



Zambeef Products plc
("Zambeef" or the "Group")

Unaudited Results for the Six Months Ended 31 March 2012

Zambeef (AIM: ZAM), the fully integrated agri-business with operations in Zambia, Nigeria and Ghana, is pleased to announce its results for the six month period ended 31 March 2012.

Financial Highlights

• Revenue	up 32% to USD127.6m	(2011 USD96.7m)
• Gross Profit*	up 47% to USD44.7m	(2011 USD30.4m)
• EBITDA*	up 91% to USD15.3m	(2011 USD8.0m)
• Pre Tax Profit *	up 53% to USD8.1m	(2011 USD5.3m)

*excludes the USD9.7m provision for the tax assessment issued on Zamanita Ltd. See below for a full explanation.

Operational Highlights

- Significant revenue growth across the Group's businesses with the strongest divisional growth being, cropping (up 187%), chicken and eggs (up 68%), stock feed (up 50%), and the West African operations (up 45%).
- The integration of Mpongwe Farm operations into the cropping division has gone well with the farm producing in excess of 27,000 MT of soya beans.
- In Zambia two new retail outlets opened and four existing outlets refurbished. In West Africa, in partnership with Shoprite, two new stores opened.
- The Group continued its expansion of production capacity with the following projects underway:
 - Expansion and upgrade of Zamanita's crushing capacity to 100,000 MT of soya beans per annum at a cost incurred during the period of ZMK22.2 billion (USD4.3m), the completion of which is expected in the second half of the financial year ended 30 September 2012.
 - Upgrade and expansion of processing facilities at Master Pork Limited at a capital cost of approximately ZMK18 billion (USD3.5 million), which has been completed during the period.
 - Expansion and upgrade of the dairy processing plant at a total cost to date of ZMK4.3 billion (USD0.8m), completion of which is expected by 30 September 2012.
 - Increase in the dairy herd through the purchase of 180 in-calf heifers at a cost of ZMK2.1 billion (USD0.4m).

The Group has increased its farming hectareage by 10,600 Ha via the acquisition of Mpongwe Farms, increased its grain in silos by over 8,000 MT, and increased its operating stocks as a result of continued expansion in production capacity. In the future, there will be a large increase in soya bean stocks held by Zamanita to meet the increased throughput capacity following completion of the refurbishment. Further, continued production and demand increases in the other operating divisions will require increased working capital utilisation.

Dividend

While the increased farming operations and expansion of Zamanita will lead to a large outflow of the Group's financial resources during the current financial year, the benefits of growth undertaken during FY2011 together with the further capital expenditure being undertaken in the current financial year is expected to be received from FY2013 onwards. Accordingly there will be no interim dividend.

Commenting on the results, Chairman Dr. Jacob Mwanza, said:

"We are happy to see continued strong performance of our core business areas, aided by the continued growth of the Zambian economy, together with the expansion of Zambef's operations. Our main challenges have been the weakening of the Zambian Kwacha (particularly against the US Dollar) the ZRA Zamanita tax liability, and supply and/or capacity constraints in meeting continued growth in demand for our core products. However, we continue to build on our robust infrastructure to meet growing demand and, combined with our strong management team, our vertically integrated model, and largely positive economic factors, we are well positioned to become a leading food provider in the region."

For further information, please contact:

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Notes to Editors

The Zambeef Group is one of the largest integrated agri-businesses in Zambia, involved in the primary production, processing, distribution and retailing of beef, chickens, pork, milk, eggs, dairy products, fish, flour, bread, edible oils and stock feed, throughout Zambia and the surrounding region, as well as Nigeria and Ghana. The Group is also one of the largest cereal row cropping operations in Zambia, with approximately 8,350 hectares of irrigated land and approximately 8,650 hectares of dry land, available for planting each year.

The Group has approximately 5,500 employees.

Further information can be found on www.zambeefplc.com

CHAIRMAN'S REPORT

Performance Review

I am delighted to report that following the good operational performance in 2011 the core business has continued to perform strongly for the first six months of 2012. In addition, the macro factors that have such an important bearing on the business are also helping to sustain our growth and momentum. We see greater employment opportunities, higher disposable income amongst our customers leading to increased demand for our products, single digit inflation, reducing borrowing rates, and most importantly stable commodity prices across the Group's key inputs.

Revenue increased by 43% in ZMK terms to ZMK652 billion and 32% in USD terms to USD128 million. Excluding the provision for Zamanita's tax liability, the business has performed well with significant improvement in gross margins up from 31.5% in 2011 to 35% in 2012 and reduction in cost to income ratio from 25.7% in 2011 to 25% in 2012 leading to the operating profit increasing by 150% in ZMK terms and 131% in USD terms period on period.

One of the key challenges we have had is the Zambia Revenue Authority (the "ZRA") tax liability imposed on Zamanita Limited ("Zamanita") with respect to importation of oil in previous financial years. During 2010, the ZRA undertook an audit of Zamanita and advised of an incorrect tariff code being used for importation of palm oil and further advised of the correct tariff code to be applied, which attracted a higher rate of duty. Following subsequent discussions with the ZRA, an assessment of ZMK56.5 billion (approximately USD11.8 million) was issued by the ZRA in October 2010, which included duties, taxes and penalties, and VAT for importations for prior years. In light of this assessment, Zamanita made an appeal to the ZRA, which resulted in the above assessment being set aside as incorrect and in December 2010, the Commissioner General of the ZRA issued a full and final settlement of ZMK8.7 billion (approximately USD1.9 million), which was paid by Zamanita, and at which point the matter was considered closed.

However, in January 2012, the ZRA issued a notice overturning the full and final settlement decision of the Commissioner General and issued in its place an assessment of ZMK54.6 billion (approximately USD 10.7 million) which is the original assessment plus accrued interest and VAT less the settlement paid to ZRA. Zambeef has been in on-going discussions with the ZRA in order to reach an appropriate settlement, which, in the view of the Directors would take account of the previous agreement between the ZRA and Zambeef set out in December 2010. Unfortunately, despite the best endeavours of the Directors, no such settlement has been reached and Zambeef has formally referred the matter to the Revenue Appeals Tribunal.

Other challenges have been the weakening of the Zambian Kwacha and supply and/or capacity constraints in meeting continued demand in our key products.

Board of Directors & Management Committee

As announced this morning, during the period Stanley Phiri left his position as Director General of NAPSA (the largest Zambian based shareholder) and therefore retired from his position as a Non Executive Director of Zambeef with immediate effect and I would like to take this opportunity to extend my appreciation and gratitude for his excellent contribution and support during the years he has been with the Company and we wish him well for the future.

As also announced this morning, the Company has taken the initiative to create a new Management Committee formed of existing senior management which will assist the Chief Executive Officer in running the day-to-day operations of the Group. The Management Committee will be led by Francis Grogan, Chief Executive Officer and its members will comprise the Executive Directors, being Carl Irwin, Yusuf Koya and Sushmit Maitra, together with Michael Ledwith (Chief Operating Officer), Craig Harris (Chief Administration Officer), and Colin Huddy (General Manager of the Cropping Division).

The Management Committee has been tasked to consider strategic, operational, business and industry issues as they arise and make recommendations to the Board and to ensure that strategic goals and objectives shaped by the Board are translated into tactical delivery. Mechanisms for measuring key performance indicators are in place to monitor progress. The terms of reference of the Management Committee were approved by the Board of Directors on 5 June 2012 and a summary is available on the Company's website www.zambeefplc.com.

