2010 amounts to ZAR 10,569,539.
- c) a resolution providing for the declaration of a dividend in contemplation of liquidation will be passed by the Board of Directors in terms of the authority given them at the Extraordinary meeting.
- d) the Company’s auditors will issue a certificate that the Company has no liabilities and that the final dividend distribution in contemplation of liquidation has been distributed in accordance with the prescriptions outlined above.
- e) the final winding up resolution will be passed by the Board of Directors and a liquidator appointed.
- f) the Company will be liquidated and delisted.

## 7. Voting Rights and Controlling Influence

The Company has an authorised share capital of 30,000,000 shares of ZAR 0.50 each, of which 20,523,570 shares have been issued. UCIL controls 16,829,182 shares, or 82.0% of the issued share capital of the Company.

All of the shares in issue have identical rights. See Appendix A for share movement graphs.



## 8. Dividend payments

The following is an estimate of the anticipated dividend distributions to shareholders based upon the consideration payable for the Company's investments and an estimation of costs of the transaction and liquidation:

See Appendix B for Balance Sheet information.

Net Shareholders funds as at November 2009	ZAR 59,493,209
Number of shares in issue	ZAR 20,523,570
<b>Estimated amount to be paid</b>	<b>ZAR 2.90 per share</b>

A final dividend payable in contemplation of liquidation is estimated to be ZAR 2.90 per share, and the liquidation of the company is expected to be finalised during 2010.

Liquidation payments made by the Company based on ZAR 2.90 per share.

Liabilities	Cash	ZAR	6,657,835	paid by UPAL from subsidiary debt
Minority	Cash	ZAR	10,713,725	paid by UCIL to Transfer Secretaries
UCIL	P/Notes	ZAR	48,779,484	notes returned/cancelled
Total		ZAR	66,151,044	

Dividend payments to minority shareholders will be made from the funds held by International Plantation Services upon the sale of UPS, at the Danish Kroner rate stated under 10 below.

UPAL will discharge its obligations from funds drawn against its ZAR loan to UPS. See Appendix B.1 for more information.

Additional financial information is disclosed in Appendix C.



## 9. Directors Interests

The shareholding of the directors of the Company in both UPAL and in UCIL are detailed below:

Name	Position	% shareholding in UPAL	% shareholding in UCIL
Mr JA Goodwin	Chairman	Nil	Nil
Mr RL Hersov	Non-Executive director	Nil	Nil
Mr PS Noddeboe	Managing Director	Nil	52.50%
Mr P Knudsen	Non-Executive Director	Nil	23.30%

Mr J A Goodwin is not an interested party in the sale of "UPS".

Mr P S Noddeboe and Mr P Knudsen are members of "UCIL" and are interested parties in the sale of "UPS".

Mr P Knudsen's interest is held through Fruit Trading and Agencies Limited.

## 10. Exchange rates:

As at 25th February 2010 the exchange rate between the South African Rand (ZAR) and the Danish Krone (DKK) was 1 ZAR = DDK 0.7057 (1 DKK = ZAR 1.4119), and between the ZAR and Euro (EUR) was 1 ZAR = EUR 0.0949 (1 EUR = ZAR 10.5148)

1 Swaziland Emalangeni = 1 South African Rand (ZAR)

## 11. Locations for viewing the detailed Independent Valuation

Stonehage	PKF (Jhb) Inc
Sir Walter Raleigh House	42 Wierda Road West
48/50 Esplanade	Wierda Valley
St Helier	Sandton 2196
Jersey JE1 4HH	Republic of South Africa
Channel Islands	

International Plantation Services Limited  
Plantations House  
49 H.C.Andersens Boulevard  
1553 Copenhagen V  
Denmark

