



Media release  
June 20, 2014

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## **SCALES PROSPECTUS REGISTERED**

### **An investment in New Zealand's primary industry**

Investors will soon be able to own a stake in Scales - a large, diverse and growing New Zealand agribusiness group.

Christchurch-based Scales Corporation Limited today registered a prospectus for the initial public offering of ordinary shares in the company. The investment statement for the IPO will be available at [www.scalescorporation.co.nz](http://www.scalescorporation.co.nz)

Scales operates three divisions, Horticulture, Storage & Logistics and Food Ingredients. Scales' Horticulture business includes Mr Apple, New Zealand's largest fully integrated grower, packer and marketer of apples.<sup>1</sup>

Through its Storage & Logistics business, Scales has been providing essential services to the New Zealand primary sector for more than 100 years. Scales is an established market leader across all of its businesses with solid customer relationships, efficient operating systems and an experienced management team.

The IPO comprises an offer of up to 100.8 million ordinary shares. The offer will raise up to \$30 million of new capital which will provide Scales with flexibility for the future expansion of its business. As part of the IPO, majority shareholder Direct Capital Investments Limited will sell down from its current 84 per cent shareholding, but together with its co-investors the New Zealand Superannuation Fund and ACC, will retain a cornerstone shareholding of 20% to 30% in Scales following the IPO.

An indicative price range has been set at \$1.60 to \$1.85 per share. Based on the indicative price range, the company's market capitalisation will be between \$221 million and \$251 million. The final offer price will be set on July 4 at the completion of a book build involving New Zealand brokers and institutional investors. Shares are expected to begin trading on the NZX Main Board on 25 July.

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<sup>1</sup> Based on FY2013 total own-grown and exported TCEs.

Scales Corporation chairman Jon Mayson says the offer is expected to receive strong support from both retail and institutional investors in New Zealand and offshore.

“Scales has an exposure to the key primary sectors in New Zealand across its three operating divisions, Horticulture, Storage & Logistics and Food Ingredients. We believe our diversity and exposure to a number of expanding export sectors is one of our key strengths.

“Scales has a highly experienced senior management team with an average tenure of more than 20 years with the sector knowledge, relationships and expertise to continue to develop the company.”

Mayson also highlights Scales’ strong recent track record of financial performance where it achieved an after tax profit of \$20.4 million on record revenues of \$272.8 million in the 2013 financial year.

The Joint Lead Managers for the offer are First NZ Capital and Deutsche Craigs. There will be no public pool. Interested parties should contact the Joint Lead Managers, their NZX Advisor or authorised financial adviser for a copy of the investment statement for the IPO.

Contact information for the Joint Lead Managers is as follows:

Deutsche Craigs 0800 226 263

First NZ Capital 0800 320 200.

**Key dates**

Prospectus registration: 20 June 2014

Final Price announced: 4 July 2014

Broker Firm Offer opens: 5 July 2014

Broker Firm Offer closes: 22 July 2014

Expected commencement of trading on the NZX Main Board: 25 July 2014

**Important Notice:**

The offer of shares in Scales Corporation Limited ("Scales") is made on the terms and conditions set out in the Investment Statement and the Prospectus for the initial public offering of ordinary shares ("Shares") in Scales.

None of Scales, Direct Capital Investments Limited, co-investors, or any other person guarantees the Shares. An application has been made to NZX Limited ("NZX") for permission to list Scales and to quote the Shares on the NZX Main Board, and all requirements of NZX relating thereto that can be complied with on or before the date of this announcement (being 20 June 2014) have been duly complied with. However, NZX accepts no responsibility for any statement in this announcement. The NZX Main Board is a registered market operated by NZX, which is a registered exchange, regulated under the Securities Markets Act 1988.

## **Issued for Scales Corporation by Pead PR**

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### About Scales Corporation

Scales is an established agribusiness market leader with long standing customer relationships, efficient operating systems and an experienced management team. It comprises three operating divisions: horticulture, storage & logistics and food ingredients. The company's diverse spread of activities gives Scales broad exposure to New Zealand's primary sector. Scales was founded in 1897 as a shipping business by George Herbert Scales. Today it employs more than 400 staff New Zealand wide. Find out more at [www.scalescorporation.co.nz](http://www.scalescorporation.co.nz)