

# ZAMBEEF PRODUCTS PLC

**FINANCIAL REVIEW**  
FYE SEPTEMBER 2009



# Economic Background

---



1. Global recession
2. Worldwide financial crisis
3. Collapse of copper prices
4. Significant depreciation of the Zambian Kwacha
5. Collapse of commodity prices
6. High fertilizer and stockfeed prices



# Abridged Income Statement



K Millions	YE 2009	YE 2008	%
Turnover	697 317	492 698	41.5%
Gross Profit	219 176	190 881	14.8%
Profit on Disposal of Subsidiary	65 790	-	
Administrative expense	(202 740)	(142 938)	41.8%
Foreign exchange gains/(losses)	(66 519)	3 533	
<b>Profit before Taxation</b>	<b>3 853</b>	<b>44 195</b>	<b>(91.3%)</b>
Income Tax credit/ (expense)	12 164	(5 919)	
<b>Profit after Taxation</b>	<b>16 017</b>	<b>38 276</b>	<b>(58.2%)</b>
Weighted Average EPS (Kwacha)	98.73	270.92	(63.6%)
EBITDA	22 415	65 039	
Gross Profit Margin	31.4%	38.7%	

# Financial Summary

---



- Profit after tax decreasing from K37.5bn in 2008 to K16.0bn in 2009
- EBITDA decreasing from K65.0bn to K22.4bn
- Zambeef generated K15.7bn from operating activities for the year.
- Margins decreased from 38.7% to 31.4% due to
  - (1) Substantial depreciation of the Zambian Kwacha, resulting in an exchange loss of K67bn for the year, most of which is unrealized.
  - (2) Crops planted at a time of high input costs but grain prices crashed subsequently.
  - (3) Significant losses on forward crude oil and soya contracts entered into a time of high commodity prices which subsequently collapsed.
  - (4) Lifting of the ban on the movement of cattle out of Southern Province resulted in the market being flooded with traditional cattle and beef prices reducing significantly.

# Abridged Cash Flow



<b>K Millions</b>	<b>YE 2009</b>	<b>YE 2008</b>
Profit Before Taxation	3 852	44 195
EBITDA	22 415	65 039
Movement in Working Capital	(6 691)	(92 413)
<b>Cash inflow/(outflow) from Operating activities</b>	<b>15 724</b>	<b>(27 374)</b>
<b>Cash outflow on return on investments and servicing of finance</b>	<b>(25 995)</b>	<b>(18 118)</b>
Purchase of PPE	(139 008)	(220 509)
Purchase of goodwill		(76 137)
Proceeds from disposal of subsidiary	163 056	-
<b>Cash inflow/(outflow) from/(on) investment activities</b>	<b>27 620</b>	<b>(296 459)</b>
<b>Cash inflow/(outflow) from financing</b>	<b>(11 340)</b>	<b>(276 722)</b>
Cash at beginning of year	(85 192)	(16 683)
Effects of exchange rate changes	(41 062)	433
<b>Cash at end of year</b>	<b>(121 184)</b>	<b>(85 192)</b>

# Abridged Balance Sheet



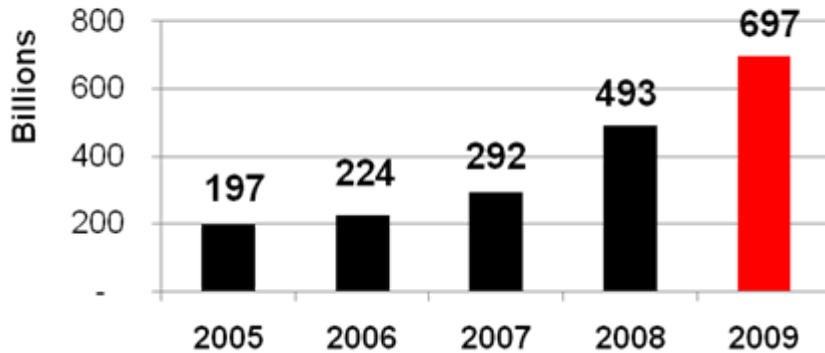
<b>K Millions</b>	<b>2009 *</b>	<b>YE 2009</b>	<b>YE 2008</b>
Non Current Assets	472 351	472 351	455 491
Current Assets	239 215	239 215	263 449
<b>TOTAL ASSETS</b>	<b>711 567</b>	<b>711 567</b>	<b>718 940</b>
Capital and Reserves	445 227	445 227	439 444
Non-Current Liabilities	141 560	56 600	74 721
Current Liabilities	124 780	209 740	204 775
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>711 567</b>	<b>711 567</b>	<b>718 940</b>
<b>Ratios</b>			
Current Ratio	1.92	1.14	1.3
Total Debt / Equity Ratio	41%	41%	35.4%

