



**ZAMBEEF**

# FINANCIAL REVIEW

FYE 30<sup>TH</sup> SEPTEMBER 2010

# Background

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11% **TURNOVER**



185% **EBITDA**



86% **OPERATING PROFIT**



26% **EARNINGS PER SHARE**

## Positive Factors

1. Recovering global economies
2. Increase in copper prices
3. Low inflation and interest costs
4. Increasing wheat and soya prices
5. High demand for products
6. Large disposable income base
7. Focus on agricultural sector

## Adverse Factors

1. Volatility of the Zambian Kwacha
2. Low maize prices
3. Adverse weather patterns
4. Availability of cattle



# Abridged Income Statement

	ACTUAL	ACTUAL	% CHANGE TO ACTUAL
K Millions	Y/E 2010	Y/E 2009	%
Turnover	770,528	697,317	10.50%
Gross Profit	242,144	219,176	10.48%
Other Income	290	1,742	(83.33%)
Administrative expense			
<i>Admin expense excl Depreciation</i>	(179,990)	(178,169)	(1.02%)
<i>Depreciation</i>	(28,683)	(24,572)	(16.73%)
<b>Operating Profit</b>	<b>33,761</b>	<b>18,177</b>	<b>85.73%</b>
Profit on Disposal of Subsidiary	-	65,790	(100.00%)
Interest Costs	(10,236)	(13,595)	24.71%
Foreign exchange gains/(losses)	(7,991)	(66,519)	87.99%
<b>Profit before Taxation</b>	<b>15,534</b>	<b>3,853</b>	<b>303.21%</b>
Income Tax credit/ (expense)	4,286	12,164	(64.76%)
<b>Profit after Taxation</b>	<b>19,820</b>	<b>16,017</b>	<b>23.75%</b>
Weighted Average EPS (Kwacha)	124.69	98.73	26.29%
EBITDA	63,966	22,415	185.37%
Gross Profit Margin	31.43%	31.43%	(0.0%)
<b>Net Profit Margin</b>	<b>2.57%</b>	<b>2.25%</b>	<b>0.32%</b>

# Abridged Cash Flow

	ACTUAL	ACTUAL	ACTUAL
K Millions	Y/E 2010	Y/E 2009	Y/E 2008
Profit Before Taxation	15,534	3,853	44,195
EBITDA	63,966	22,415	65,039
Movement in Working Capital	2,631	(6,692)	(92,413)
<b>Cash inflow/(outflow) from Operating activities</b>	<b>66,597</b>	<b>15,723</b>	<b>(27,374)</b>
Cash outflow on return on investments and servicing of finance	(10,236)	(25,095)	(18,118)
Taxation	1,907	(1,838)	(3,714)
Purchase of PPE	(88,650)	(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>(88,650)</b>	<b>27,620</b>	<b>(296,459)</b>
<b>Cash inflow/(outflow) before Finance activities</b>	<b>(30,381)</b>	<b>16,410</b>	<b>(345,665)</b>
Cash inflow/(outflow) from financing	108,042	(11,340)	276,722
<b>Cash at beginning of year</b>	<b>(121,185)</b>	<b>(85,192)</b>	<b>(16,683)</b>
Effects of exchange rate changes	(8,351)	(41,063)	433
<b>Cash at end of year</b>	<b>(51,874)</b>	<b>(121,185)</b>	<b>(85,192)</b>
Interest cover by EBITDA	6.25	1.65	8.11
Debt Service Coverage	2.92	0.37	3.34

# Abridged Balance Sheet

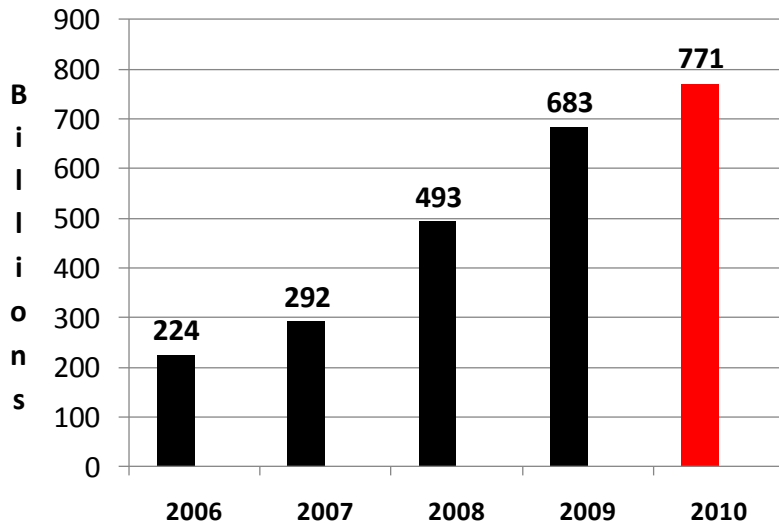
	ACTUAL	ACTUAL	ACTUAL
K Millions	Y/E 2010	Y/E 30.09.09	Y/E 30.09.08
Non Current Assets	530,361	472,352	455,491
Current Assets	248,909	239,215	263,449
<b>TOTAL ASSETS</b>	<b>779,270</b>	<b>711,567</b>	<b>718,940</b>
Capital and Reserves	456,425	445,227	439,444
Non-Current Liabilities	144,795	56,600	74,721
Current Liabilities	178,051	209,740	204,775
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>779,270</b>	<b>711,567</b>	<b>718,940</b>
<b>Ratios</b>			
<b>Current Ratio</b>	1.4	1.1	1.3
<b>Total Debt / Equity Ratio</b>	48.33%	40.81%	34.41%



