

PRESS RELEASE

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AUGUST 2012

FORESIGHT SHAPES THE FUTURE

In 1943, Thomas Watson, the chairman of IBM at the time, was reported to have said when he saw the computer: "I think there's a world market for maybe five." If only he had known that what started as just an acorn would grow into the mighty oak of the personal computer revolution? Today there are approximately over 600 million personal computers in the world that have become an invaluable tool in all areas of life.

Without the benefit of hindsight, it is sometimes difficult to see certain things for what they will one day become. With South African and global markets uncertain and further turmoil predicted for the world markets in 2013, it is no surprise that battle-weary, risk adverse investors are seeking a secure, high yielding investment opportunity. The question is where would they find this opportunity?

According to Dirk Conradie, CEO of Cranbrook Limited, a development company specialising in property and investment projects in Limpopo Province, South Africa, two areas that are experiencing unprecedented growth and presenting opportunity for investment are Burgersfort and Lephalale. He notes that due to large scale activity in coal, platinum and PGM mining - supported by both industry and government - there is an increasing demand for infrastructure development. A recent article in MiningWeekly pointed to the fact that even through the short-term prospects in the mining industry seem bleak, 80% of mining executives were positive about the medium-term to long-term view of the industry.

This has been supported by the fact that government has committed over R207 billion in mining and infrastructure development of the Limpopo area and, according to the August 2003, IIDP document to the National Treasury and KPMG, Limpopo shall be the major contributor to national wealth by 2020.

Conradie says that due to the expected influx of people to the area, Cranbrook Limited has answered the call for increased numbers of long-term accommodation in the region with its housing developments namely Spekboom River Estate and the Motaganeng Lifestyle Estate in Burgersfort and the Ledibeng Eco Estate in Lephalale.

He says that the company has recently opened a prospectus releasing 2 300 000 shares in order to raise R260 million, which will be used to service the high demand for housing. The minimum number of securities to be taken up to fulfill the Prospectus is 530 770 ordinary shares equal to an amount of R20 million. Conradie explains that the company opted for less traditional financing channels in order to raise funds quickly and optimise return for investors through early adaptor mentality. Cranbrook will use capital to construct an additional 300 housing units and 13 industrial units for rental and sales. "Due to the legislative framework of Basel III regulating bank liquidity, lending practices have become far stricter. The traditional ways of gaining access to finance are no longer available for development companies and privately placed equity is an innovative way that companies can take advantage of investment opportunities in the market," he says.

"Because Cranbrook will be primarily private equity driven after raising the capital, it will be in an immediate position to return net profits to shareholders," Conradie concludes.

For more information regarding the prospectus offering, contact Cranbrook Limited on 012 665 5308.

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