

ZAMBEEF PRODUCTS PLC

FINANCIAL REVIEW
HYE 31ST MARCH 2010



Background



1. Recovering global economies
2. Volatility of copper prices
3. Volatility of the Zambian Kwacha
4. Macro-economic factors
5. Low commodity prices



Abridged Income Statement



K Millions	ACTUAL	ACTUAL	ACTUAL	ACTUAL	% CHANGE TO ACTUAL	% CHANGE TO ACTUAL
	P/E 31.03.10	P/E 31.03.09	P/E 31.03.09 (Excl Nanga)	Y/E 2009	%	(excl Nanga) %
Turnover	356,567	336,531	321,838	697,317	5.95%	10.79%
Gross Profit	113,434	128,638	108,938	219,176	-11.82%	4.13%
Profit on Disposal of Subsidiary	0	64,838	64,838	65,790	0.00%	0.00%
Administrative expense	(103,477)	(100,003)	(96,125)	(202,740)	-3.47%	-7.65%
Foreign exchange gains/(losses)	888	(103,104)	(89,068)	(66 519)	> 100%	> 100%
Profit before Taxation	7,774	(15,991)	(17,871)	3,853	148.62%	143.50%
Income Tax credit/ (expense)	4,156	16,665	16,127	12,164	-75.06%	-74.23%
Profit after Taxation	11,930	675	(1,745)	16,017	1667.41%	783.73%
Weighted Average EPS (Kwacha)	74.87	1.15	(10.99)	99	6410.17%	781.23%
EBITDA	24,004	3,528	(564)	22,415	580.38%	4354.22%
Gross Profit Margin	31.81%	38.22%	33.85%	31.40%	-16.77%	-6.01%
Net Profit Margin	3.35%	0.20%	-0.54%	2.30%	1568.09%	717.14%

Financial Summary



- Profit after tax with significant improvement on H/E 31st March 2009 (> ZMK 11 billion).
- EBITDA showing significant improvement on H/E 31st March 2009 (> ZMK 21 billion).
- GP Margins increased from 31.4% for Y/E 2009 to 31.8% for the period against margins of 33.8% (excl. Nanga) for H/E 31st March 2009. Expected improvement in second half.
- Administration expenses were up 7.65% (excl. Nanga) from H/E 31st March 2009 and below Zambian inflation rates.
- Reducing Administration costs has been one of the key priority areas for management. Areas under focus:
 - 1) Staff Costs – reduction through improved union negotiations and control on top management salaries.
 - 2) Motor vehicle expenditure – improvement in operational efficiency leading to reduction in costs.
 - 3) Telephones, fuel, petty cash, e.t.c. – reduction in excess of ZMK 200 million per month.
 - 4) Specific responsibility for every administration cost line is continuously being reviewed and monitored with reductions where possible.

Abridged Cash Flow



	ACTUAL	ACTUAL
K Millions	P/E 31.03.10	Y/E 2009
Profit Before Taxation	7,774	3,853
EBITDA	24,004	22,415
Movement in Working Capital	22,157	(6,692)
Cash inflow/(outflow) from Operating activities	46,161	15,723
Cash outflow on return on investments and servicing of finance	(3,420)	(25,095)
Purchase of PPE	(48,038)	(139,008)
Purchase of goodwill	-	-
Proceeds from disposal of subsidiary	-	163,056
Cash inflow/(outflow) from/(on) investment activities	(47,975)	27,620
Cash inflow/(outflow) from financing	110,696	(11,340)
Cash at beginning of year	(121,185)	(85,192)
Effects of exchange rate changes	888	(41,063)
Cash at end of year	(12,664)	(121,185)

Abridged Balance Sheet



K Millions	ACTUAL	ACTUAL	ACTUAL
	P/E 31.03.10	P/E 31.03.09	Y/E 30.09.09
Non Current Assets	506,806	419,906	472,352
Current Assets	217,929	368,403	239,215
TOTAL ASSETS	724,735	788,309	711,567
Capital and Reserves	456,834	436,622	445,227
Non-Current Liabilities	149,096	46,880	56,600
Current Liabilities	118,805	304,807	209,740
TOTAL EQUITY AND LIABILITIES	724,735	788,309	711,567
Ratios			
Current Ratio	1.83	1.21	1.14
Total Debt / Equity Ratio	40.25%	41.61%	40.81%