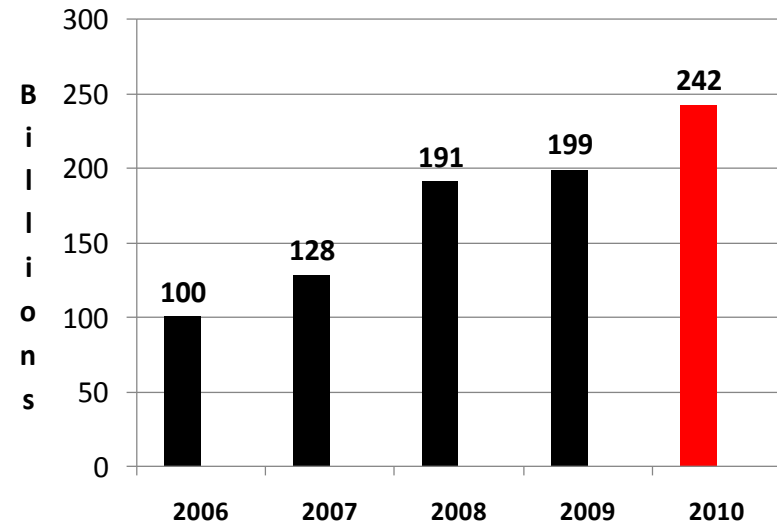
# Financial Summary



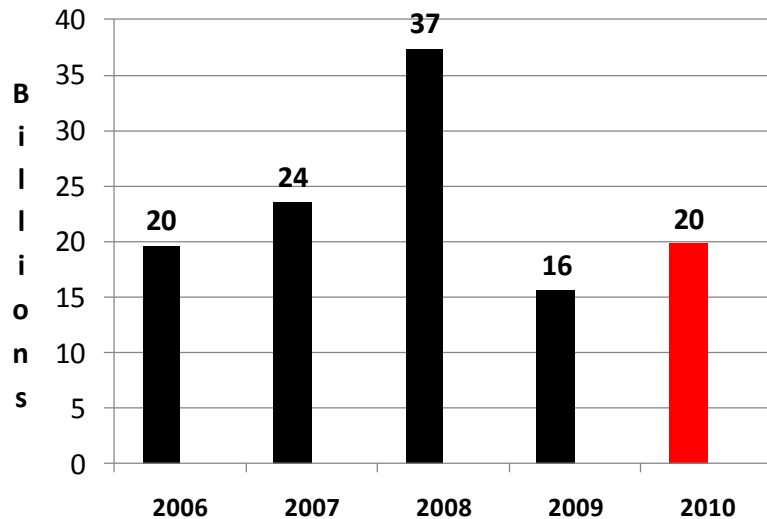
Turnover ZMK



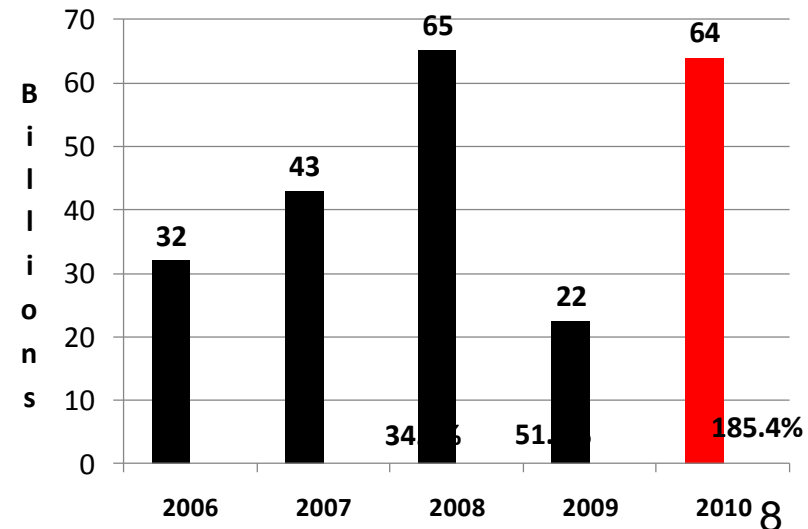
Gross Profit ZMK



Profit after tax ZMK

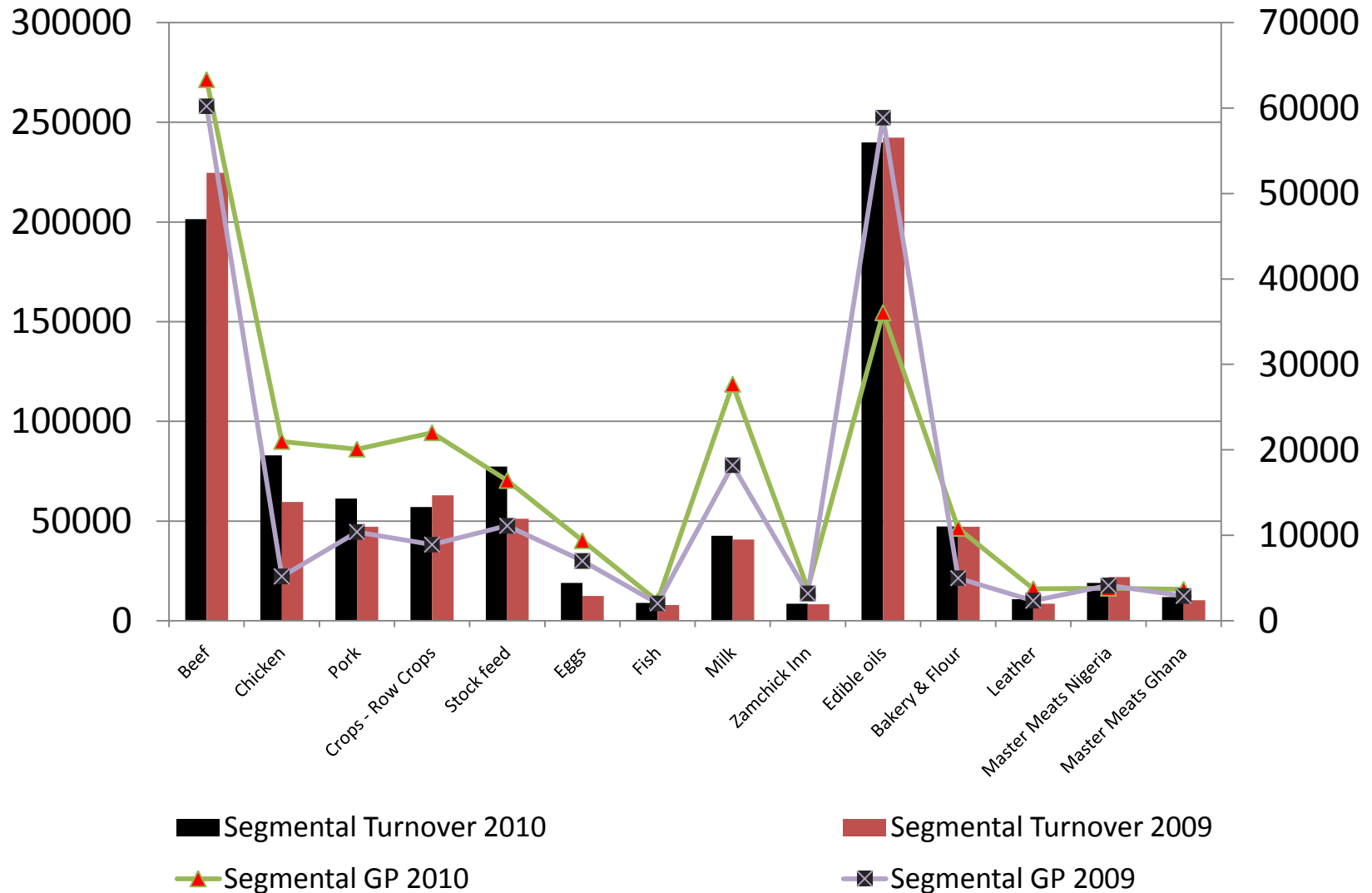


(EBITDA) ZMK