Outlook and Dividend

The acquisition and integration of Mpongwe Farms into Zambeef's operations has gone well. We have achieved a large soya crop this past summer growing season which will aid the expansion of crushing capacity being carried out at Zamanita and lead to the higher margins associated with seed crushing as compared to importation of oils.

We are also expanding capacity in other production areas such as the dairy processing, chicken operations and meat processing.

The significant expansion carried out in FY2011 and in the current financial year is requiring a large investment of working capital. We expect the benefits of such investment to be realised from the FY2013 onwards where we hope to meet market demand in Zambia as well as increase the export of non-perishable goods to neighbouring countries.

Accordingly, there will be no interim dividend.

In a young, emerging and fast growing economy like Zambia's our vertically integrated 'farm to fork' model is proving to be robust and commercially effective. With the demand for quality food products currently outstripping our ability to supply them our biggest challenge, certainly in the short term, is not how to grow the business, but how to manage that growth.

Our long term aim is to become one of the largest food producers in the region and I believe we have the financial and operational expertise, encouraging economic and business conditions, and most importantly the drive and ambition to achieve it.

Dr. Jacob Mwanza
Chairman

20 June 2012

CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to present the results of the Zambef Group for the six month period ended 31 March 2012. Most of our divisions have performed well in the period under review. However, the operational results are distorted by a tax liability that the Zambia Revenue Authority is seeking to impose, relating to a matter that occurred some years ago, and which is under dispute. Excluding this liability and comparing the 6 months to March 2012 to the 6 months to March 2011, most of our key performance indicators have improved. Most notably, our revenue has grown by 42% in ZMK terms and 32% in USD terms, gross margins improved from 31.5% to 35% and operating profit improved by 150% in ZMK terms and 131% in USD terms.

In the Annual Report of 2011, I commented on our shortcomings with respect to supply constraints and the measures we were taking with respect to investing in increasing our production and processing facilities. I am pleased to report that we have been taking steps in the right direction to achieve this, with significant investment undertaken in Zamanita, Master Pork, and our dairy operations, while we continue to increase our retail footprint across Zambia and West Africa.

A major part of the rationale behind the acquisition of Mpongwe Farms was to provide a reliable flow of raw materials to support the expansion being carried out in Zamanita. Accordingly, I am pleased to report that the integration of Mpongwe Farms into Zambef's operations has gone successfully with Mpongwe having produced a large wheat crop in FY2011 and a bumper summer soya harvest for the cropping season just ended.

Overall unaudited results for the six months to March 2012

	Unaudited			Audited
	6 months to 31 Mar 2012 ₁	6 months to 31 Mar 2012 ₂	6 months to 31 Mar 2011	12 months to 30 Sep 2011
	USD'000s	USD'000s	USD'000s	USD'000s
Revenue	127,625	127,625	96,727	206,802
Gross profit	44,689	38,038	30,436	70,455
Administrative expenses	(31,885)	(34,859)	(24,877)	(55,922)
Other income	202	202	72	241
Operating profit	13,006	3,381	5,631	14,774
Group profit/(loss) for the period	7,097	(2,528)	4,951	9,369
EBITDA	15,304	5,673	7,993	18,631
Gross Profit Margin	35%	30%	31%	34%
Cost to Income Ratio	25%	27%	26%	27%
EBITDA Margin	12%	4%	8%	9%
Operating Profit Margin	10%	3%	6%	7%
Net Profit Margin	6%	(2%)	5%	5%
Interest Cover by PBIT	3.8	0.5	4.5	3.7
Interest Cover by EBITDA	5.3	2.0	5.3	4.8

₁ shows the performance of the Group excluding the provision for the tax assessment issued on Zamanita Limited.

₂ includes a provision of ZMK33.96 billion (approximately USD6.7 million) within cost of sales and ZMK15.19 billion (approximately USD3.0 million) within administrative expenses with respect to a tax liability assessment from Zambia Review Authority ("ZRA") issued to Zamanita Limited in January 2012 as announced on 3 February 2012. This matter has been formally referred by Zambef to the Zambian Revenue Appeals Tribunal as announced on 27 April 2012.

Taking each of our trading segments in turn as follows, (the gross profit figures in the tables below exclude the USD9.7m provision for the tax assessment issued on Zamanita Ltd):

Beef

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	29,704	27,473	8%	19%
Gross profit	9,522	7,214	32%	21%

Traditional beef was in short supply during the first three months of the financial year, whilst choice beef was readily available. With demand exceeding supply for traditional beef, more shops were converted to choice beef, with positive results. The situation has reversed itself, and consequently we now have healthy stocks of traditional, standard and choice beef.

Overall demand has outstripped supply during the first six months but going forward the supply should meet demand, which continues to be strong and growing.

Demand for the '5th quarter' products (liver, kidney, hooves, tripes) remains very strong and this continues to be one of the highly profitable lines.

Chicken & Egg

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	20,292	12,088	68%	13%
Gross profit	5,548	3,802	46%	12%

The demand for chicken and chicken products in the first half has been strong and outstripped supply, and only towards the end of the period have we been able to meet demand through extra production and better yields.

20 extra chicken houses are under construction with a further twenty planned and all should be in production before the end of the calendar year.

Demand for eggs is still very strong and demand from other retail chains to buy more of Zambeef products is a real opportunity. Whilst the selling price of eggs is being maintained, gross margins were reduced due to losses in the production facilities because of minor disease issues. However, this area of the business remains sound and one of the growth areas with the building of two new layer houses taking place.

Pork

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	10,196	8,322	23%	7%
Gross profit	3,138	2,879	9%	7%

Again demand has outstripped supply in the early part of the year. In order to improve availability of raw material, prices offered to pig producers has been increased, resulting in a better supply but a reduction in the gross margin. Demand remains strong and supply is currently keeping pace. The new abattoir being developed in Chingola is close to completion and awaiting Environmental Impact Authority clearance.

There is a further demand for Master Pork products from other Retail chains, thus, the potential for growth is good. Increased production capacity has become available through the installation of the new plant and machinery and upgrades carried out during the period.

Export opportunities are also being investigated which will open avenues to increase earnings in foreign exchange.

The USD3.5million expansion of the Master Pork processing facilities was completed during this period and now provides the facilities for continued strong growth in this division.

Cropping

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	23,067	8,036	187%	15%
Gross profit	8,495	741	1047%	19%

Zambeef's annual cropping programme is conducted on four Estates, namely, Chiawa Estate in the South of Zambia, on the confluence of the Zambezi and Kafue rivers totalling 2,160 Ha of irrigable land; Sinazongwe Estate on the banks of Lake Kariba comprising 1,959 Ha of irrigable land; Huntley Estate in Chisamba, North of Lusaka with 662 ha of irrigable land and 1,001 Ha of rainfed land available for cropping; and Mpongwe Estate in Mpongwe district of the Northern Copperbelt Province having a total of 3,344 Ha of irrigable land and 7,188 Ha of rainfed land.

A total of 15,946 Ha of summer cropping was planted this season. This was split as follows:

- i) 12,433 Ha (78%) soya beans to supply Zamanita with over 35,000 MT of soya beans.
- ii) 2,111 Ha (13%) commercial maize to provide Novatek with 16,500 MT of maize as a strategic reserve.
- iii) 274 Ha (1.7%) maize silage for the dairy operation.
- iv) 575 ha (3.7%) of pasture and grass for the livestock on Huntley.
- v) 553 Ha (3.6%) of sunhemp planted in Chiawa for soil conditioning.

The farming division has had an excellent summer. We have finished combining the crop and yields are ahead of budget. Mpongwe has been well integrated into the existing Zambeef operations and Zambeef looks forward to continued good performance of this division.