2009\* : Assuming \$18 million dollars from DEG

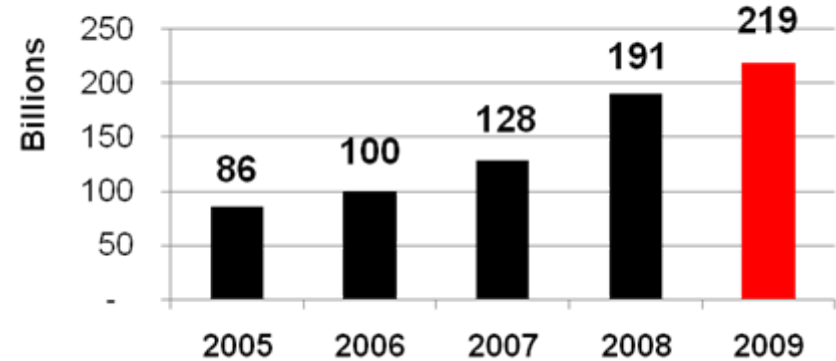
# Financial Summary



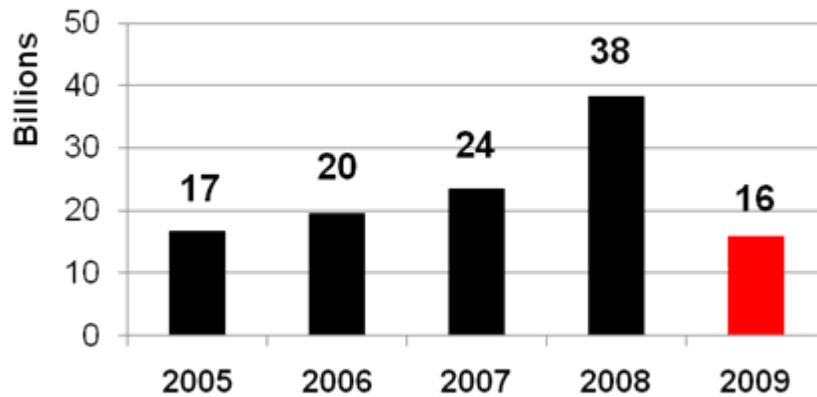