# Segmental Performance

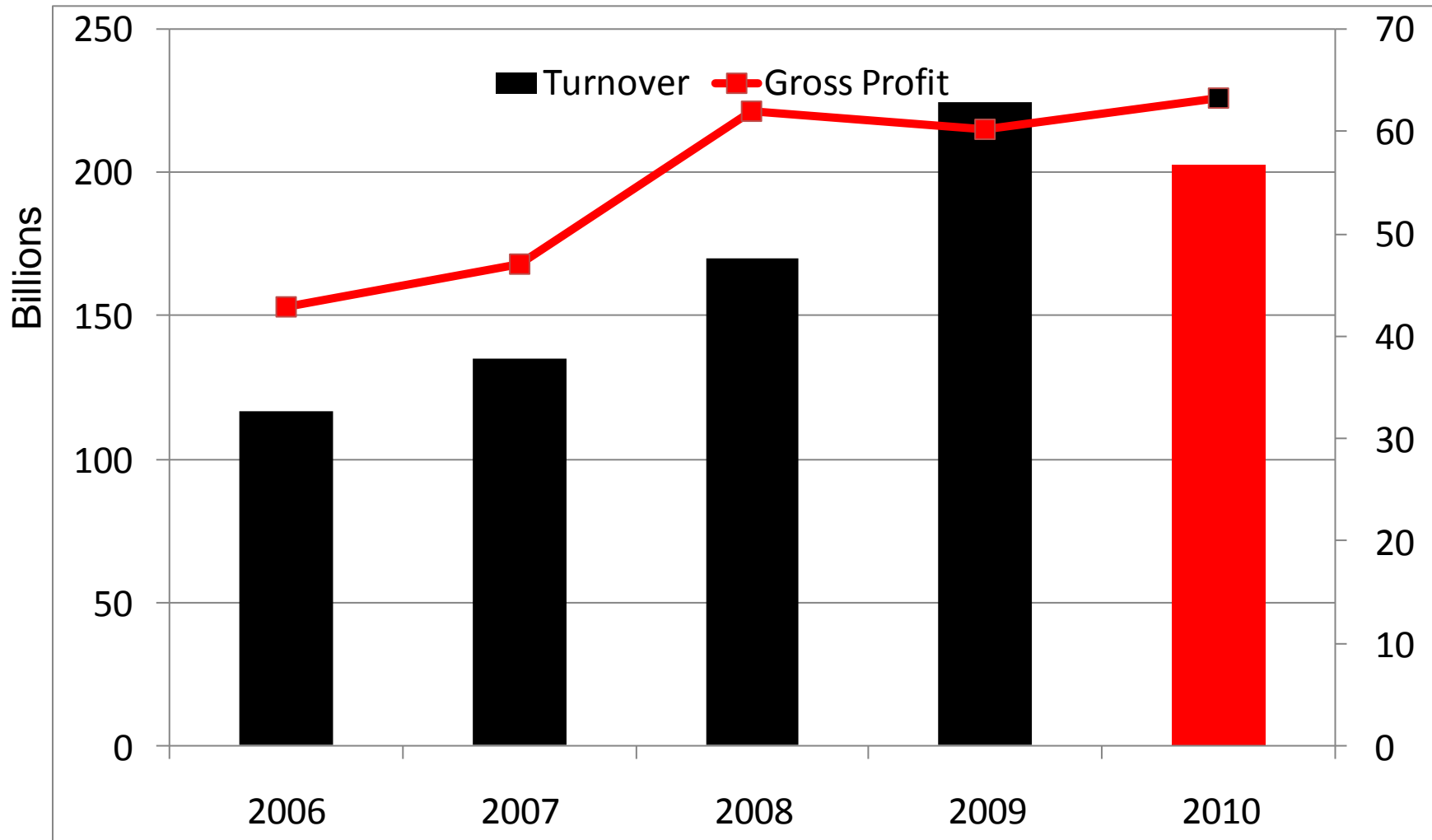


# Beef Division



Turnover

Gross Profit

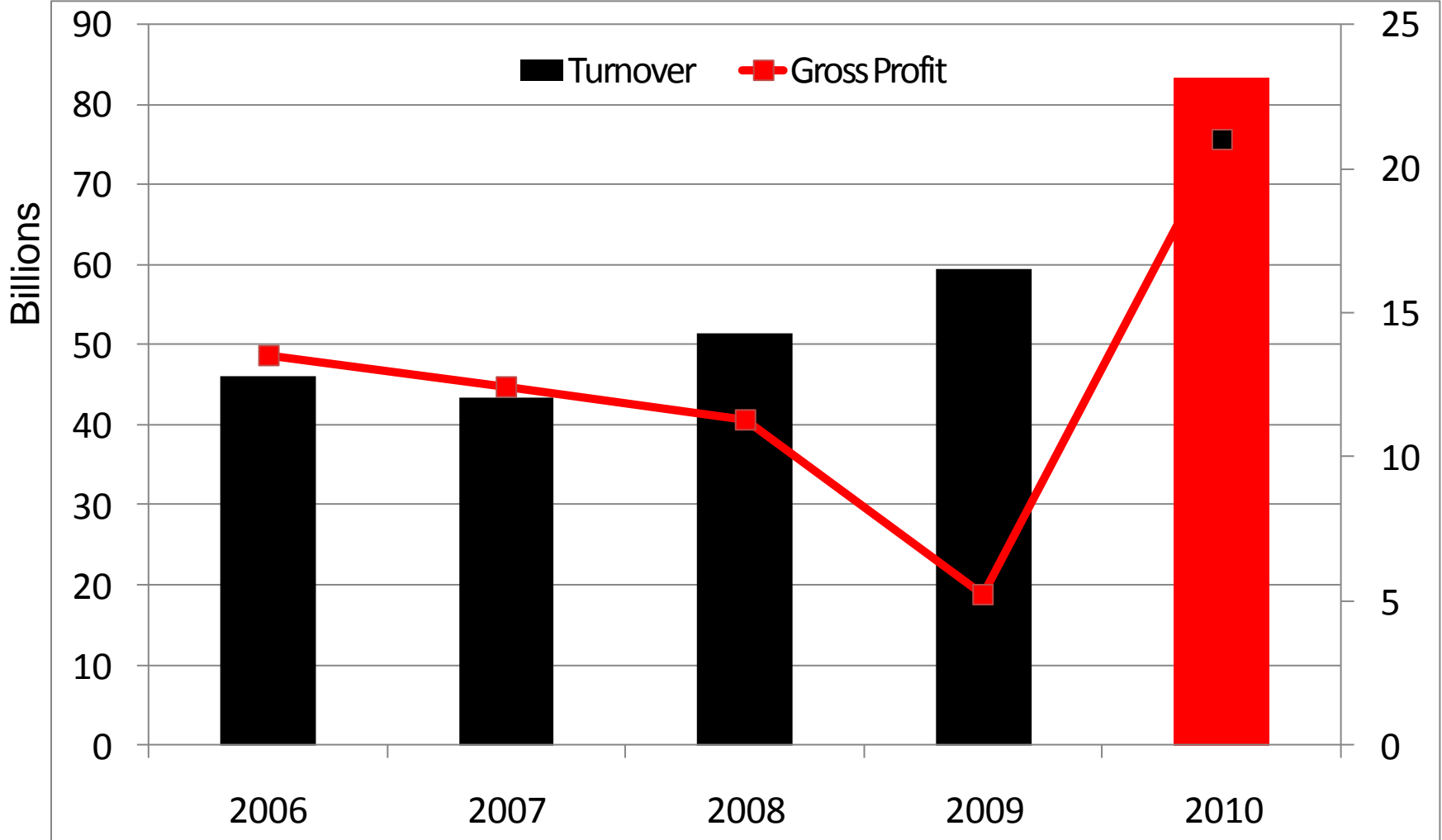


# Chicken Division



Turnover

Gross Profit

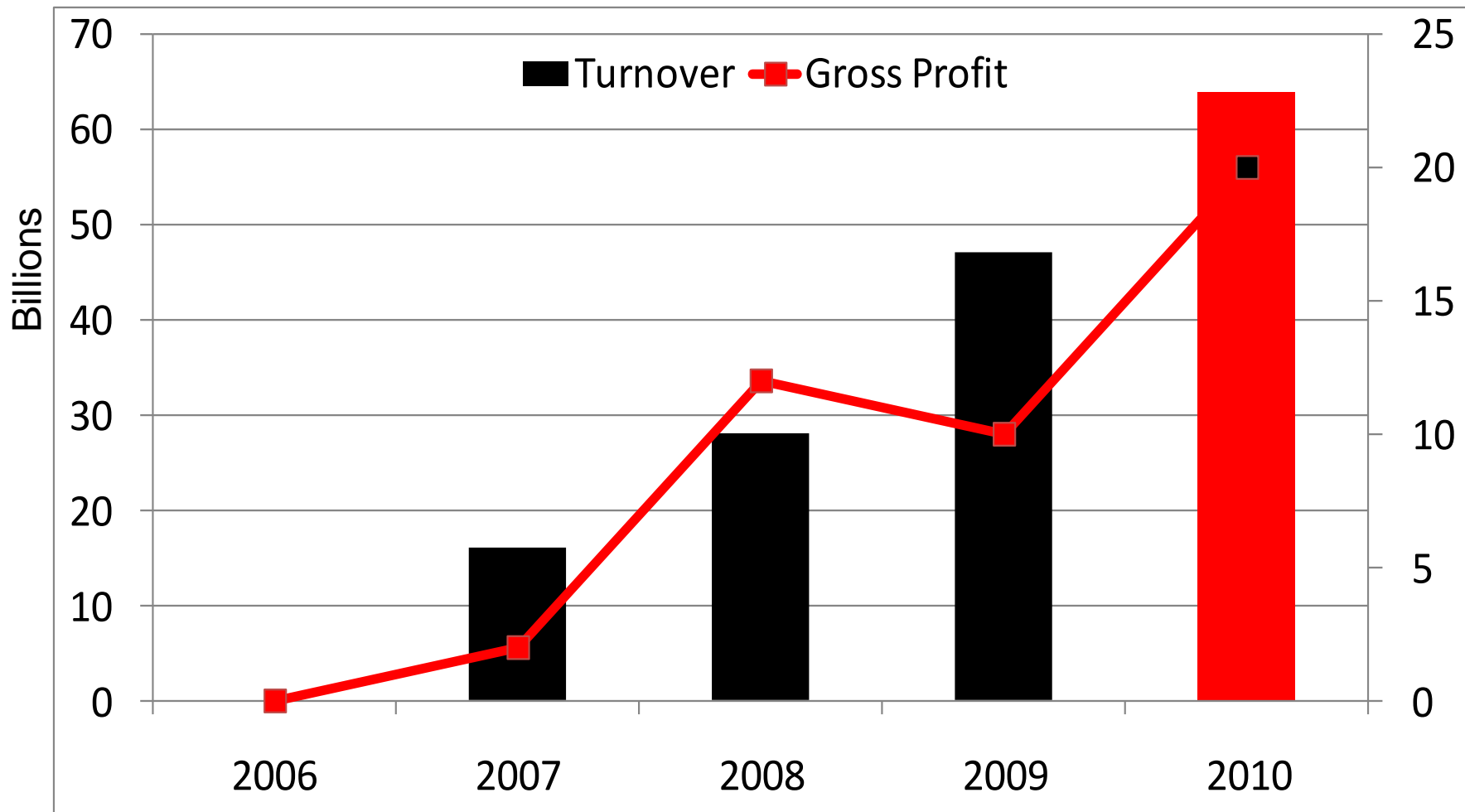


# Pork Division



Turnover

