



**SENS – Sovereign – Declaration Announcement
Regarding The Proposed Rights Offer By Sovereign
And Further Cautionary Announcement**

DATE: 29 Oct 2009

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Sovereign Food Investments Limited

Incorporated in the Republic of South Africa

Registration number 1995/003990/06

JSE code: SOV

ISIN: ZAE000009221

JSE code for Letters of Allocation: SOVN

ISIN for Letters of Allocation: ZAE000142279

("Sovereign" or "the Company")

DECLARATION ANNOUNCEMENT REGARDING THE PROPOSED RIGHTS OFFER BY SOVEREIGN AND FURTHER CAUTIONARY ANNOUNCEMENT

1. Introduction

Sovereign ordinary shareholders ("Shareholders") are referred to the announcement released by the Company on SENS on Tuesday, 20 October 2009 wherein the details of a proposed rights offer of 16 997 070 new Sovereign ordinary shares to Shareholders ("Rights Offer") were provided.

The Rights Offer will give all Shareholders registered as such on the record date an equal opportunity to participate in such offer. In terms of the Rights Offer, 16 997 070 shares in the authorised but unissued share capital of Sovereign will be offered for subscription to Shareholders in the ratio of 51.5017 new Sovereign ordinary shares for every 100 Sovereign ordinary shares held at the close of trade on the record date ("Rights Offer Shares"). The issue price of the Rights Offer Shares will be 850 cents per share.

2. General meeting

A general meeting of Shareholders has been called by the Company to be held at the Company's registered offices at 10h00 on Wednesday, 4 November at 9 Kruis River Road, Uitenhage, Eastern Cape ("the General Meeting") to consider the ordinary resolution necessary to place the authorised but unissued share capital of Sovereign under the control of the board of directors of Sovereign ("the Board") for the purposes of the Rights Offer ("the Resolution").

The Company has obtained irrevocable undertakings from Shareholders holding approximately 48.9% of Sovereign's issued share capital, to vote in favour of the Resolution ("Irrevocable Undertakings"). The Resolution requires approval from 50% of the Shareholders present at the General Meeting, in person or by proxy, to be passed successfully.

The Shareholders which have provided Irrevocable Undertakings to the Company and their respective shareholding in Sovereign is detailed below:

Shareholder	Number of Sovereign total shares in shares held	Percentage of issue (%)
Prudential Portfolio Managers (South Africa)	4 728 108	14,3
Old Mutual Investment Group (South Africa)	4 546 023	13,8
Orthogonal Investments	3 072 620	9,3
Stanlib	1 962 504	5,9
Sanlam	1 650 000	5,0
M Davis (Director of Sovereign)	100 000	0,3
P Madi (Director of Sovereign)	49 952	0,2
C Coombes (Director of Sovereign)	15 000	0,1
Total	16 124 207	48,9



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3. Conditions precedent

The Rights Offer remains conditional upon the fulfilment of the following suspensive conditions:

- Shareholders approving the Resolution;
 - the necessary regulatory documentation including, inter alia, the Rights Offer circular and Letters of Allocation ("LA`s") being approved and registered by the JSE Limited ("the JSE") and the Companies and Intellectual Property Registration Office; and
 - the JSE approving the listing of the Rights Offer Shares.

An announcement will be released on SENS and published in the press as soon as the suspensive conditions have been fulfilled and the Rights Offer has become unconditional.

4. Salient dates and times

The salient dates and times which are anticipated to be applicable to the Rights Offer are set out below:

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Last day to trade in Sovereign shares in order to settle by the record date to qualify to participate in the Rights Offer (cum entitlement)	Friday, 13 November
Listing of LA`s on the JSE commences at commencement of trading	Monday, 16 November
Shares commence trading ex-rights on the JSE at commencement of trading	Monday, 16 November
Record date for participation in the Rights Offer at the close of business	Friday, 20 November
Rights Offer circular and, where applicable, a form of instruction posted to Shareholders	Monday, 23 November
Rights Offer opens at commencement of trading	Monday, 23 November
Dematerialised Shareholders will have their accounts at their central securities depository participant ("CSDP") or broker automatically credited with their entitlement	Monday, 23 November
Certificated Shareholders on the register will have their entitlement credited to an account held with the Company`s transfer secretaries	Monday, 23 November
Last day to trade in LA`s on the JSE	Friday, 4 December
Listing of Rights Offer Shares and trading therein commences at commencement of trading	Monday, 7 December
Rights Offer closes at 12:00 – payments to be made and Form of Instruction in respect of LA`s lodged by certificated Shareholders by 12:00	Friday, 11 December
Record date for LA`s on Dematerialised Shareholders` accounts will be updated with entitlements and debited with money by their CSDP or broker and certificates posted to certificated Shareholders	Monday, 14 December
Results of Rights Offer released on SENS	Monday, 14 December
Results of Rights Offer published in the press	Tuesday, 15 December

Notes:

- (i) All times referred to above are South African times.
- (ii) No share certificates may be dematerialised or rematerialised between Monday, 16 November and Friday, 20 November, both days inclusive.
- (iii) Dematerialised Shareholders are required to notify their duly appointed CSDP or broker of their acceptance of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and his/her CSDP or broker.
- (iv) The CSDP or broker accounts of dematerialised Shareholders will be automatically credited with Rights Offer Shares to the extent to which



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they have accepted the Rights Offer. Sovereign share certificates will be posted, by registered post at the Shareholder`s risk, to certificated Shareholders in respect of the Rights Offer Shares which have been accepted.

- (v) CSDPs effect payment in respect of dematerialised Shareholders on a delivery versus payment basis.
 - (vi) Any material variation of the above dates and times will be approved by the JSE, released on SENS and published in the South African press.
 - (vii) The LA`s will trade under the JSE code: SOVN (long name: SOVFOOD NPL) and have been allocated an ISIN number of ZAE000142279.
5. Excess applications and foreign restrictions
Sovereign shareholders may not apply for Rights Offer Shares in excess of those allocated to them in terms of the Rights Offer.
Only Shareholders recorded in the register on the record date (other than certain foreign Shareholders resident in jurisdictions where the Rights Offer is restricted by law) are entitled to participate in the Rights Offer. Should a Shareholder be restricted from following their rights in terms of the Rights Offer the LA`s will be sold for their benefit by the Company`s transfer secretaries.
6. Further announcement
It is anticipated that the finalisation announcement for the Rights Offer will be released on SENS on Thursday, 5 November 2009.
7. Further cautionary announcement
Shareholders are advised that Sovereign remains involved in discussions which, if successfully concluded, may have a material effect on the price of the Company`s shares.

Accordingly, Shareholders are advised to continue to exercise caution when dealing in the Company`s shares until a further announcement is made.

29 October 2009

Port Elizabeth

Corporate Advisor and Sponsor:

Barnard Jacobs Mellet Corporate Finance (Pty) Limited

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