Stock feed (Novatek)

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	16,965	11,287	50%	11%
Gross profit	4,283	2,733	57%	10%

Our stock feed division has had another strong six months with revenue and profits continuing to grow. The stock feed operations are nearing capacity and consideration is being given to further expanding the stock feed production facilities in order to keep up with demand both within Zambia and the region.

Accordingly, Zambeef can look forward to continued growth in this division.

Milk and Dairy

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	5,919	6,633	-11%	4%
Gross profit	3,612	4,440	-19%	8%

Our dairy processing plant reached capacity during the last financial year. Zambeef is in the process of completing a USD2 million upgrade of its processing facilities in order to allow for the continued growth of this division. In addition 180 in calf heifers have been imported from South Africa to accelerate the expansion of the dairy herd.

As a result the dairy division can look forward to renewed strong growth going forward.

Edible oils

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	28,483	31,113	-8%	19%
Gross profit	5,440	6,019	-10%	12%

The edible oils division has had a satisfactory first 6 months. Revenue and gross profit (after adjusting for the effects of the taxation assessment liability) was only 10% below last year despite the shutdown and large upgrade of the crushing plant and Solvent Extraction Plant, which is almost complete. This will significantly improve and enhance the facility whilst increasing the crushing capacity from 50,000 MT per annum to 100,000 MT per annum.

In order to maintain the business while these upgrades have been taking place, Zamanita has been manually crushing soya beans and the cotton crushing operations have been ongoing. In addition crude soya oil has been imported to meet the shortfall.

Zamanita has sourced around 90,000 MT of soya which is significantly up from the 36,000 MT sourced last year. The new solvent extraction plant and crushing plant will be commissioned shortly at which time Zamanita can look forward to significant increase in revenue and margins.

The large upgrade of Zamanita's facilities will have a material effect on the performance of the business going forward. As a result, Zamanita will continue to be a fast growing part of Zambeef's business.

In spite of the positive performance seen for Zamanita in this period, results have been affected by the tax liability imposed by the Zambia Revenue Authority for oil importations in prior periods. While we have provided for the entire liability in the report for the period, the Board of Zambeef have taken the matter to the Revenue Appeals Tribunal and will continue its best efforts to resolve the matter in the most efficient manner possible.

Bakery & Flour

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	8,386	5,695	47%	5%
Gross profit	1,620	228	612%	4%

The Bakery and Flour division have had a good 6 months with revenue and gross profits well-up. Demand has been strong and Zambeef has expanded its milling capacity during the period to keep up with demand. The challenge remains for this division to continue to grow in line with this increased production base.

West Africa

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	5,452	3,770	45%	4%
Gross profit	1,392	1,151	21%	3%

The West African operations have continued to show good growth in terms of revenue and gross profit. Shoprite have continued their rollout program with new stores opening in Enugu and Ekeja during this period. Two additional stores are expected to open in Ilorin and Abuja before the end of the financial year.

As a result continued strong growth is expected in Zambeef's West African operations.

Fish, Zamchick Inn & Leather

	6 months to 31 March 2012	6 months to 31 March 2011	% change	% of group (2012)
Revenue	5,032	3,254	55%	3%
Gross profit	1,638	1,229	33%	4%

Demand for fish continues to increase and this part of the business is successful due to a quality product, a good supply base and an efficient distribution network. The lower gross margin in comparison to 2011 is due to a change to a better quality and consistent supply product which is at a higher purchase price but the rewards in increased revenue and overall profitability have proved this to be the correct policy.

Whilst Zamchick Inn remains a small part of the business, the improvement in the quality of product and service and the supply from Huntley is beginning to show results. The improvement has been achieved with two less stores than the previous year. A new concept store was opened in late May 2012, with a new menu and product offering and is already one of the highest revenue stores.

The leather division has performed well with exports and demand for shoes, especially in Zimbabwe, constantly growing and favourable contracts with the Copperbelt mines helping to uplift this area of the business.

Conclusion and outlook

Looking ahead, our key goal is to generate additional revenue in order to enhance stakeholder value. To achieve this, we need to address supply constraints, continue to grow our retail footprint and extend our distribution chain.

New projects commenced during the period, which include the upgrade and expansion of the Mpongwe Farms, the continuing upgrade and expansion of the Zamanita processing facilities, the upgrade of Master Pork's processing facilities, upgrade and expansion of our dairy plant, additional layer and broiler operations, establishment of a new pig abattoir in the Copperbelt province, and continued expansion of our retail infrastructure across Zambia and Nigeria, should make significant contribution to meeting this goal.

As such, I continue to be optimistic about our future. With the continuous inroads we make towards increasing and improving our operational infrastructure and increasing our productivity through, amongst other things, recruiting high caliber individuals and ensuring we have a sound business model and coherent strategy, the company will be able to meet the growing demand for quality food at affordable prices. This in turn will lead to revenue growth and enhance stakeholder value.

Francis Grogan
Chief Executive Officer

Date: 20 June 2012

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS

In compliance with Division 8.3 of the Companies Act, the Directors submit their report on the activities of the Group for the period ended 31 March 2012.

1. Principal activities

Zambeef Products PLC and its subsidiaries ("Group") is one of the largest agri-businesses in Zambia. The Group is principally involved in the production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, eggs, edible oils, stock feed, flour and bread. The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 8,350 Ha of row crops under irrigation and 8,650 Ha of rain-fed/dry-land crops available for planting each year. The Group is also in the process of rolling out its West Africa expansion in Nigeria and Ghana, as well as a palm project within Zambia.

2. The Company

The Company is incorporated and domiciled in Zambia.

Business address

Plot 4970, Manda Road
Light Industrial Area
Lusaka
ZAMBIA

Postal address

Private Bag 17
Woodlands
Lusaka
ZAMBIA

3. Share capital

Details of the Company's authorised and issued share capital are as follows:

	31 March 2012		30 September 2011	
	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s
Authorised				
400,000,000 ordinary shares of ZMK 1 each	400	83	400	83
Issued and fully paid				
247,978,195 ordinary shares of ZMK 1 each	248	61	248	61

4. Results

The Group's results are as follows:

	Unaudited				Audited	
	6 months to	6 months to	6 months to	6 months to	Year ended 30	Year ended
	31 March 2012	31 March 2012	31 March 2011	31 March 2011	September 2011	30 September 2011
Group	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s
Revenue	651,739	127,625	456,553	96,727	983,138	206,802
(Loss)/profit before taxation	(7,983)	(1,563)	25,016	5,300	50,356	10,592
Taxation charge	(4,928)	(965)	(1,647)	(349)	(5,816)	(1,223)
Group (loss)/profit for the period	(12,911)	(2,528)	23,369	4,951	44,540	9,369
Group (loss)/profit attributable to:						
Equity holders of the parent	(12,934)	(2,533)	23,272	4,931	44,436	9,347
Non-controlling interest	23	5	97	20	104	22
	(12,911)	(2,528)	23,369	4,951	44,540	9,369

The loss for the period to 31 March 2012 includes a provision of ZMK33.96 billion (c. USD6.7 million) under cost of sales and ZMK15.19 billion (c. USD3.0 million) under administrative expenses with respect to a tax liability assessment from Zambia Revenue Authority ("ZRA") issued to Zamanita Limited (for importation of palm oil in prior periods) in January 2012 as announced on 3rd February 2012. This matter has been formally referred by Zambeef to the Zambian Revenue Appeals

Tribunal as announced on 27 April 2012. The performance of the Group excluding this provision is profit for the period of ZMK36.2 billion (USD 7.1 million).