## Turnover



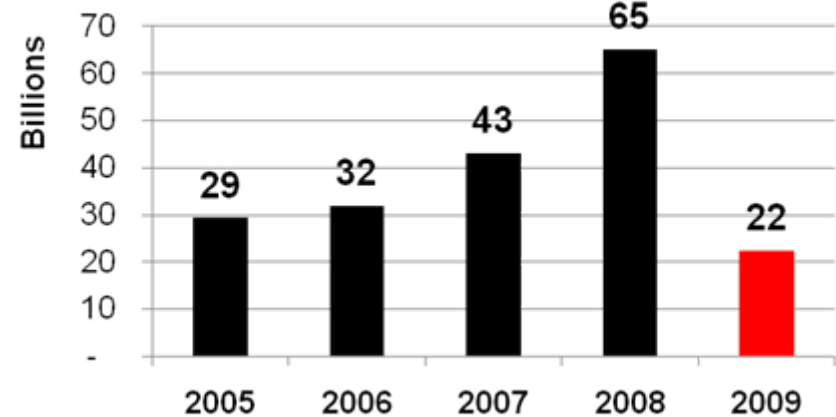
## Gross Profit



## Profit after Taxation



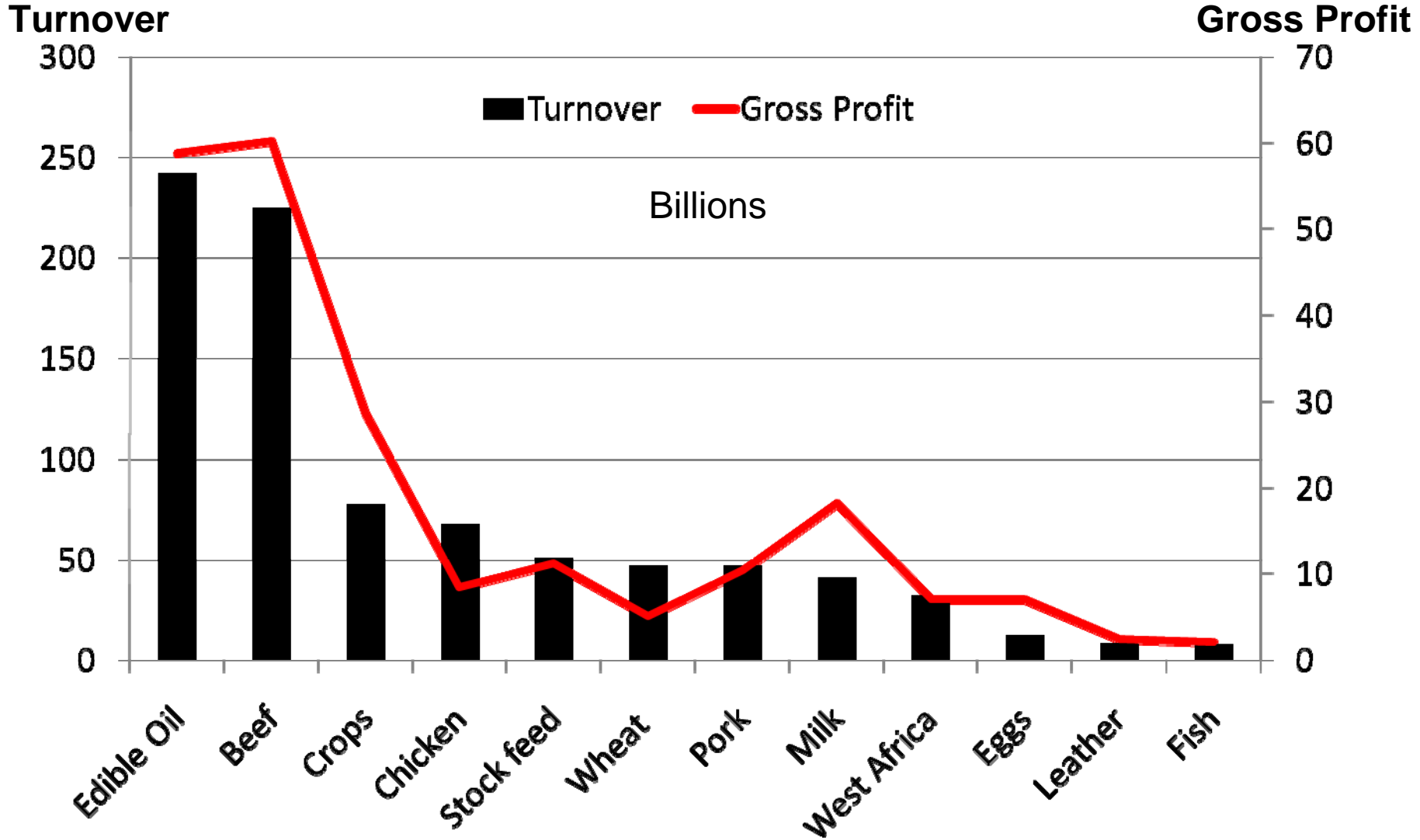