Gross Profit

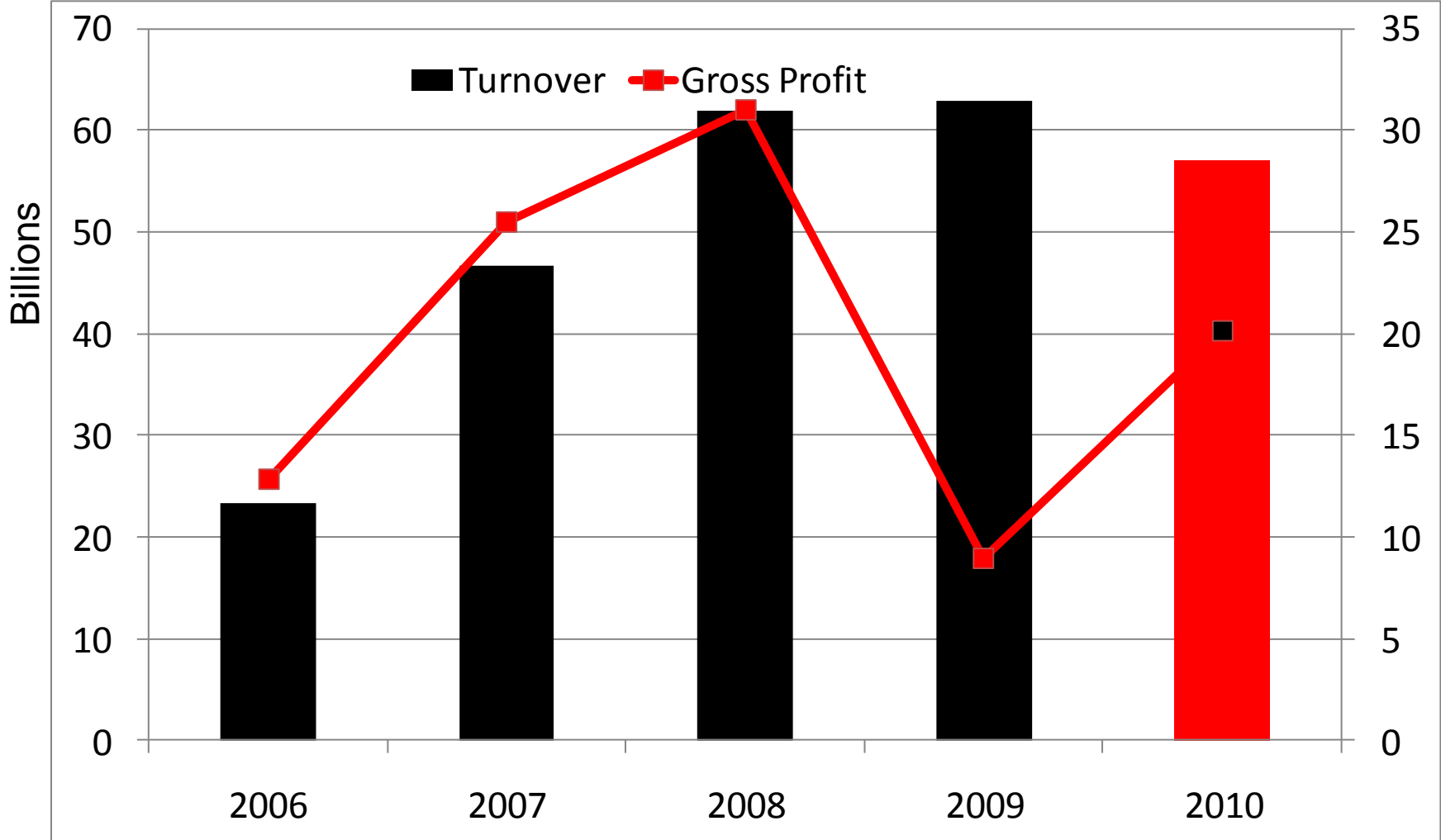


# Crops Division



Turnover

Gross Profit

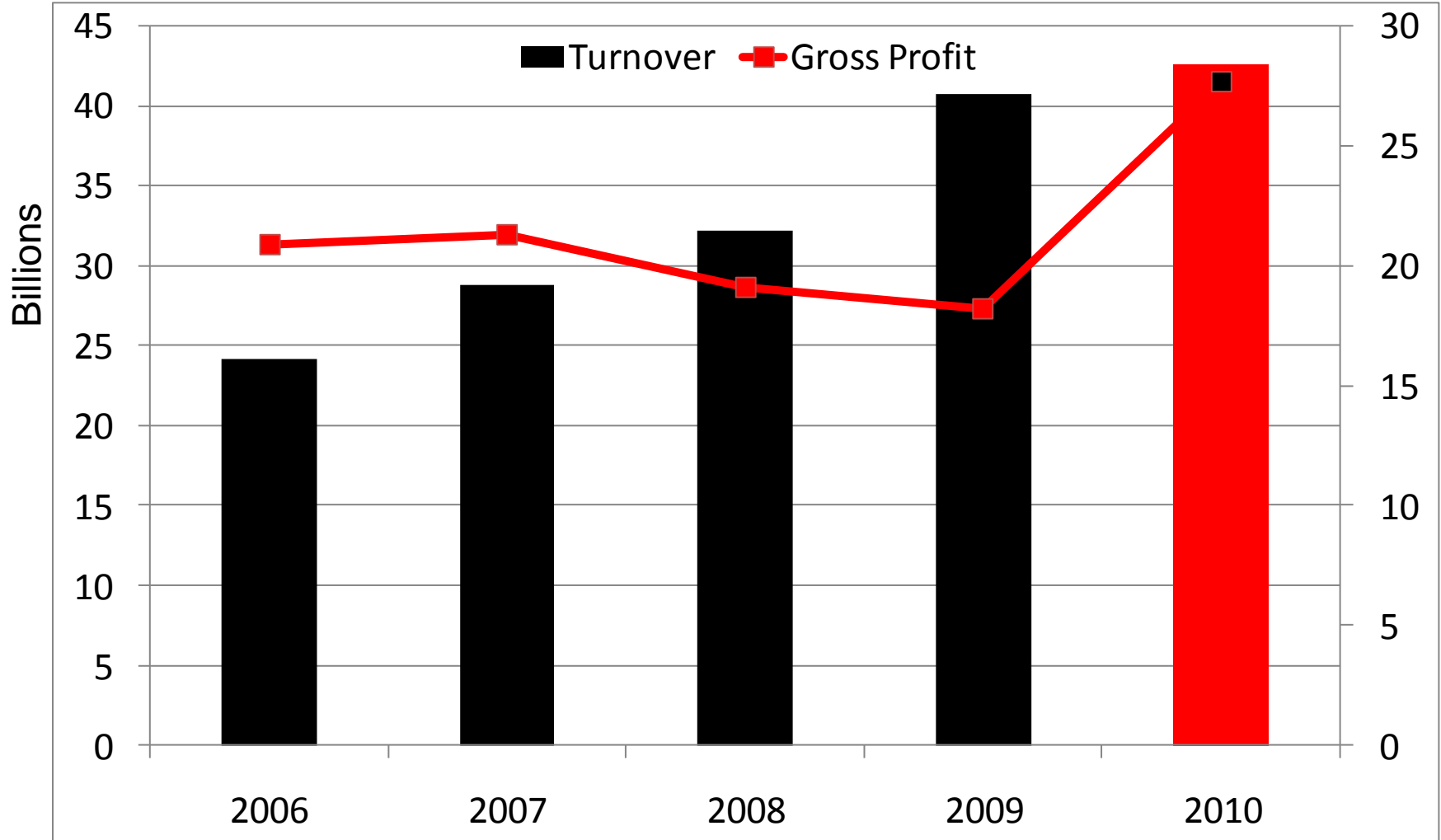


# Milk Division

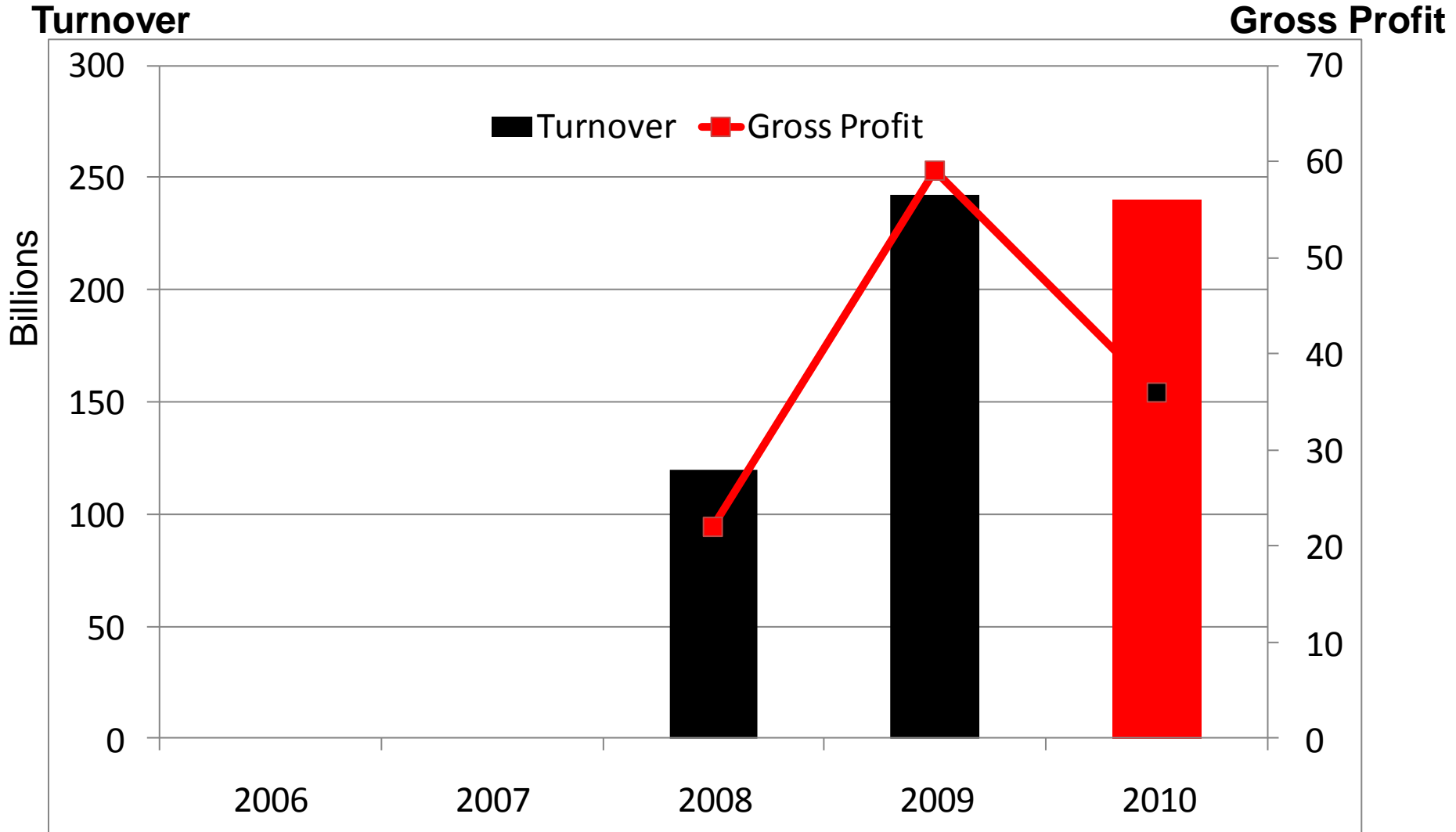


Turnover

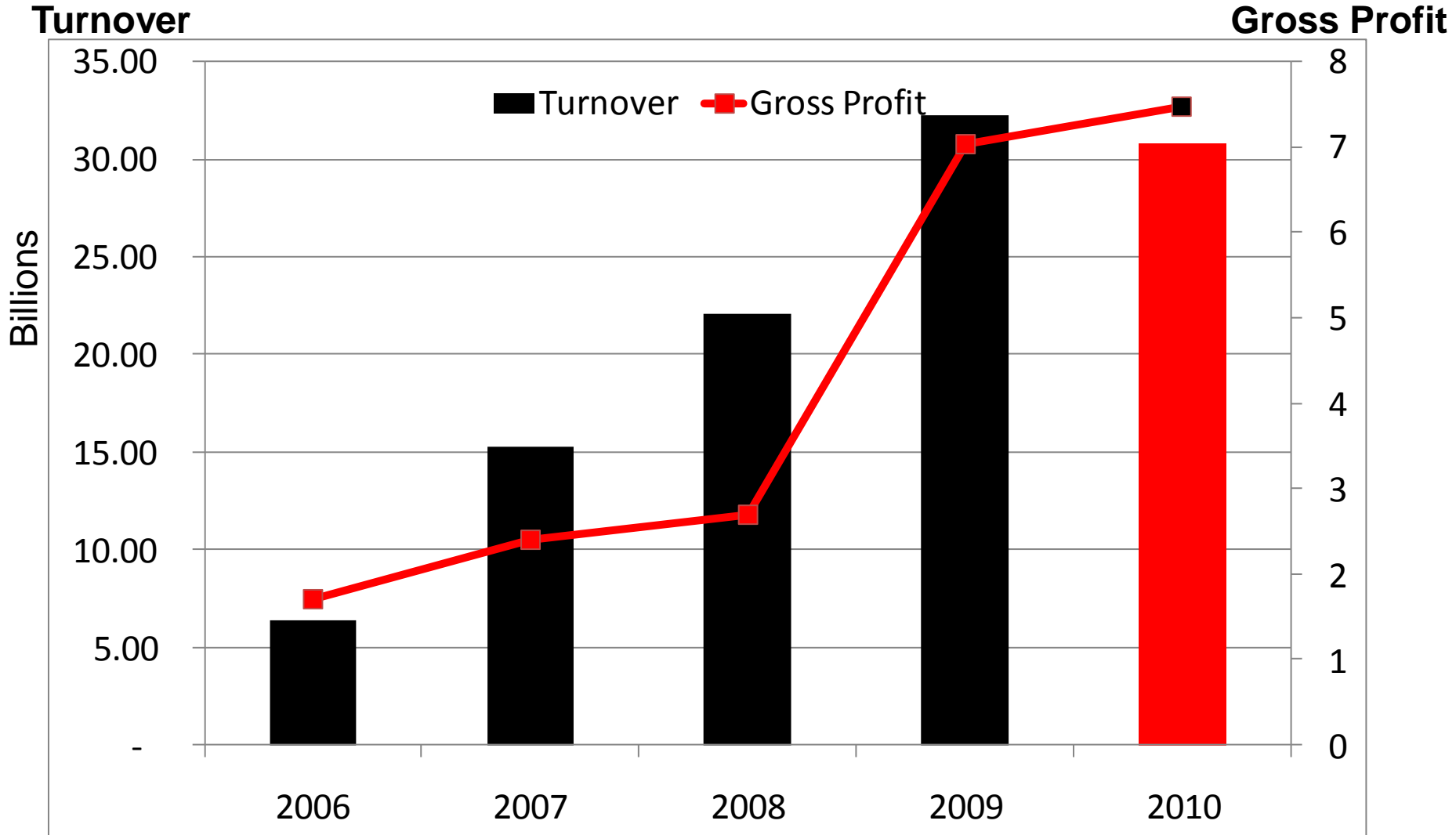