### John Goodwin

Chairman  
26th February, 2010

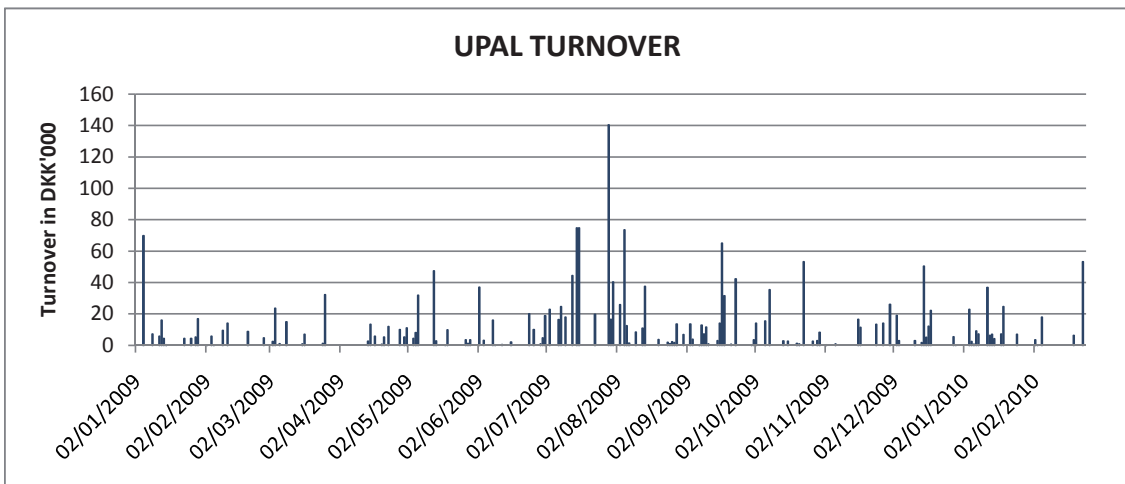
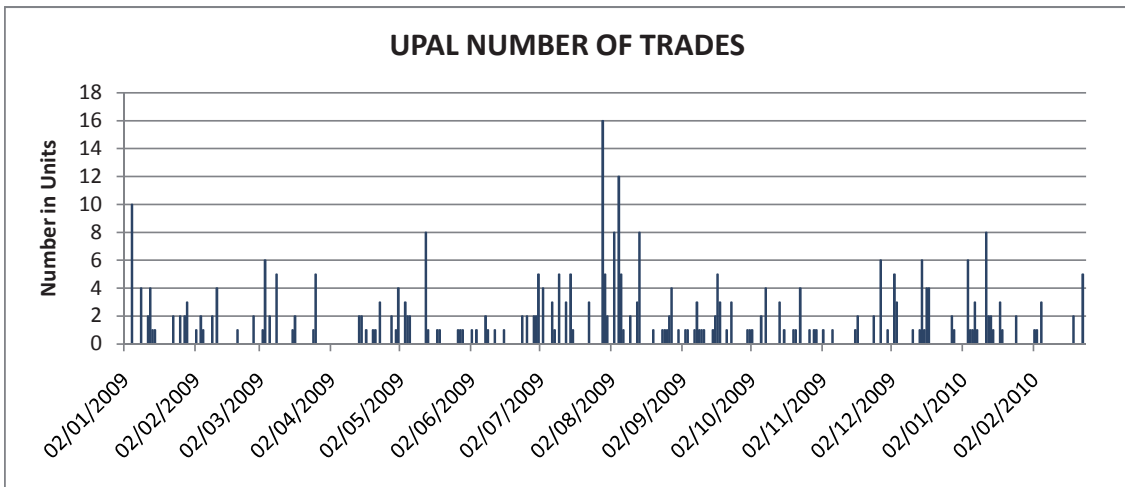
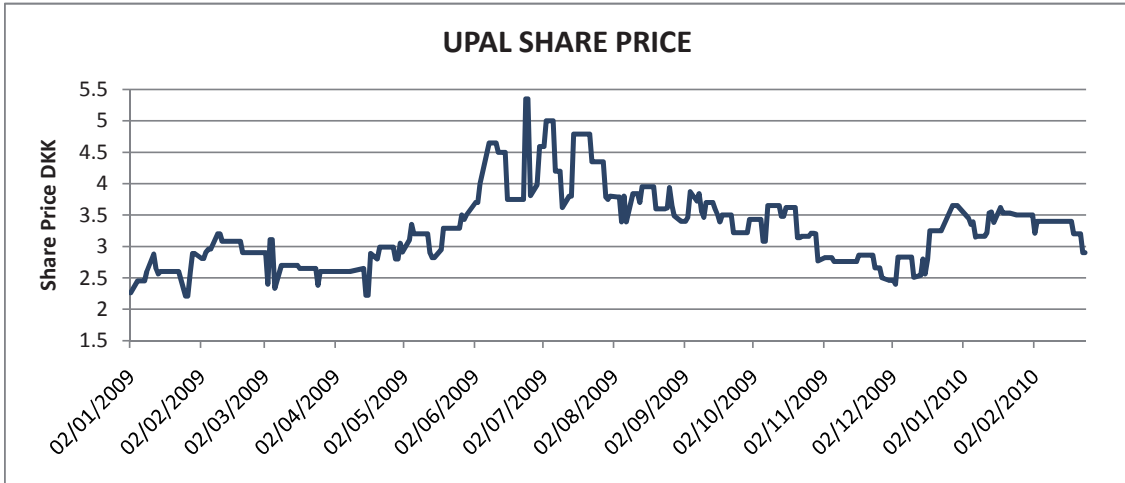
UNITED PLANTATIONS  
AFRICA LIMITED