## EBITDA



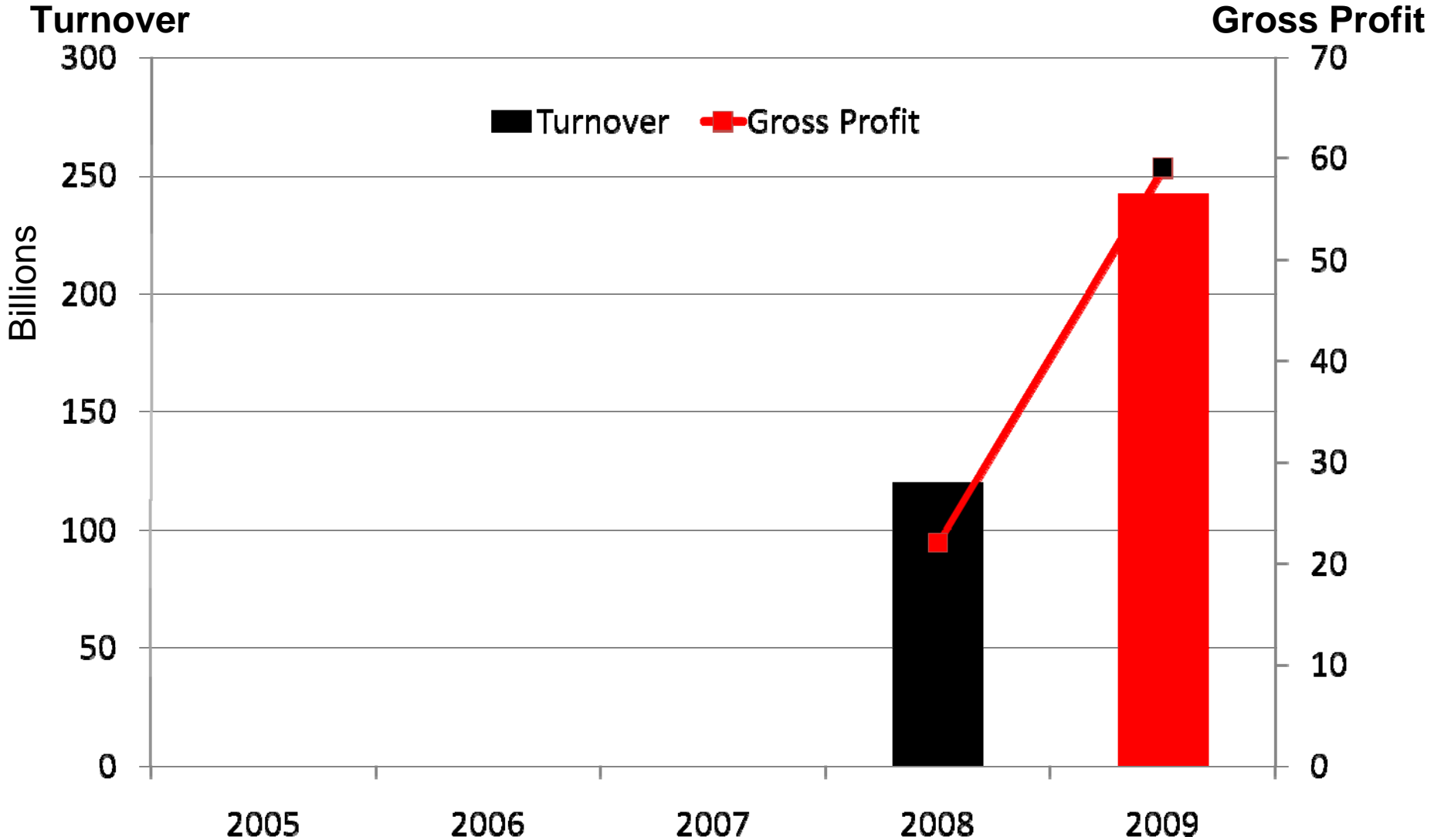




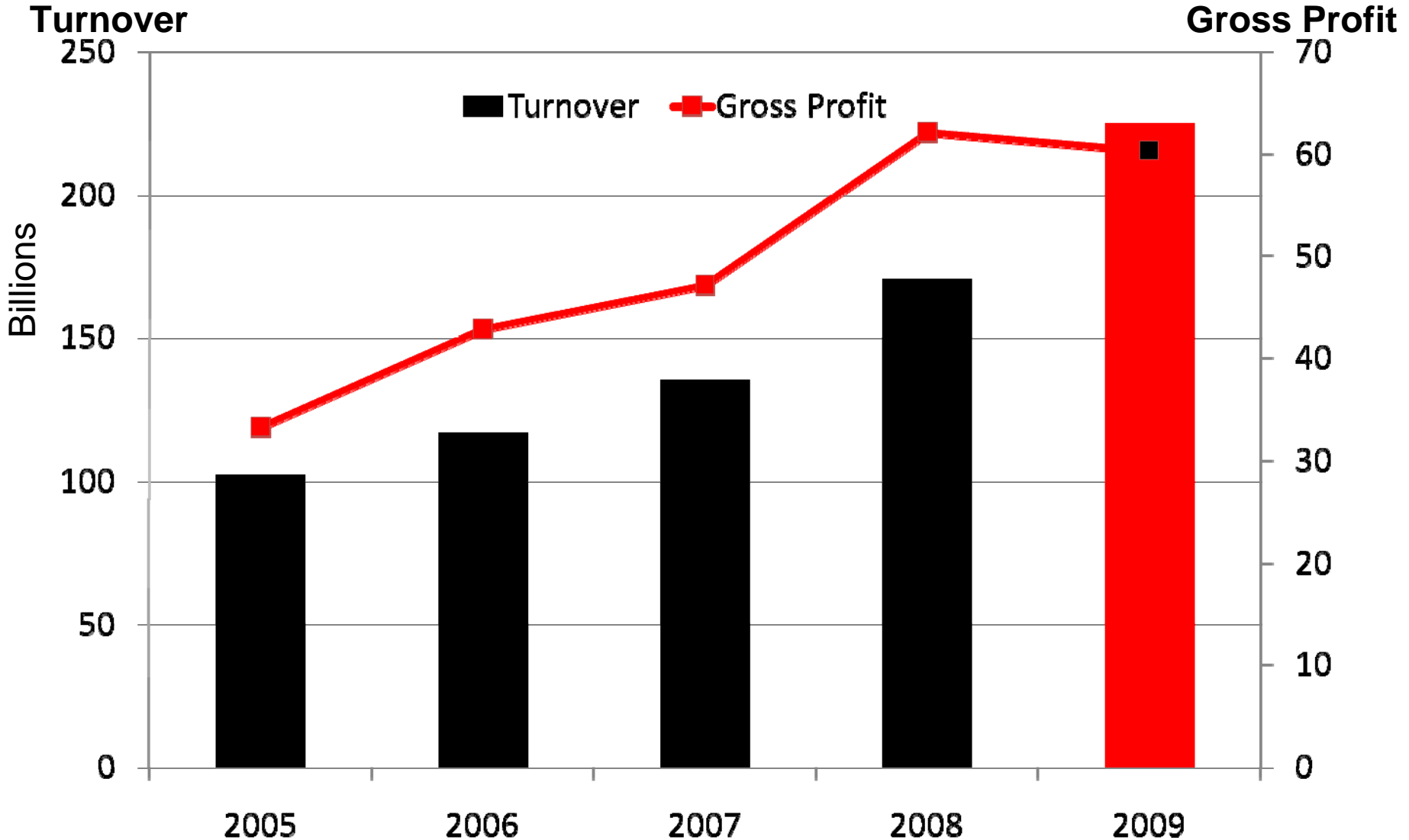
# Divisional Performance