Gross Profit



# Edible Oil Division

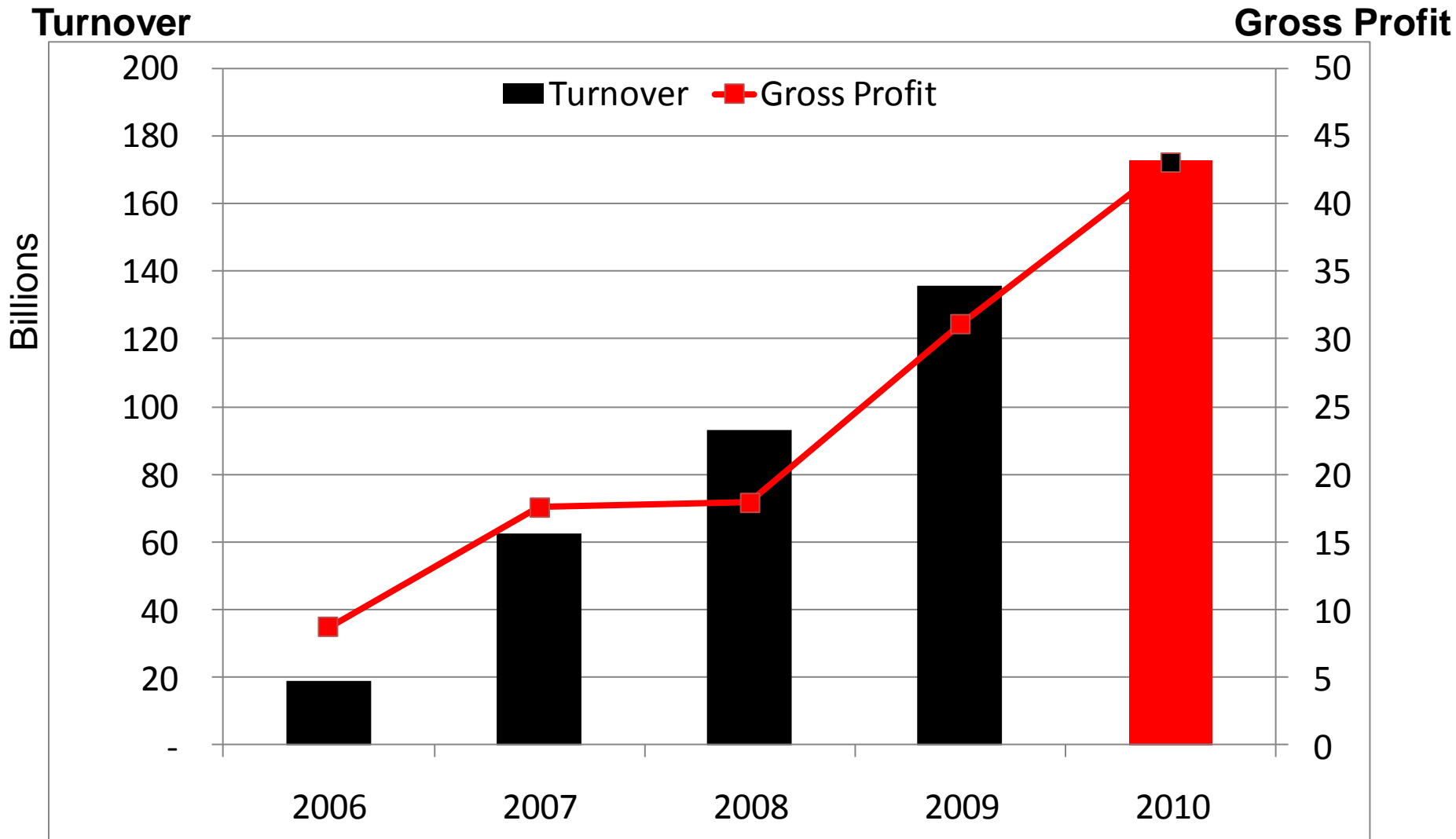


# West Africa Division





# Other Divisions





# Debt Review



## Drawn Debt

	<b>2010</b>	<b>2009</b>
	<b>ZMK Million</b>	<b>ZMK Million</b>
Short Term	51,874	121,185
Long Term	168,547	60,505
Total	<u>220,421</u>	<u>181,690</u>

## Debt by Limits

	<b>2010</b>	<b>2009</b>
	<b>ZMK Million</b>	<b>ZMK Million</b>
Working Capital Facilities	154,957	195,755
Term Facilities	168,547	60,505
	<u>323,504</u>	<u>256,260</u>
% of Short Term to Total Debt	23.53%	66.70%
% of Long Term to Total Debt	76.47%	33.30%

2009 - 12% of debt in ZMK at a weighted cost of 20% per annum

2010 - 9% of debt in ZMK at a weighted cost of 16% per annum

2009 & 2010 weighted cost of US\$ debt largely unchanged at 6%



0 31

0 29

0 28

# Future Strategy

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1. Expansion and upgrade of Retail Network.
2. West Africa.
3. Zamanita.
4. Chiawa.
5. Expansion of existing operations.
6. Zimbabwe.
7. Major acquisition in the pipeline.



# Q & A