5. **Dividends**

A final dividend of ZMK21.40 (0.45 cents) for the year ended 30 September 2011 was approved by the shareholders at the Annual General Meeting held on 25 January 2012, and paid to shareholders on 29 February 2012.

6. **Management**

The Senior Management team comprise the following:

Francis Grogan	-	Chief Executive Officer
Carl Irwin	-	Director of Strategy and Business Development
Michael Ledwith	-	Chief Operating Officer
Craig Harris	-	Chief Administrative Officer
Yusuf Koya	-	Executive Director
Sushmit N Maitra	-	Finance Director
Colin Huddy	-	General Manager - Farming
Danny Museteka	-	Company Secretary
Francis Mondomona	-	Special Assistant to the CEO
Felix Lupindula	-	Special Assistant to the CEO
Murray Moore	-	General Manager – National Retail
Ebrahim Israel	-	General Manager – International Retail
Mike Lovett	-	General Manager – Mpongwe Farm
Alastair McLeod	-	General Manager – Huntley Farm
David Mynhardt	-	General Manager – Sinazongwe Farm
Anthony Wells	-	General Manager – Chiawa Farm
Richard Franklin	-	General Manager – Leather
Dharmesh Patel	-	General Manager – Zamanita Limited
Walter Roodt	-	General Manager – Stock Feed
Mark Winwood	-	General Manager – Zampalm Limited
Justin Pigou	-	General Manager – Dairy
Webster Mapulanga	-	Factory Manager – Master Pork Limited
Andries Van Rensburg	-	Piggery Manager
Peter Wandira	-	Flour Mill Manager
Charles Milupi	-	Poultry Manager
John Chandler	-	Processing Manager – Copperbelt
Theo de Lange	-	Technical Manager
Bartholomew Mbao	-	Dairy Processing Manager
Ivor Chilufya	-	Group Finance Manager
Irfan Sayed	-	Finance Manager – Zambef Products PLC
Rehan Sayed	-	Finance Manager – Stock Feed and Leather
James Banda	-	Finance Manager – Zambef Retailing Limited
Baron Chisola	-	Finance Manager – Zamanita Limited
Rory Park	-	Finance Manager – Master Pork & Zampalm Limited
Mulendo Siame	-	Administration Manager – Huntley Farms
Anthony Seno	-	Head of IT
Chalwe Kashila	-	Head of Human Resources
Mathews Mbasela	-	Head of Payroll Processing
Ryan Stassen	-	Head of Procurement
Edward Tembo	-	Chief Security Manager
Pravin Abraham	-	Chief Internal Auditor
Jones Kayawe	-	Head of Environment, Health and Safety

Management (continued)

Field Musongole	-	Maintenance Manager
Cyprian Musonda	-	Workshop Manager
Christabel Malijani	-	Compliance Manager
Hilary Anderson	-	National Retail Manager – Shoprite & Excellent Meats
Ernest Gondwe	-	Regional Manager – Shoprite & Excellent Meats
Francis Mulenga	-	Regional Manager – Shoprite
Noel Chola	-	Regional Manager – Shoprite
Rodgers Chinkuli	-	Regional Manager – Zambeef Outlets
Darren Young	-	Regional Manager – Zambeef Outlets
Rizaldy Yoro	-	Regional Manager – Zambeef Outlets
Perry Siame	-	Group Marketing Manager
Pieter Swanepoel	-	Head of West Africa
Lufeyo Nkhoma	-	Head of Retail – Ghana
John Stephenson	-	Head of Retail – Nigeria
Clement Mulenga	-	Head of Processing – Nigeria

7. Directors and Secretary

The directors in office at the financial period and at the date of this report were as follows:

Jacob Mwanza (Dr)	-	Chairman
Lawrence S. Sikutwa		
John Rabb	-	(Alternate Mark D. Shnaps)
Irene M. Muyenga		
Stanley Z Phiri		
Adam Fleming	-	(Alternate Brian Dowden)
Francis Grogan	-	Chief Executive Officer
Carl Irwin	-	Executive Director
Yusuf Koya	-	Executive Director
Sushmit N Maitra	-	Executive Director
Danny Museteka	-	Company Secretary

8. Directors' interests

The directors held the following interests in the Company's ordinary shares at the balance sheet date:

	31 March 2012		30 September 2011	
	Direct	Indirect	Direct	Indirect
Jacob Mwanza (Dr)	1,100,000	-	1,100,000	-
Carl Irwin	3,763	4,322,682	3,763	4,322,682
Francis Grogan	-	3,596,631	-	3,596,631
John Rabb	-	7,868,813	-	7,868,813
Lawrence S Sikutwa	-	-	-	115,176
Irene M Muyenga	13,129	-	13,129	-
Adam Fleming	-	13,710,355	-	13,656,917
Yusuf Koya	42,762	-	42,762	-
Sushmit N Maitra	-	-	-	-
	<u>1,159,654</u>	<u>29,498,481</u>	<u>1,159,654</u>	<u>29,560,219</u>

9. **Directors and Management Committee Members' fees and remuneration**

In April 2011, the Remuneration Committee agreed the following gross annual packages (USD), with further revisions carried out in subsequent Committee meetings held on January 2012:

	Salary	Housing Allowance	Car Allowance	Air Fares Allowance	Medicals
NON-EXECUTIVE					
Jacob Mwanza	123,000	-	-	-	-
Lawrence Sikutwa	54,000	-	-	-	-
Irene Muyenga	54,000	-	-	-	-
Adam Fleming	31,000	-	-	Refund policy	-
John Rabb	38,500	-	-	Refund policy	-
EXECUTIVE					
Francis Grogan	459,000	Company House	Company Car	46,000	Yes
Carl Irwin	166,000	-	-	46,000	Yes
Yusuf Koya	367,000	46,000	Company Car	38,000	Yes
Sushmit N Maitra	284,000	46,000	28,000	9,000	Yes

In addition to the above, all Executive Directors and Management Committee Members are also entitled to the following:

- (i) Gratuity – 10% of gross basic salary paid over the two year contract term, less statutory deductions for tax;
- (ii) Annual Cash Bonus – 25% of the Group's net profit above the annual budgeted figure will be made available as a bonus pot, to be shared between the Executive Directors and Management Committee Members, subject to Remuneration Committee discretion and subject to a maximum pay-out of 50% of an Executive Directors and Management Committee Members' annual basic salary.

Each Non-Executive Director has entered into a letter of appointment with the Company on 1 April 2011, for an initial term of three years, unless terminated by either party giving three months' notice.

Each Executive Director has entered into a fixed term service agreement on 1 April 2011, for an initial term of two years, unless terminated by either party giving six months' notice (provided that any such notice given from the executive to the Company shall not take effect on a date which is earlier than the first anniversary of admission on AIM (23 June 2011)).

There were no loans made to Directors or any outstanding loans from Directors at the period end.

Members of the Board were not entitled to any form of defined pension benefits from the Company.

10. **Significant Shareholdings**

As at 31 March 2012, the Company has been advised of the following notifiable interests in its ordinary share capital:

Investor Name	Current Position	% of Shareholding
M & G Recovery Fund	34,623,908	14%
SSB Emerging Markets Fund	24,631,080	10%
SQM Frontier Africa Master Fund	14,794,333	6%
The African Emerging Markets	9,805,062	4%
Artio International Equity Fund	9,363,990	4%

11. **Employees**

The Group employed an average of 5,704 (30 September 2011 – 4,367, 31 March 2011 – 4,161) employees and total salaries and wages were ZMK76.3 billion (USD14.9 million) for the period ended 31 March 2012 (30 September 2011 – ZMK108.9 billion [USD22.9 million], 31 March 2011 – ZMK45.5 billion [USD9.6 million]).

