

# Clover expects increase in earnings per share

In terms of the Listings Requirements of the JSE Limited, companies are required to provide guidance to the market when they are satisfied that a reasonable degree of certainty exists that the financial results for the forthcoming reporting period will differ by at least 20% from the results of the previous corresponding reporting period.



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Accordingly, Clover shareholders are referred to the announcement released on the Stock Exchange News Service (SENS) on 17 December 2013 wherein Clover advised that headline earnings per share (HEPS) and earnings per share (EPS) for the six months which ended 31 December 2013 were expected to be at least 20% higher than the corresponding reporting period of the previous year.

Shareholders are now advised that Clover expects HEPS for the six months ended 31 December 2013 to be between 82% and 92% higher than the corresponding reporting period of the previous year (H1 2012: HEPS 40.7 cents).

Further, EPS for the six months ended 31 December 2013 are also expected to be between 80% and 90% higher than the corresponding reporting period of the previous year (H1 2012: EPS 46.4 cents).

## Reasons for increases

The increases are attributable to:

- the non-recurring marketing investments in new product launches made during the first half of 2013;
- the implementation of selling price increases to the market in January 2013 and again early in the current reporting period;
- reduced promotional activities following the selling price increases;
- the positive contribution of project Cielo Blu;
- various cost saving initiatives; and
- exchange rate profits made by certain African subsidiaries due to the weakening of the rand.

Shareholders are cautioned that Clover does not expect this level of earnings improvement to continue into the second half of the 2013/14 financial year due to strong overall inflationary cost pressure specifically relating to raw milk, packaging and fuel costs; and the negative impact of the high inflationary environment on consumers.

It is anticipated that Clover will release its interim results on SENS on or about 17 March 2014. The forecast financial information on which this trading statement is based has not been reviewed and reported on by the company's external auditors.

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