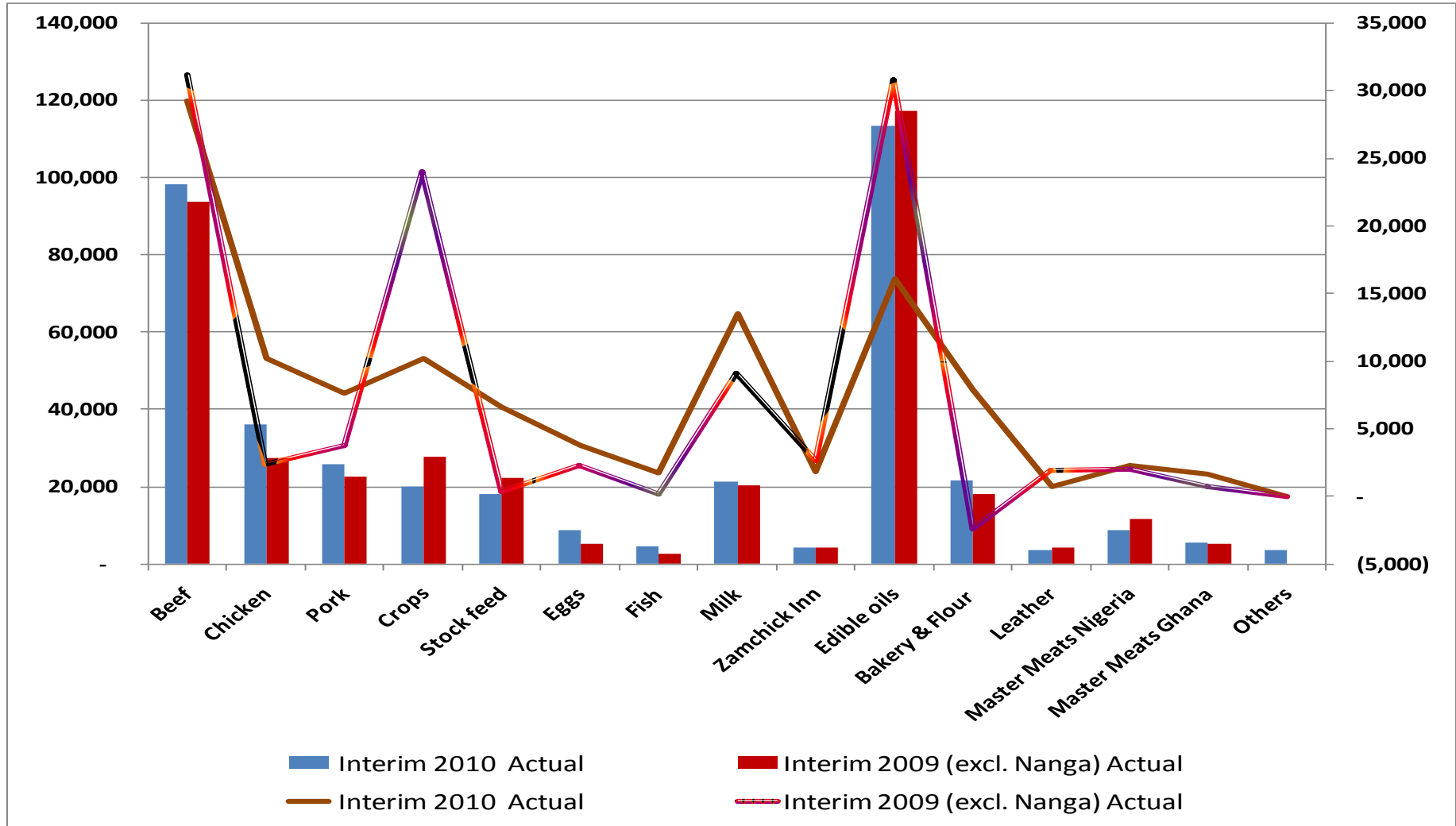


Segmental Performance



Turnover (ZMK Million)