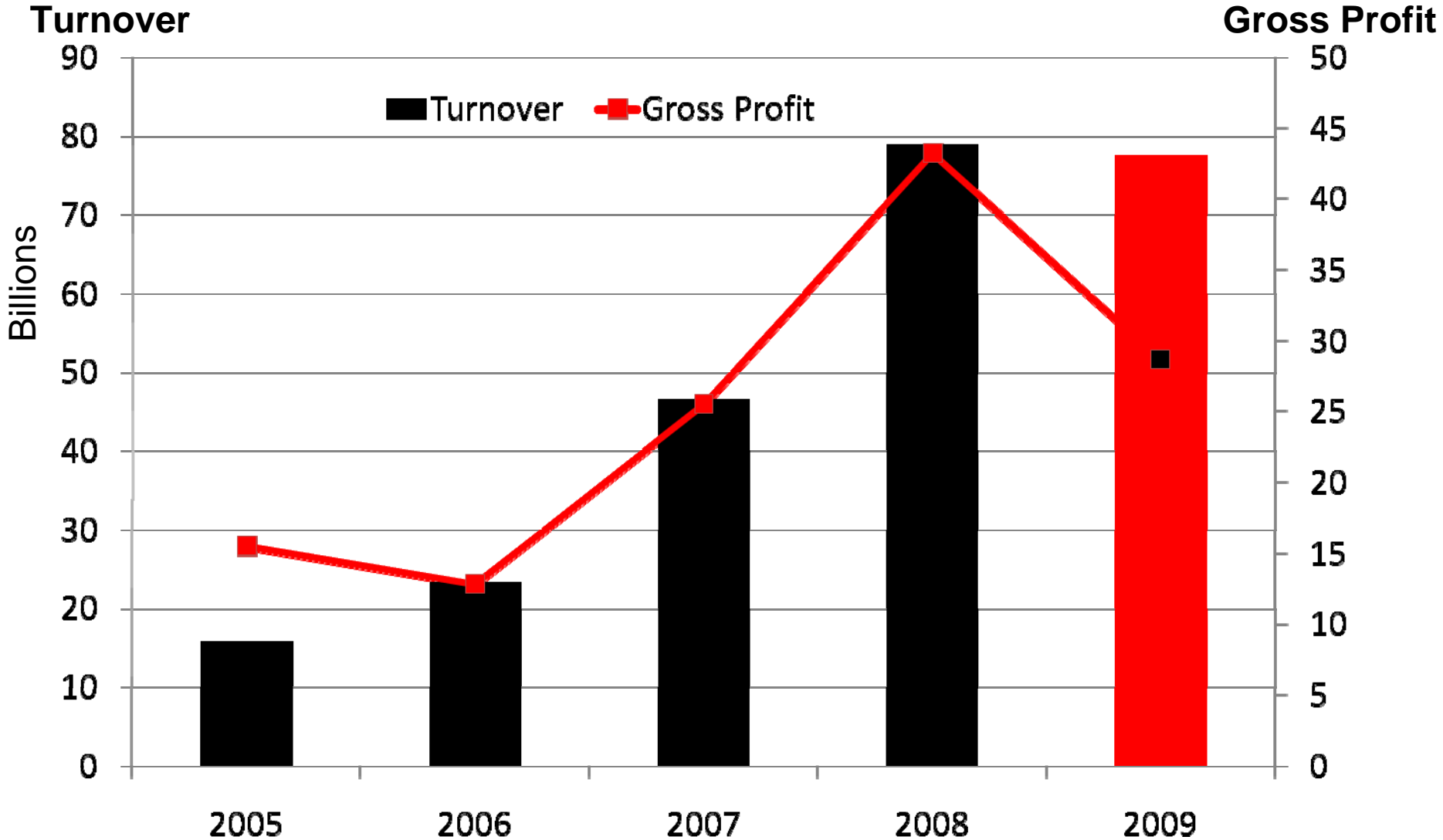
# Edible Oil Division



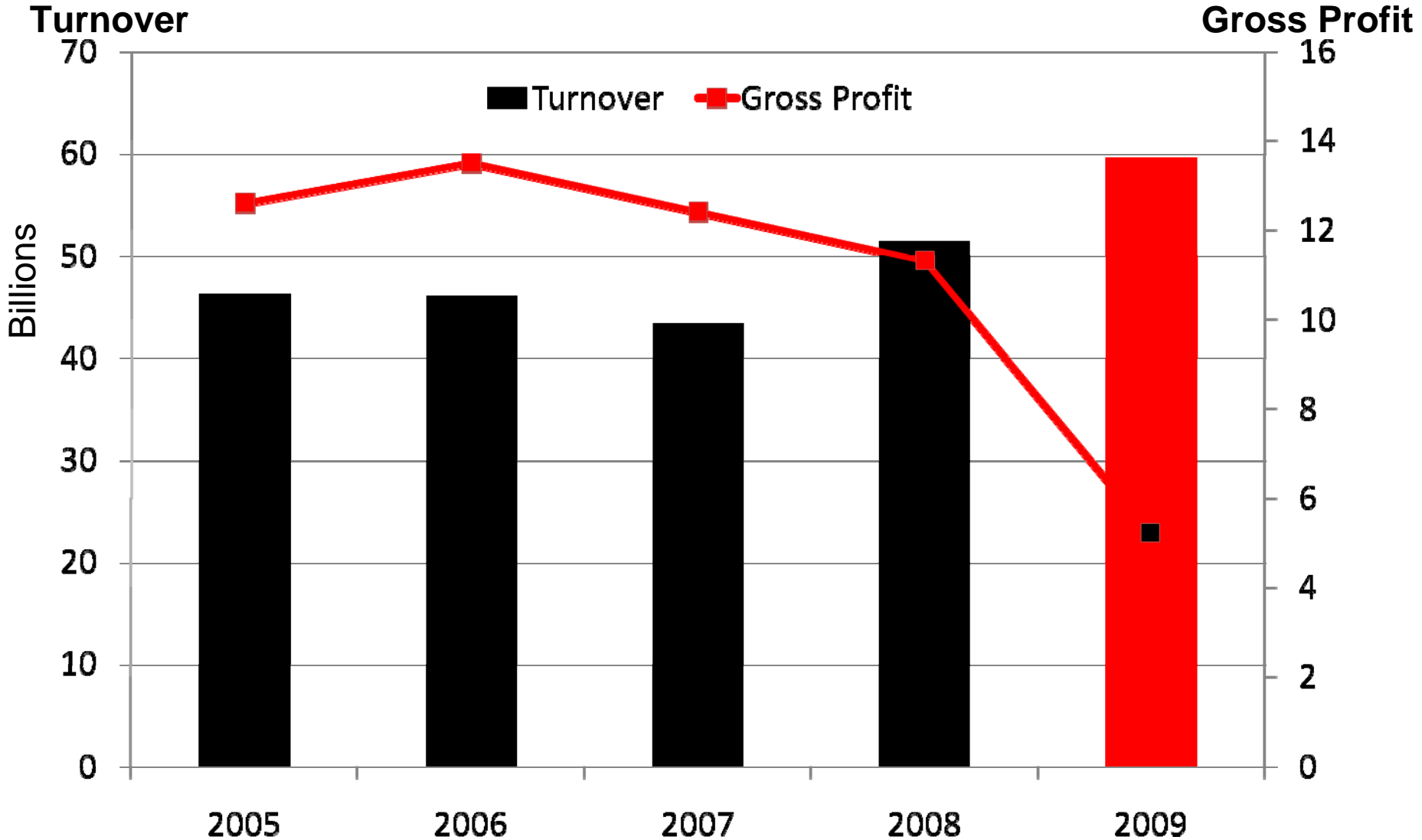
# Beef Division



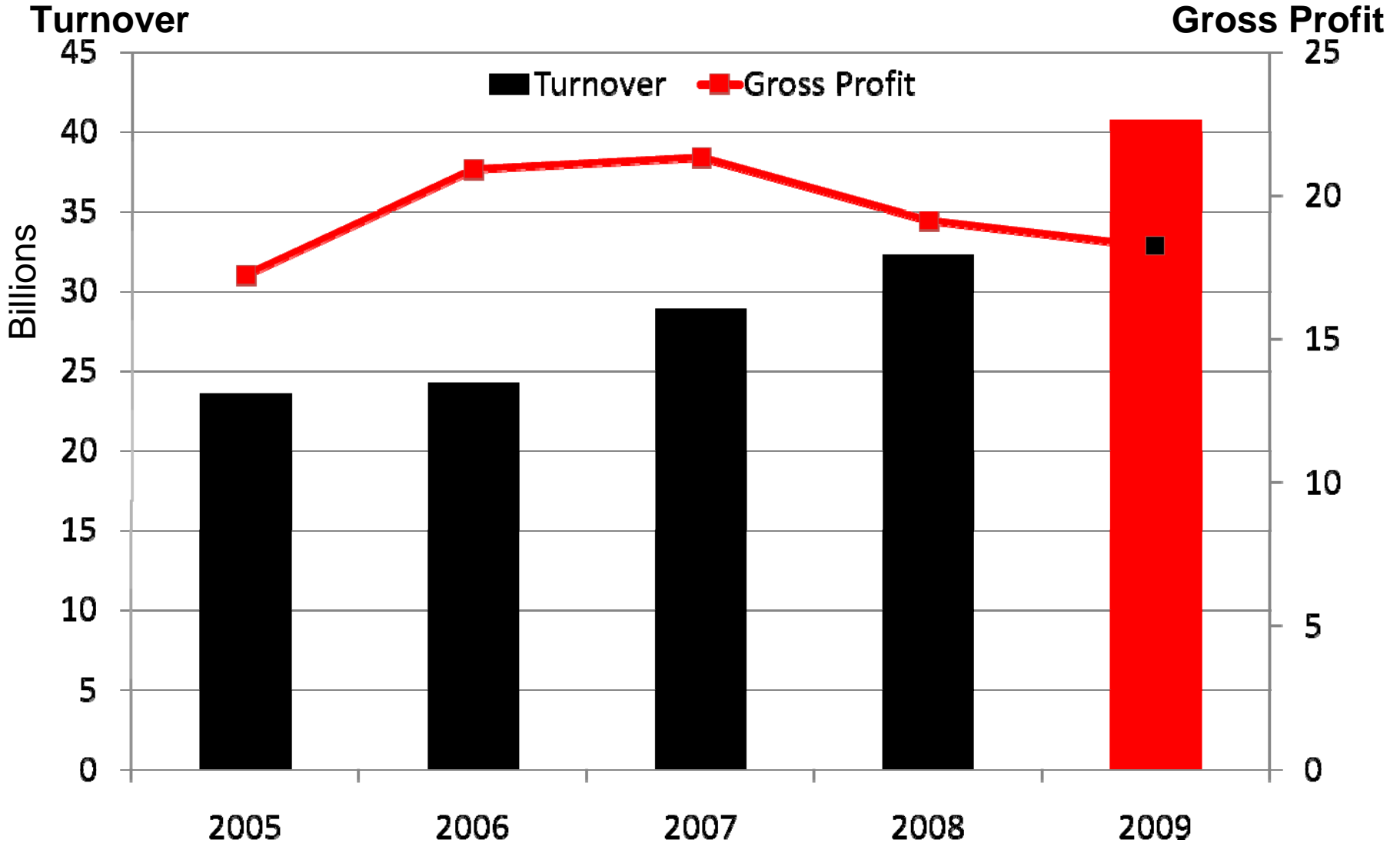