The average number of persons employed by the Group in each month of the 6 months period is as follows:

October 2011	5,476
November 2011	5,519
December 2011	5,844
January 2012	5,827
February 2012	5,808
March 2012	5,749

12. **Safety, Health and Environmental issues**

As part of some of the Group's term loans, the Group signed up to an Environmental and Social Action Plan ("ESAP"), which requires the Group to meet both local Zambian standards as well as international standards relating to the environment. The most recent independent consultant reports state that Zambeef continues to make positive progress in delivering the approved ESAP.

The Group provides healthcare services to its employees. The Group also supports various community activities in the areas that it operates from.

13. **Legal matters**

There are no significant legal or arbitration proceedings (including to the knowledge of the Directors, any such proceedings which are pending or threatened, by or against the Company or any subsidiary of the Group) which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Company or any member of the Group, except the outstanding tax liability on Zamanita Limited of ZMK54.6 billion (USD10.4 million) which the Group has referred to the Revenue Tribunals Authority as per the announcements to the market on 3 February 2012 and 27 April 2012 respectively.

14. **Gifts and donations**

The Group made donations of ZMK0.2 billion (USD0.04 million) (30 September 2011 – ZMK0.5 billion [USD0.11 million], 31 March 2011 – ZMK0.1 billion [USD0.02 million]) to a number of activities.

15. **Export sales**

The Group made exports of ZMK10.5 billion (USD2.1 million) during the period (30 September 2011 – ZMK25.7billion [USD5.4 million], 31 March 2011 – ZMK15.2 billion [USD3.2 million]).

16. **Property, plant and equipment**

Assets totalling ZMK76.9 billion (USD15.1 million) were purchased by the Group during the period (30 September 2011 – ZMK311.1 billion [USD65.4 million], 31 March 2011 – ZMK29.1 billion [USD6.2 million]) and recorded expenditure on the palm plantation development during the period of ZMK2.2 billion (USD0.4 million) (30 September 2011 – ZMK12.3 billion [USD2.6 million], 31 March 2011 – ZMK4.2 billion [USD0.9 million]).

17. **Interim report**

The interim report set out below have been approved by the directors.

By order of the Board

Company Secretary

Date: 20 June 2012

Date: 20 June 2012

The Director
Zambeef Products PLC
Plot 4970, Manda Road
Light Industrial Area
Lusaka

Dear Sirs

INDEPENDENT REVIEW REPORT OF ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

Introduction

We have been instructed by the directors of the Company to review the financial information set out below and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Lusaka Stock Exchange and International Accounting Standard 34 require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual financial statements except where changes, and reasons for them, are disclosed.

Review of work performed

We conducted our review in accordance with guidance contained in the International Standards on Auditing. A review consists principally of making enquiry of Group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as test of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On basis of our review we are not aware of any material modifications that should be made to the consolidated financial information as presented for the six months period ended 31 March 2012.

Chartered Accountants

Wesley M Beene
Partner

Lusaka

Date 20 June 2012

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2012

	Notes	Unaudited			Audited
		<i>Pre-tax liab</i>	<i>Tax liab</i>	<i>Total</i>	Year ended
Group		ZMK'Ms	ZMK'Ms	ZMK'Ms	ZMK'Ms
				6 months to	30 Sept
				31 Mar 2012	2011
Revenue	5	651,739	-	651,739	983,138
Net gain arising from price changes in fair value of biological assets	9	298	-	298	17,057
Cost of sales		(423,827)	(33,962)	(457,789)	(665,248)
Gross profit		228,210	(33,962)	194,248	334,947
Administrative expenses		(162,826)	(15,188)	(178,014)	(265,857)
Other income		1,032	-	1,032	1,147
Operating profit		66,416	(49,150)	17,266	70,237
Exchange (losses)/gains on translating foreign currency transactions and balances		(10,610)	-	(10,610)	(1,562)
Finance costs		(14,639)	-	(14,639)	(18,319)
Profit/(loss) before taxation	5	41,167	(49,150)	(7,983)	50,356
Taxation charge	6(a)	(4,928)	-	(4,928)	(5,816)
Group profit/(loss) for the period		36,239	(49,150)	(12,911)	44,540
Group profit/(loss) attributable to:					
Equity holders of the parent		36,216	(49,150)	(12,934)	44,436
Non-controlling interest		23	-	23	104
		36,239	(49,150)	(12,911)	44,540
Other comprehensive income					
Exchange losses on translating presentational currency		(150)	-	(150)	(390)
Total comprehensive income/(loss) for the period		36,089	(49,150)	(13,061)	44,150
Total comprehensive income/(loss) for the period attributable to:					
Equity holders of the parent		36,066	(49,150)	(13,084)	44,089
Non-controlling interest		23	-	23	61
		36,089	(49,150)	(13,061)	44,150
		Kwacha	Kwacha	Kwacha	Kwacha
Earnings/(loss) per share					
Basic and diluted earnings/(loss) per share	8	146.05	(198.21)	(52.16)	242.60

The accompanying notes form part of the financial statements.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2012

	Notes	Unaudited			Audited	
		Pre-tax liab USD'000s	Tax liab USD'000s	6 months to 31 Mar 2012 Total USD'000s	6 months to 31 Mar 2011 USD'000s	Year ended 30 Sept 2011 USD'000s
Group Revenue	5	127,625	-	127,625	96,727	206,802
Net gain arising from price changes in fair value of biological assets	9	57	-	57	741	3,587
Cost of sales		(82,993)	(6,651)	(89,644)	(67,032)	(139,934)
Gross profit		44,689	(6,651)	38,038	30,436	70,455
Administrative expenses		(31,885)	(2,974)	(34,859)	(24,877)	(55,922)
Other income		202	-	202	72	241
Operating profit		13,006	(9,625)	3,381	5,631	14,774
Exchange (losses)/gains on translating foreign currency transactions and balances		(2,077)	-	(2,077)	1,176	(328)
Finance costs		(2,867)	-	(2,867)	(1,507)	(3,854)
Profit/(loss) before taxation	5	8,062	(9,625)	(1,563)	5,300	10,592
Taxation charge	6(a)	(965)	-	(965)	(349)	(1,223)
Group profit/(loss) for the period		7,097	(9,625)	(2,528)	4,951	9,369
Group profit/(loss) attributable to:						
Equity holders of the parent		7,092	(9,625)	(2,533)	4,931	9,347
Non-controlling interest		5	-	5	20	22
		7,097	(9,625)	(2,528)	4,951	9,369
Other comprehensive income						
Exchange (losses)/gains on translating presentational currency		(13,752)	-	(13,752)	2,156	(275)
Total comprehensive (loss)/income for the period		(6,655)	(9,625)	(16,280)	7,107	9,094
Total comprehensive (loss)/income for the period attributable to:						
Equity holders of the parent		(6,652)	(9,625)	(16,277)	7,085	9,082
Non-controlling interest		(3)	-	(3)	22	12
		(6,655)	(9,625)	(16,280)	7,107	9,094
		Cents	Cents	Cents	Cents	Cents
Earnings/(loss) per share						
Basic and diluted earnings/(loss) per share	8	2.86	(3.88)	(1.02)	3.11	5.10

The accompanying notes form part of the financial statements.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2012