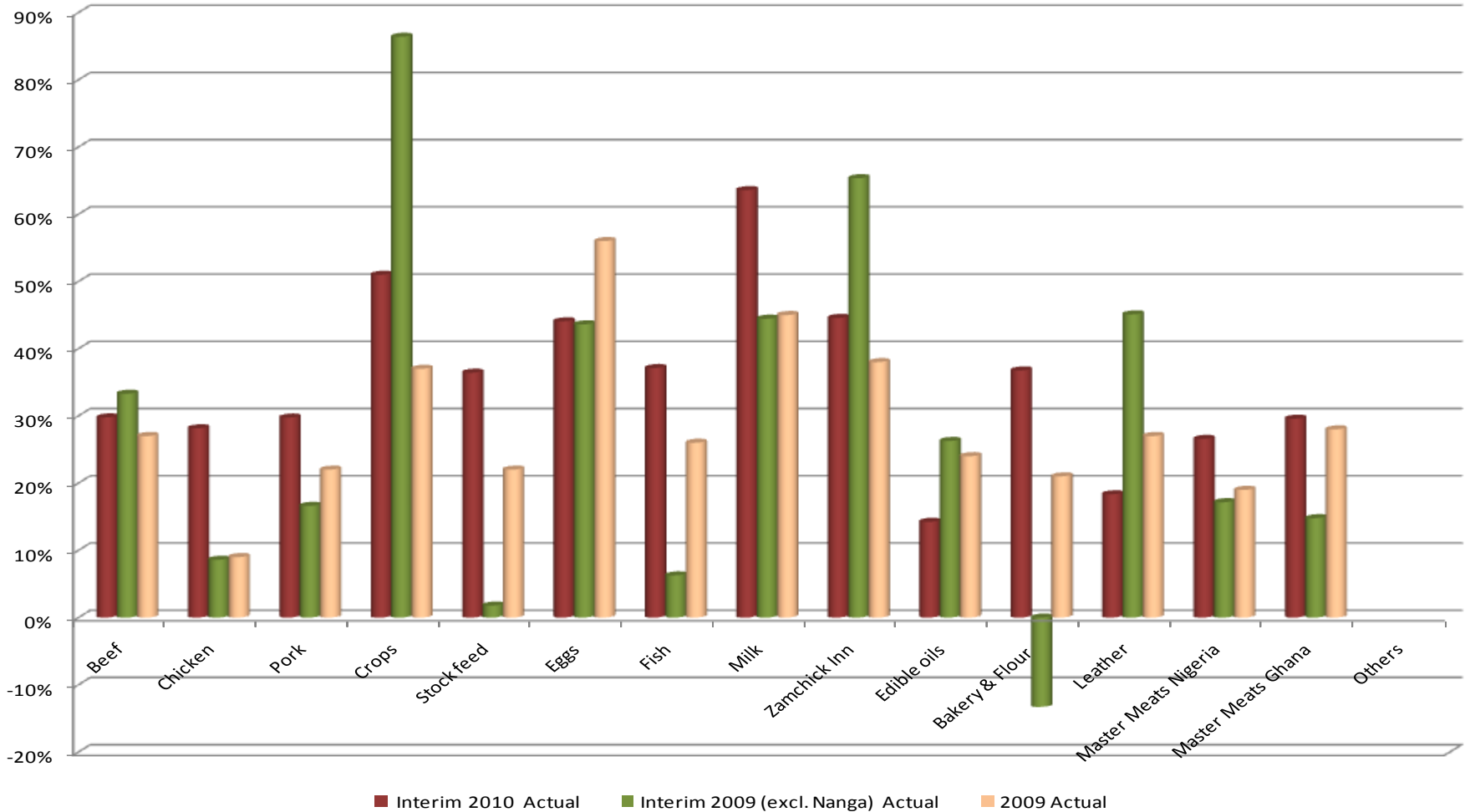
Gross Profit (ZMK Million)



Segmental Performance



GP Margin Segmental Review



Dairy



Future Strategy

1. Expansion and upgrade of Retail Network.
2. Wholesale Depots.
3. Synergies from Chiawa Farms expansion and Novatek Stock Feed Plant commencement.
4. Nigeria.
5. Palm.