## Appendix A

### UPAL Share data since January 2009





## Appendix B.1

Summarised Unaudited Balance Sheet of the Company at 30th November 2009, with comparative Audited figures for the three years ending 31 March 2007 to 31st March 2009

Expressed in ZAR '000	30 November 2009	31 March 2009	31 March 2008	31 March 2007
<b>Assets</b>				
<b>Non-Current Assets</b>				
Investments	715	585	585	107
Interest in subsidiaries	65,000	22,594	21,725	22,557
Total non-current assets	65,715	23,179	22,310	22,664
Current assets	436	351	1,640	1,229
Total assets	66,151	23,530	23,950	23,893
<b>Equity and Liabilities</b>				
<b>Capital and Reserves</b>				
Ordinary share capital & premium	17,941	17,941	17,941	17,941
Revaluation reserve	49,596	6,891	6,891	6,891
Other reserves	3,087	3,087	3,087	2,678
Accumulated profit/(loss)	(11,131)	(5,219)	(4,568)	4,300
Total shareholders funds	59,493	22,700	23,351	23,210
Long term liabilities	-	69	69	-
Sundry liabilities	1,010	761	530	683
Provision - capital gains tax	1,143	-	-	-
Provision - dividends tax	4,155	-	-	-
Provision - liquidation costs	350	-	-	-
Total equity and liabilities	66,151	23,530	23,950	23,893

The 30th November 2009 balance sheet shows the position of the Company including the value of the Investment based on the independent valuation of the subsidiary company called "Investment in Subsidiaries", an increase in the fair value of Cape Span shares held by the Company called "Investments", as well as provisions for taxes and estimated expenses payable.

Interest in Subsidiaries under 'Non-Current Assets' above represents the Investment in UPS. This includes an amount of approximately ZAR 10 million owing to UPAL on Loan account. UPAL will draw on this loan account to the extent necessary to discharge its creditors and tax obligations estimated at ZAR 6,657,835 in paragraph 8 above. See Appendix C.1 and C.3 for the loan called "Shareholders Loan".



## Appendix B.2 UPAL Group Comparative Statistics

### Comparative statistics – 12 years

Year ended 31 March 2009 (The 2006 figures are for a period of 15 months)