	Share capital ZMK'Ms	Share premium ZMK'Ms	Revaluation Reserve ZMK'Ms	Capital reserve ZMK'Ms	Retained profits ZMK'Ms	Total attributable to owners of the parent ZMK'Ms	Non- controlling interest ZMK'Ms	Total equity ZMK'Ms
At 1 October 2010	159	259,967	67,310	(915)	129,526	456,047	378	456,425
Dividends declared	-	-	-	-	(2,381)	(2,381)	-	(2,381)
Transactions with owners	-	-	-	-	(2,381)	(2,381)	-	(2,381)
Profit for the period	-	-	-	-	23,272	23,272	97	23,369
Transfer of surplus depreciation	-	-	(1,014)	-	1,014	-	-	-
Other comprehensive income								
Exchange losses on translating presentational currency	-	-	-	(463)	-	(463)	-	(463)
Total comprehensive income for the period	-	-	(1,014)	(463)	24,286	22,809	97	22,906
At 31 March 2011	159	259,967	66,296	(1,378)	151,431	476,475	475	476,950
Issue of shares	89	262,519	-	-	-	262,608	-	262,608
Cost of issue of shares written off	-	(16,209)	-	-	-	(16,209)	-	(16,209)
Transactions with owners	89	246,310	-	-	-	246,399	-	246,399
Profit for the period	-	-	-	-	21,164	21,164	7	21,171
Transfer of surplus depreciation	-	-	(1,528)	-	1,528	-	-	-
Other comprehensive income:								
Exchange losses on translating presentational currency	-	-	-	116	-	116	(43)	73
Total comprehensive income for the period	-	-	(1,528)	116	22,692	21,280	(36)	21,244
At 30 September 2011	248	506,277	64,768	(1,262)	174,123	744,154	439	744,593
Dividends declared	-	-	-	-	(5,306)	(5,306)	-	(5,306)
Transactions with owners	-	-	-	-	(5,306)	(5,306)	-	(5,306)
(Loss)/profit for the period	-	-	-	-	(12,934)	(12,934)	23	(12,911)
Transfer of surplus depreciation	-	-	(1,271)	-	1,271	-	-	-
Other comprehensive income								
Exchange losses on translating presentational currency	-	-	-	(150)	-	(150)	-	(150)
Total comprehensive income for the period	-	-	(1,271)	(150)	(11,663)	(13,084)	23	(13,061)
At 31 March 2012	248	506,277	63,497	(1,412)	157,154	725,764	462	726,226

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2012

	Share capital	Share premium	Revaluation reserve	Foreign exchange reserve	Retained profits	Total attributable to owners of the parent	Non-controlling Interest	Total equity
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
At 1 October 2010	42	71,861	17,685	(27,250)	32,672	95,010	79	95,089
Dividends declared	-	-	-	-	(501)	(501)	-	(501)
Transactions with owners	-	-	-	-	(501)	(501)	-	(501)
Profit for the period	-	-	-	-	4,931	4,931	20	4,951
Transfer of surplus depreciation	-	-	(216)	-	216	-	-	-
Other comprehensive income								
Exchange losses on translating presentational currency	-	-	-	2,154	-	2,154	2	2,156
Total comprehensive income	-	-	(216)	2,154	5,147	7,085	22	7,107
At 31 March 2011	42	71,861	17,469	(25,096)	37,318	101,594	101	101,695
Issue of shares	19	54,806	-	-	-	54,825	-	54,825
Cost of issue of shares written off	-	(3,384)	-	-	-	(3,384)	-	(3,384)
Transactions with owners	19	51,422	-	-	-	51,441	-	51,441
Profit for the period	-	-	-	-	4,416	4,416	2	4,418
Transfer of surplus depreciation	-	-	(314)	-	314	-	-	-
Other comprehensive income:								
Exchange losses on translating presentational currency	-	-	-	(2,419)	-	(2,419)	(12)	(2,431)
Total comprehensive income for the period	-	-	(314)	(2,419)	4,730	1,997	(10)	1,987
At 30 September 2011	61	123,283	17,155	(27,515)	42,048	155,032	91	155,123
Dividends declared	-	-	-	-	(1,039)	(1,039)	-	(1,039)
Transactions with owners	-	-	-	-	(1,039)	(1,039)	-	(1,039)
(Loss)/profit for the period	-	-	-	-	(2,533)	(2,533)	5	(2,528)
Transfer of surplus depreciation	-	-	(241)	-	241	-	-	-
Other comprehensive income								
Exchange losses on translating presentational currency	-	-	-	(13,744)	-	(13,744)	(8)	(13,752)
Total comprehensive income	-	-	(241)	(13,744)	(2,292)	(16,277)	(3)	(16,280)
At 31 March 2012	61	123,283	16,914	(41,259)	38,717	137,716	88	137,804

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31 MARCH 2012

	Notes	Un audited		Audited
		31 Mar 2012 ZMK'Ms	31 Mar 2011 ZMK'Ms	30 Sept 2011 ZMK'Ms
ASSETS				
Non – current assets				
Goodwill		15,699	15,699	15,699
Property, plant and equipment		851,449	491,997	756,013
Plantation development expenditure		29,974	34,982	43,126
Biological assets (immature palms)	9	5,485	3,666	2,573
Deferred tax assets	6(e)	291	1,514	291
		<u>902,898</u>	<u>547,858</u>	<u>817,702</u>
Current assets				
Biological assets	9	157,466	62,289	116,760
Inventories		198,951	131,906	167,522
Trade and other receivables		89,978	64,774	72,746
Amounts due from related companies		3,154	4,976	2,091
Income tax recoverable	6(c)	220	220	246
		<u>449,769</u>	<u>264,165</u>	<u>359,365</u>
Total assets		<u>1,352,667</u>	<u>812,023</u>	<u>1,177,067</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		248	159	248
Share premium		506,277	259,967	506,277
Reserves		219,239	216,349	237,629
		<u>725,764</u>	<u>476,475</u>	<u>744,154</u>
Non-controlling interest		462	475	439
		<u>726,226</u>	<u>476,950</u>	<u>744,593</u>
Non – current liabilities				
Interest bearing liabilities	11	196,168	135,835	172,627
Obligations under finance leases		17,497	6,047	7,316
Deferred liability		5,447	5,177	5,107
Deferred taxation	6(e)	7,354	1,575	3,444
		<u>226,466</u>	<u>148,634</u>	<u>188,494</u>
Current liabilities				
Interest bearing liabilities	11	160,737	51,474	51,402
Obligations under finance leases		5,676	626	3,369
Trade and other payables		124,813	84,496	116,117
Amounts due to related companies		980	10	331
Taxation payable	6(c)	1,601	808	962

Dividends payable		-	3,632	18
Cash and cash equivalents	10	<u>106,168</u>	<u>45,393</u>	<u>71,781</u>
		<u>399,975</u>	<u>186,439</u>	<u>243,980</u>
Total equity and liabilities		<u>1,352,667</u>	<u>812,023</u>	<u>1,177,067</u>

The accompanying notes form part of the financial statements. The interim financial statements were approved by the Board of Directors.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31 MARCH 2012

