

Country Foods heads for AltX listing

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FOOD company Country Foods Group said yesterday it aimed to list on the JSE's AltX in the first week of next month.

The company said it would issue 30-million shares at R1 each in a private placement in which it hoped to raise R30m to increase capacity and accelerate organic growth.

It would also use the listing as a vehicle to retain and reward key staff members through equity participation.

Country Foods comprises three divisions in the food sector: Edulis processes, distributes, exports and imports wild and exotic mushrooms, fruit and vegetables and has distribution subsidiaries in New York, Italy, Tunisia and Morocco; Country Mushrooms grows, distributes and markets fresh cultivated mushrooms and value-added processed mushroom products; and Fruitime manufactures and

distributes a range of fruit juices and associated beverages.

In its prospectus, the group said it aimed to increase revenue to R182m in its year to September from R124,5m in the previous year. Its forecast for the 2008 year was revenue of R209,6m.

It said attributable earnings were expected to grow from R2,8m for the year to September 2006 to R18m in the 2008 financial year.

CEO Roberto Casaletti said the listing would "assist in increasing our footprint both locally and internationally".

He said the company, which targeted niche food segments at middle and upper-income earners in the Far East, Europe and the US, expected a continuous growth in demand for its products.

Casaletti expected the company's exports and offshore divisions to continue growing and aimed to derive an even split in income from its offshore entities, exports and local sales.

The company derives about 36% of its revenue from exports.

Its prospectus said it was "ideally positioned" to increase its range of exported products and continue to expand its direct sales to supermarket chains as a result of its offshore network and pending accreditation.

Country Foods said it saw growth opportunities in the US and the European Union.

It said there was also an opportunity to develop a horticultural range of off-season vegetables and herbs for the local and international markets, as it owned farmland near OR Tambo International Airport.

The company also aimed to grow exports once it had commissioned Fruitime's long-life fruit juice plant.

Country Foods said it had raised about R16,6m in the past year to reduce its gearing and to position the group for growth and expansion.