	2009	2008	2007	2006	2004	2003	2002	2001	2000	1999	1998	1997	1996
	in'000	in'000	in'000	in'000	in'000	in'000	in'000	in'000	in'000	in'000	in'000	in'000	in'000
<b>Balance sheet analysis</b>													
<b>in South African Rands</b>													
Fixed assets	70,314	69,179	67,075	65,840	49,353	51,476	50,231	48,764	50,439	44,614	38,512	33,867	32,852
Investments	5,167	5,167	949	1,578	22	22	22	72	69	71	55	80	47
Deferred taxation	-	1,094	-	-	-	-	-	-	-	1,556	1,191	-	-
Current assets	25,395	30,003	18,663	14,309	16,243	7,855	6,787	10,331	9,875	31,760	11,411	6,781	19,358
Total Assets	100,876	105,443	86,687	81,727	65,618	59,353	57,040	59,167	60,383	78,001	51,169	40,728	52,257
Less: current liabilities	13,723	20,634	23,809	25,988	18,593	14,968	14,589	19,368	22,732	22,250	21,015	12,473	11,684
Assets Employed	87,153	84,809	62,878	55,739	47,025	44,385	42,451	39,799	37,651	55,751	30,154	28,255	40,573
Issued capital	17,941	17,941	17,941	17,941	17,941	17,941	17,941	17,941	17,941	17,941	7,690	7,690	7,690
Reserves non-distributable	26,847	26,847	26,847	26,847	12,249	12,249	12,249	12,249	12,385	6,891	6,891	6,891	6,891
Reserves distributable	33,128	31,966	7,781	(8,260)	57	(2,021)	(3,616)	(5,904)	(7,974)	15,434	14,980	13,586	25,992
Long term liabilities	75	2,573	2,573	15,082	14,205	13,643	13,304	12,940	12,726	12,912	593	88	-
Fair Value Reserve	5,073	409	6,810	1,556	-	-	-	-	-	-	-	-	-
Capital Redemption Reserve Fund	2,573	5,073	926	-	-	-	-	-	-	-	-	-	-
Convertible redeemable preference shares	2,573	2,573	2,573	2,573	2,573	2,573	2,573						
Funds Employed	85,637	84,809	62,878	55,739	47,025	44,385	42,451	39,799	37,651	55,751	30,154	28,255	40,573
<b>Other data</b>													
(Loss)/profit before tax	3,704	24,786	16,376	(8,271)	2,266	1,970	315	1,934	(22,009)	163	275	(12,336)	10,068
Tax provision	(2,542)	(601)	(141)	(240)	(188)	(375)	-	-	(1,556)	291	(54)	(70)	(3,332)
Extraordinary items													
Net (loss)/Profit	1,162	24,185	16,235	(8,511)	2,078	1,595	315	1,934	(23,565)	454	221	(12,406)	6,736
(Loss)/earnings per share (cents)	5.4	117.8	79.1	(41.5)	10.1	7.8	1.5	9.4	(114.8)	2.6	1.4	(80.7)	43.8
Dividends per share (cents)	-	-	-	-	-	-	-	-	-	-	-	-	20.0
Net tangible asset value per share (cents)	417.3	411.2	273.2	185.6	147.4	137.3	129.5	118.3	108.9	229.0	192.0	183.7	263.8
<b>Crops</b>													
Grapefruit export cartons	739	745	411	330	347	349	366	431	553	658	789	799	872
Oranges export cartons	832	1,118	650	571	761	680	474	708	679	669	746	586	876
Total cartons exported	1,571	1,863	1,061	901	1,108	1,029	840	1,139	1,232	1,327	1,535	1,385	1,748
Volumes shown in tons:													
Exported Industrial Grapefruit	874	836	655	1,540	1,589	840	540	-	-	-	-	-	-
Exported Industrial Oranges	3,550	2,141	2,690	2,736	1,549	1,814	2,392	-	-	-	-	-	-
Bananas	7,888	6,647	6,561	6,232	3,654	3,825	3,400	3,193	1,290	723	984	909	980
Sugar	6,654	5,851	6,492	5,374	5,725	4,761	5,144	3,927	5,543	1,784	-	-	-
Volumes shown in 000's:													
Fresh limes 5 kg cartons	9	13	18	36	43	34	44	84	54	75	74	75	69
Lime juice litres	94	-	-	-	197	273	179	223	297	289	486	469	551
Lime oil kg	0.4	0.4	1.3	1.3	1.3	1.4	1.1	1.2	1.9	1.8	3.1	3.2	3.8



## Appendix C.1

### Audited Balance Sheets of United Plantations Swaziland Limited at 31 March 2008 and 2009

#### Balance sheet At 31 March 2009

		31 March 2009 ZAR	31 March 2008 ZAR
	Notes*		
<b>Assets</b>			
<b>Non-current assets</b>			
Land and buildings	4	40,228,493	39,655,458
Machinery	4	12,675,813	10,162,361
Vehicles and equipment	4	3,669,164	3,462,311
Capitalised leased assets	4	558,594	875,515
<b>Property, plant and equipment</b>		<b>57,132,064</b>	<b>54,155,646</b>
Biological assets	5	13,214,637	15,024,061
Interest in subsidiaries	6	-	-
Investments	7	4,579,108	4,579,108
Deferred Tax Asset	25	-	1,093,828
		<b>74,925,809</b>	<b>74,852,643</b>
<b>Current assets</b>			
Inventories	8	5,685,075	3,252,121
Biological assets	5	10,565,182	8,265,062
Trade and other receivables	9	2,151,932	2,168,852
Taxation		400,000	-
Bank balances and cash		6,241,316	14,676,907
		<b>25,043,506</b>	<b>28,362,942</b>
<b>Total assets</b>		<b>99,969,314</b>	<b>103,215,585</b>