	Notes	Unaudited		Audited
		31 Mar 2012	31 Mar 2011	30 Sept 2011
		USD'000s	USD'000s	USD'000s
ASSETS				
Non – current assets				
Goodwill		2,979	3,347	3,270
Property, plant and equipment		161,565	104,903	157,503
Plantation development expenditure		5,688	7,459	8,985
Biological assets (immature palms)	9	1,041	782	536
Deferred tax asset	6(e)	55	323	61
		<u>171,328</u>	<u>116,814</u>	<u>170,355</u>
Current assets				
Biological assets	9	29,880	13,281	24,325
Inventories		37,752	28,125	34,900
Trade and other receivables		17,074	13,811	15,155
Amounts due from related companies		598	1,061	436
Income tax recoverable	6(c)	42	47	51
		<u>85,346</u>	<u>56,325</u>	<u>74,867</u>
Total assets		<u>256,674</u>	<u>173,139</u>	<u>245,222</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		61	42	61
Share premium		123,283	71,861	123,283
Reserves		14,372	29,691	31,688
		<u>137,716</u>	<u>101,594</u>	<u>155,032</u>
Non-controlling interest		88	101	91
		<u>137,804</u>	<u>101,695</u>	<u>155,123</u>
Non – current liabilities				
Interest bearing liabilities	11	37,224	28,963	35,964
Obligations under finance leases		3,320	1,289	1,524
Deferred liability		1,034	1,104	1,064
Deferred tax liability	6(e)	1,395	336	718
		<u>42,973</u>	<u>31,692</u>	<u>39,270</u>
Current liabilities				
Interest bearing liabilities	11	30,500	10,975	10,709
Obligations under finance leases		1,077	134	702
Trade and other payables		23,684	18,016	24,191
Amounts due to related companies		186	2	69
Taxation payable	6(c)	304	172	200
Dividends payable		-	774	4

Cash and cash equivalents	10	<u>20,146</u>	<u>9,679</u>	<u>14,954</u>
		<u>75,897</u>	<u>39,752</u>	<u>50,829</u>
Total equity and liabilities		<u>256,674</u>	<u>173,139</u>	<u>245,222</u>

The accompanying notes form part of the financial statements. The interim financial statements were approved by the Board of Directors.

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2012**

	Unaudited		Audited
	6 months to 31 Mar 2012	6 months to 31 Mar 2011	Year to 30 Sept 2011
	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>
Cash (outflow)/inflow (on)/ from operating activities			
(Loss)/profit before taxation	(7,983)	25,016	50,356
Finance costs	14,639	7,113	18,319
Depreciation	17,408	14,504	31,296
Fair value price adjustment	(298)	(3,474)	(17,057)
Impairment of biological assets	-	-	1,452
Net unrealised foreign exchange losses/(gains)	4,851	(5,334)	4,213
Loss/(profit) on disposal of property, plant and equipment	383	(85)	(159)
Earnings before interest, tax, depreciation and amortisation	29,000	37,740	88,420
(Increase)/decrease in biological assets	(43,320)	978	(40,265)
(Increase)/decrease in inventory	(31,429)	785	(34,832)
Increase in trade and other receivables	(17,232)	(9,579)	(17,551)
Increase in amount due from related companies	(1,063)	(3,992)	(1,107)
Increase/(decrease) in trade and other payables	8,695	(2,054)	29,568
Increase/(decrease) in amount due to related companies	649	(753)	(432)
Increase/(decrease) in deferred liability	340	9	(61)
Income tax paid	(353)	(237)	(1,160)
Net cash (outflow)/inflow (on)/ from operating activities	(54,713)	22,897	22,580
Investing activities			
Purchase of property, plant and equipment	(76,861)	(29,052)	(311,144)
Expenditure on plantation development	(2,204)	(4,174)	(12,318)
Proceeds from sale of assets	521	246	1,559
Net cash outflow on investing activities	(78,544)	(32,980)	(321,903)
Net cash outflow before financing	(133,257)	(10,083)	(299,323)
Financing			
Proceeds from issue of shares	-	-	246,399
Long term loans repaid	(42,439)	(33,385)	(49,290)
Receipt from long term loans	91,001	31,785	81,672
Receipt of short term funding	66,739	1,493	4,230
Lease finance	12,489	4,295	8,308
Finance costs	(14,639)	(7,113)	(18,319)
Dividends paid	(5,324)	(6,664)	(9,965)
Net cash inflow/(outflow) from financing	107,827	(9,589)	263,035
Decrease in cash and cash equivalents	(25,430)	(19,672)	(36,288)
Cash and cash equivalents at beginning of year	(71,781)	(30,627)	(30,627)
Effects of exchange rate changes on the balance of			

cash held in foreign currencies	<u>(8,957)</u>	<u>4,906</u>	<u>(4,866)</u>
Cash and cash equivalents at end of year	<u>(106,168)</u>	<u>(45,393)</u>	<u>(71,781)</u>
Represented by:			
Cash in hand and at bank	31,813	20,686	30,844
Bank overdrafts	<u>(137,981)</u>	<u>(66,079)</u>	<u>(102,625)</u>
	<u>(106,168)</u>	<u>(45,393)</u>	<u>(71,781)</u>

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 31 MARCH 2012**

	<u>Unaudited</u>		<u>Audited</u>
	6 months to 31 Mar 2012	6 months to 31 Mar 2011	Year to 30 Sept 2011
	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>
Cash (outflow)/ inflow (on)/ from operating activities			
(Loss)/profit before taxation	(1,563)	5,300	10,592
Finance costs	2,867	1,507	3,854
Depreciation	3,409	3,073	6,583
Fair value price adjustment	(57)	(741)	(3,587)
Impairment of biological assets	-	-	302
Net unrealised foreign exchange losses/(gains)	942	(1,128)	920
Loss/(profit) on disposal of property, plant and equipment	75	(18)	(33)
Earnings before interest, tax, depreciation and amortisation	<u>5,673</u>	<u>7,993</u>	<u>18,631</u>
Increase in biological assets	(6,003)	(101)	(8,389)
Increase in inventory	(2,852)	(481)	(7,256)
Increase in trade and other receivables	(1,919)	(2,312)	(3,656)
Increase in amount due from related companies	(162)	(856)	(231)
(Decrease)/ increase in trade and other payables	(507)	(15)	6,161
Increase/(decrease) in amount due to related companies	117	(157)	(90)
(Decrease)/ increase in deferred liability	(30)	27	(13)
Income tax paid	(69)	(50)	(244)
Net cash (outflow)/inflow (on)/ from operating activities	<u>(5,752)</u>	<u>4,048</u>	<u>4,913</u>
Investing activities			
Purchase of property, plant and equipment	(15,051)	(6,155)	(65,448)
Expenditure on plantation development	(432)	(884)	(2,591)
Proceeds from sale of assets	102	52	328
Net cash outflow on investing activities	<u>(15,381)</u>	<u>(6,987)</u>	<u>(67,711)</u>
Net cash outflow before financing	<u>(21,133)</u>	<u>(2,939)</u>	<u>(62,798)</u>
Financing			
Proceeds from issue of shares	-	-	51,441
Long term loans repaid	(8,425)	(6,290)	(10,269)
Receipt from long term loans	17,966	6,763	17,015
Receipt of short term funding	13,069	422	882
Lease finance	2,171	927	1,731
Finance costs	(2,867)	(1,507)	(3,854)
Dividends paid	(1,043)	(1,382)	(2,096)
Net cash inflow/(outflow) from /(on) financing	<u>20,871</u>	<u>(1,067)</u>	<u>54,850</u>
Decrease in cash and cash equivalents	(262)	(4,006)	(7,948)
Cash and cash equivalents at beginning of year	(14,954)	(6,381)	(6,381)
Effects of exchange rate changes on the balance of			

cash held in foreign currencies	<u>(4,930)</u>	<u>708</u>	<u>(625)</u>
Cash and cash equivalents at end of year	<u>(20,146)</u>	<u>(9,679)</u>	<u>(14,954)</u>
Represented by:			
Cash in hand and at bank	6,036	4,410	6,426
Bank overdrafts	<u>(26,182)</u>	<u>(14,089)</u>	<u>(21,380)</u>
	<u>(20,146)</u>	<u>(9,679)</u>	<u>(14,954)</u>

ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS - 31 MARCH 2012

1. **The Company**

Zambeef Products PLC and its subsidiaries ("Group") is one of the largest agri-businesses in Zambia. The Group is principally involved in the production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, eggs, edible oils, stock feed, flour and bread. The Group also has large row cropping operations (principally maize, soya beans and wheat), with approximately 8,350 Ha of row crops under irrigation and 8,650 Ha of rain-fed/dry-land crops available for planting each year. The Group is also in the process of rolling out its West Africa expansion in Nigeria and Ghana, as well as a palm project within Zambia.