# Crops Division



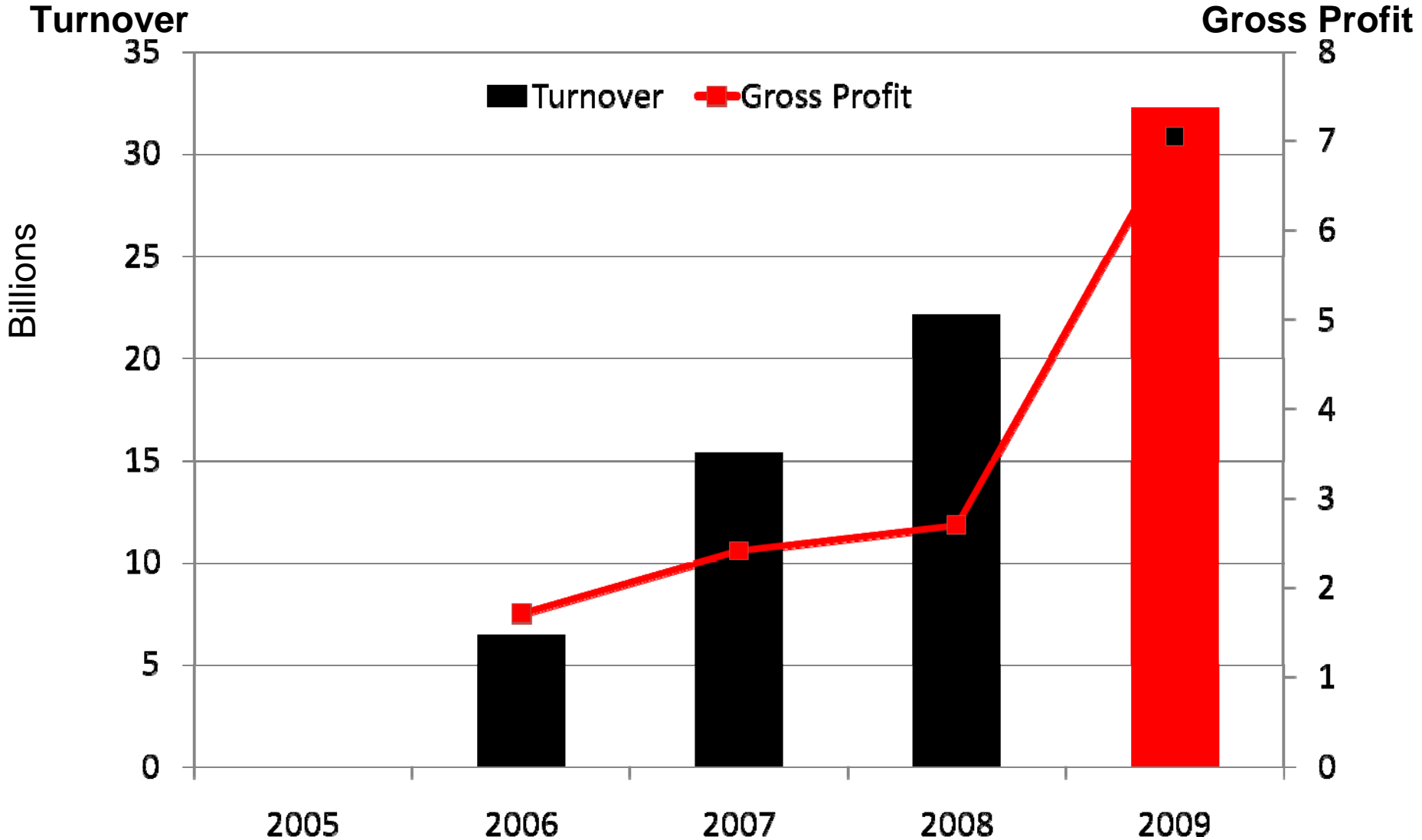
# Chicken Division



# Milk Division

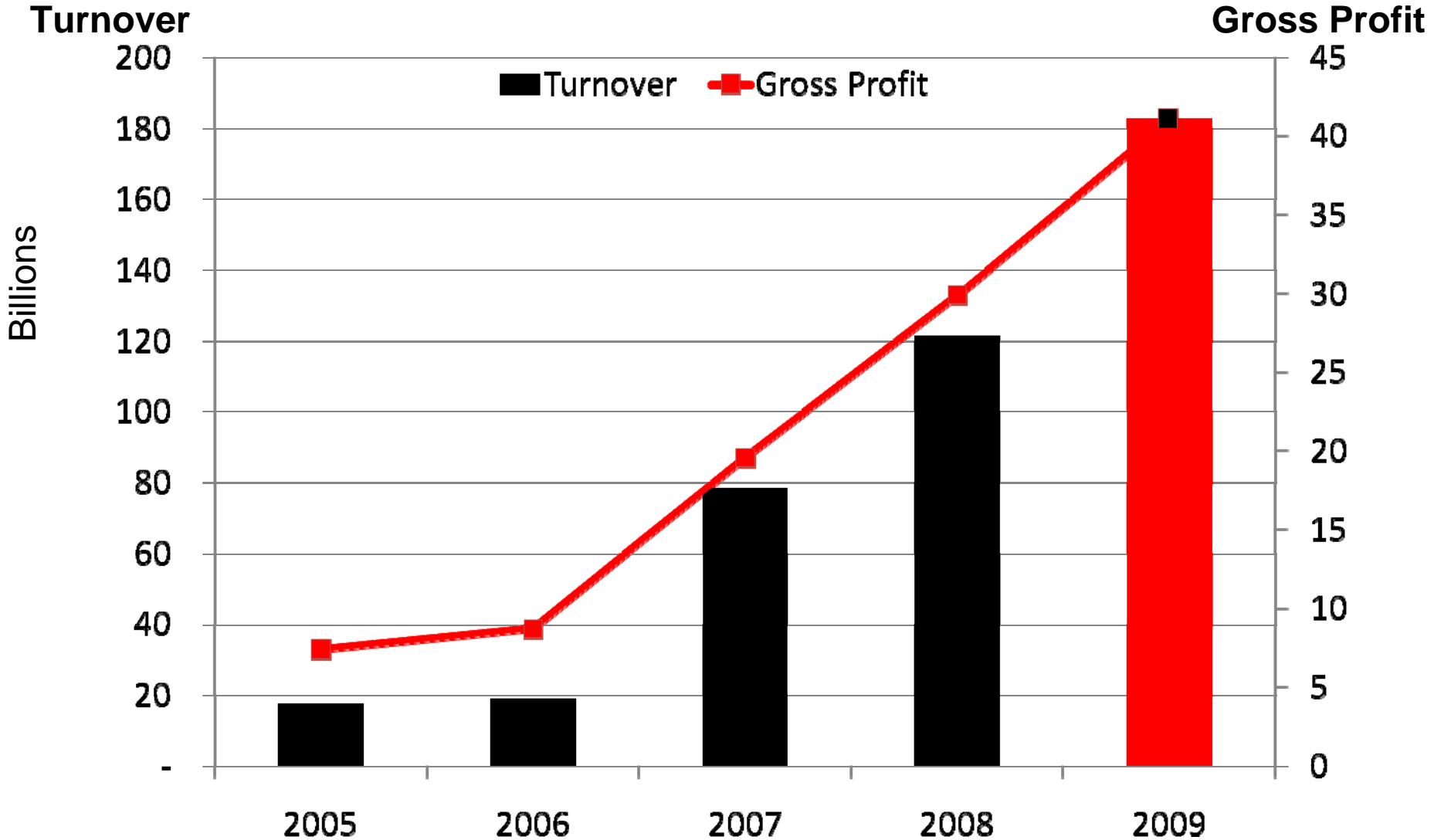


# West Africa Division





# Other Division





# Capital Expenditure

---

1. Expansion of Nigeria operations.
2. Commissioning of new stock feed plant.
3. Expansion & upgrading of retail outlets.
4. Expansion of Masterpork piggery.
5. Roll out of Palm plantation.



# Q & A