\*Referring to full version of Annual Report



		31 March 2009	31 March 2008
	Notes*	ZAR	ZAR
<b>Equity</b>			
Ordinary share capital	11	100,000	100,000
Fair value reserve	12	4,558,951	4,558,951
Revaluation reserves	13	31,780,425	31,780,425
Accumulated profit		38,385,005	36,539,855
Ordinary equity attributable to equity holders of the parent		74,824,381	72,979,231
Shareholder's loan	14	10,661,444	9,792,370
Total equity attributable to equity holders of the parent		85,485,825	82,771,601
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	15	74,082	408,793
Deferred Tax Liability	25	1,447,986	-
		1,522,068	408,793
<b>Current liabilities</b>			
Trade and other payables	16	10,139,983	15,639,181
Taxation		-	1,694,626
Current portion of interest bearing loans and borrowings	15	326,593	280,255
Bank overdrafts	17	2,494,845	2,421,127
		12,961,421	20,035,190
<b>Total equity and liabilities</b>		99,969,314	103,215,585

\*Referring to full version of Annual Report



## Appendix C.2

### Audited Income statements of United Plantations Swaziland Limited for the periods ending 31 March 2008 and 2009

#### Income statement for the twelve months ended 31 March 2009

	Notes*	12 months ended 31 March 2009 ZAR	12 months ended 31 March 2008 ZAR
Revenue	18	117,630,614	123,832,263
Cost of sales		(99,273,772)	(81,385,588)
Gross Profit		18,356,843	42,446,675
Administrative expenses		(12,005,456)	(15,287,938)
Depreciation	N1	(2,642,898)	(2,135,402)
Other operating expenses		(880,827)	(840,636)
Other operating income		1,258,743	2,175,049
Operating profit	20	4,086,405	26,357,748
Investment income	21	729,479	1,051,963
Finance charges	22	(288,184)	(1,446,430)
Profit before value adjustment		4,527,701	25,963,281
Fair value adjustment	5	(140,738)	(908,118)
Profit before taxation		4,386,963	25,055,163
Income taxation expense	23	(2,541,813)	(600,799)
Net profit for the period attributable to shareholder		1,845,150	24,454,364

\*Referring to full version of Annual Report



### Appendix C.3

#### Audited Balance Sheets of United Plantations Swaziland Limited at 31 March 2006 and 2007

##### Balance sheet At 31 March 2007

		31 March 2007 ZAR	31 December 2006 ZAR
	Notes*		
<b>Assets</b>			
<b>Non-current assets</b>			
Land and buildings	4	38,973,744	39,257,600
Machinery	4	7,675,566	8,324,345
Vehicles and equipment	4	2,241,118	1,732,192
Capitalised leased assets	4	997,553	833,271
Property, plant and equipment		49,887,981	50,147,408
Biological assets	5	17,188,790	15,694,376
Interest in subsidiaries	6	-	-
Investments	7	841,095	1,399,663
		67,917,866	67,241,447
<b>Current assets</b>			
Inventories	8	3,112,021	4,135,216
Biological assets	5	5,989,078	5,709,078
Trade and other receivables	9	2,330,079	1,931,322
Derivative financial assets	10	989,774	2,057,823
Bank balances and cash		5,012,091	15,100
		17,433,043	13,848,539
<b>Total assets</b>		85,350,909	81,089,986

\*Referring to full version of Annual Report



		31 March 2007	31 December 2006
	Notes*	ZAR	ZAR
<b>Equity</b>			
Ordinary share capital	11	100,000	100,000
Fair value reserve	12	820,938	1,379,506
Revaluation reserves	13	31,780,425	31,780,425
Accumulated loss		12,085,634	(6,203,994)
Ordinary equity attributable to equity holders of the parent		44,786,997	27,055,937
Shareholder's loan	14	10,626,035	32,012,212
Total equity attributable to equity holders of the parent		55,413,032	59,068,149
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	15	6,811,799	476,657
<b>Current liabilities</b>			
Trade and other payables	16	7,195,941	5,706,936
Taxation		4,027,636	4,027,636
Current portion of interest bearing loans and borrowings	15	1,541,466	331,018
Bank overdrafts	17	10,361,035	11,479,590
		23,126,078	21,545,180
<b>Total equity and liabilities</b>		85,350,909	81,089,986

\*Referring to full version of Annual Report





#### Appendix C.4

#### Audited Income statements of United Plantations Swaziland Limited for the periods ending 31 March 2006 and 2007

#### Income statement for the twelve months ended 31 March 2007

	Notes*	12 months ended 31 March 2007 ZAR	15 months ended 31 March 2006 ZAR
Revenue	18	101,011,070	72,199,797
Cost of sales		(64,848,882)	(60,348,413)
Gross profit		36,162,188	11,851,384
Administrative expenses		(16,382,976)	(11,457,532)
Depreciation		(2,002,661)	(2,255,998)
Other operating expenses		(888,135)	(2,430,652)
Other operating income		734,279	1,371,151
Operating profit/(loss)	20	17,622,695	(2,921,647)
Investment income	21	358,512	29,523
Finance charges	22	(1,349,695)	(1,441,374)
Profit/(loss) before fair value adjustment		16,631,512	(4,333,498)
Fair value adjustment	5	1,658,116	(947,437)
Profit/(loss) before taxation		18,289,628	(5,280,935)
Income taxation expense	23	-	-
Net profit/(loss) for the period attributable to shareholder		18,289,628	(5,280,935)

\*Referring to full version of Annual Report



## Appendix D

BDO Spencer Steward Services (Pty) Ltd  
Corporate Finance Division

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10 December 2009

The Directors  
United Plantations (Swaziland) Limited  
Private Bag 1  
Pigg's Peak  
Swaziland  
H108

Dear Sirs

This letter is to provide a summary of the three generally accepted valuation methodologies that BDO used in the independent professional valuation of 100% of the shares in United Plantations (Swaziland) Limited ("UPS").

### Methodologies

#### Income approach

When applying the income approach, the cash flows expected to be generated by the business are discounted to their present value equivalent using a rate of return that reflects the relative risk of the investment, as well as the time value of money. This return, known as the Weighted Average Cost of Capital ("WACC"), is calculated by weighting the required returns on interest-bearing debt and common equity capital in proportion to their estimated percentages in an expected industry capital structure.

The cost of equity has been calculated at 25.0% and the WACC has been calculated at 20%, using a target debt ratio of 28%, based on the average historical gearing of the listed comparable companies.

The value of 100% of the shares of UPS on a controlling, non-marketable basis, based on the income approach, is approximately E62.1 million.

#### Market approach

The market approach indicates the fair value of the ordinary shares of a company based on a comparison to comparable traded companies and transactions in its industry, as well as prior company transactions.



The latest five year average maintainable EBITDA of E12.4 million (excluding outliers) and the latest three year average EV/EBITDA multiple for the comparative companies of 8.05 have been used. Adjustments were made for size and lack of diversity, control and marketability.

The value of 100% of the shares of UPS on a controlling, non-marketable basis, based on the market approach, is approximately E68.8 million.

#### Net asset approach

The net asset approach indicates the fair value of the ordinary shares of a company by adjusting the asset and liability balances on the subject company's balance sheet to their market value equivalents. The approach is based on the summation of the individual piecemeal market values of the underlying assets less the market value of liabilities.

The approach does, however, not take liquidation or realisation costs into account and is therefore likely to overstate the fair value of ordinary shares.

The value of 100% of the shares of UPS on a controlling, non-marketable basis, based on the net asset approach, is approximately E86.4 million.

#### Conclusion

We believe that the income approach is the most correct valuation method to apply in the valuation UPS. Therefore, based on the results of the income approach, the value of 100% of the shares of UPS is approximately E62.1 million.

Yours faithfully,

BDO Spencer Steward Services (Pty) Ltd  
Corporate Finance Division

JJ BOLAND