2. **Principal accounting policies**

The principal accounting policies applied by the Group in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) **Basis of consolidation**

The consolidated financial statements include the financial statements of the parent Company and its subsidiary companies made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of their acquisition or up to the date of their disposal. Intercompany transactions and profits are eliminated on consolidation and all income and profit figures relate to external transactions only.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests. Losses incurred are allocated to the non-controlling interest in equity until this value is nil, at which point any subsequent losses are allocated against the interests of the parent.

(b) **Going Concern**

At the balance sheet date the current portion of long term loan amounts repayable amount to ZMK68.5 billion (USD13 million). After reviewing the available information including the Group's strategic plans and continuing support from the Group's working capital funders, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

(c) **Basis of presentation**

The information for the period ended 31 March 2012 and 31 March 2011 do not constitute statutory accounts. The figures for the year ended 30 September 2011 have been extracted from the 2011 statutory financial statements. The auditors' report on those financial statements was unqualified.

The financial statements are prepared in accordance with the provisions of the Companies Act and International Financial Reporting Standards (IFRS). The financial statements are presented in accordance with IAS 1 "Preparation of financial statements" (Revised 2007). The Group has elected to present the "Statement of Comprehensive income" in one statement namely the "Statement of Comprehensive Income".

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of property, plant and equipment, and financial assets and liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

(d) **Foreign currencies**

(i) *Presentational and functional currency*

The Company's functional currency in its principal domicile of operations is Zambian Kwacha (ZMK), which is the Group's presentational currency for purposes of reporting in the Zambian market. In order to assist the understanding of the readers based on the AIM market of the London Stock Exchange, the Directors have also presented supplementary information in United States Dollars (USD) which is appropriate as supplementary information only.

(ii) *Basis of translating presentational currency to USD for the purposes of supplementary information*

Statement of comprehensive income items have been translated using the average exchange rate for the year as an approximation to the actual exchange rate. Assets and liabilities have been translated using the closing exchange rate. Any differences arising from this process have been recognised in other comprehensive income and accumulated in the foreign exchange reserve in equity.

Equity items have been translated at the closing exchange rate. Exchange differences arising on retranslating equity items and opening net assets have also been transferred to the foreign exchange reserve within equity.

The following exchange rates have been applied:

ZMK:USD	Average exchange rate	Closing exchange rate
6 months ended 31 March 2011	4,720	4,690
Year ended 30 September 2011	4,754	4,800
6 months ended 31 March 2012	5,107	5,270

All historical financial information, except where specifically stated, is presented in Zambian Kwacha rounded to the nearest ZMK'millions and United States Dollars rounded to the nearest USD'000s.

(iii) *Basis of translating transactions and balances*

Foreign currency transactions are translated into the functional currency using the rates of exchange prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of comprehensive income.

Non-operating foreign exchange gains and losses mainly arise on fluctuations of the exchange rate between United States Dollars and Zambian Kwacha. Due to the

instability of the exchange rate, which may result in significant variances of foreign exchange related assets and liabilities, these gains and losses have been presented below operating profit in the statement of comprehensive income.

(iv) *Basis of translating foreign operations*

In the consolidated financial statements the financial statements of the foreign subsidiaries originally presented in their local currency have been translated into Zambian Kwacha. Assets and liabilities have been translated into Zambian Kwacha at the exchange rates ruling at the year end. Statement of comprehensive income items have been translated at an average monthly rate for the year. Any differences arising from this procedure are taken to the foreign capital reserve.

The following exchange rates have been applied:

	Average	Closing
ZMK:Nigeria Naira	exchange rate	exchange rate
6 months ended 31 March 2011	31.36	31.06
Year ended 30 September 2011	31.48	31.58
6 months ended 31 March 2012	32.52	33.35
	Average	Closing
ZMK:Ghana Cedi	exchange rate	exchange rate
6 months ended 31 March 2011	3146	3086
Year ended 30 September 2011	3128	2981
6 months ended 31 March 2012	3058	3029

(e) **General information and basis of preparation**

The condensed interim consolidated financial statements are for the six months ended 31 March 2012 and are presented in Zambian Kwacha and United States Dollars. They have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2011.

(f) **Significant accounting policies**

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 September 2011 except for the adoption of improvements to IFRSs 2010 (2010 improvements) as of 1 January 2011. The 2010 improvements made several minor amendments to IFRS.

3. **Critical accounting estimates and judgements**

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management has made judgements in determining:

- (a) the classification of financial assets;
- (b) whether assets are impaired;
- (c) estimation of provision and accruals;
- (d) recoverability of trade and other receivables; and
- (e) valuation of biological assets and inventory.

4. **Significant events and transactions**

The Group's management believes that the Group is well positioned in an improving economy. Factors contributing to the Group's strong position are:

- (a) Growth in the Zambian economy leading to higher disposable incomes.
- (b) Rise in copper prices leading to higher inflow of foreign exchange and trickle-down effect to end consumers.
- (c) Increase in the retail foot print of the Group.
- (d) Increase in production facilities of the Group leading to higher volumes available for retail.
- (e) Improvements in the management team across various areas of the Group leading to positive reinforcement of strong operational synergies.

Overall, the Group is in a strong position and has sufficient capital and liquidity to service its operating activities and debt. The Group's objectives and policies for managing capital credit risk and liquidity risk should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 September 2011.

However, the Group incurred a loss for the period to 31 March 2012 due to a provision of ZMK33.96 billion (c. USD6.7 million) within cost of sales and ZMK15.19 billion (c. USD3.0 million) within administrative expenses with respect to a tax liability assessment from Zambia Review Authority ("ZRA") issued to Zamanita Limited (for importation of palm oil in prior periods). The performance of the Group excluding this provision is a profit for the period of ZMK36.2 billion (USD7.1 million).

The Board of Directors of the Group are taking necessary measures to obtain a satisfactory resolution to the matter, which is currently at the stage of the Revenue Appeals Tribunal.

5. **Segmental reporting**

An operating segment is a distinguishable component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker ('CODM') to make decisions about the allocation of resources and assessment of performance about which discrete financial information is available. Gross margin information is sufficient for the CODM to use for such purposes. The CODM reviews information regarding the operating divisions which match the main external revenues earned by the Group, and management information regarding the operating assets and liabilities of the main business divisions within the Group.

During the six month period to 31 March 2012, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

The revenues and gross profit generated by each of the Group's operating segments and segment assets are summarised as follows:

Period ended 31 March 2012

(i) in Zambian Kwacha

Segment	Revenue	Gross Profit
	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>
Beef	151,690	48,627
Chicken	93,945	24,743
Pork	52,069	16,023
Crops - Row Crops	117,798	43,381
Stock feed	86,633	21,870
Eggs	9,680	3,592
Fish	12,379	2,778
Milk	30,226	18,445
Zamchick Inn	4,817	2,138
Edible oils	145,455	(6,181)
Bakery & Flour	42,822	8,275
Leather	8,501	3,449
Master Meats Nigeria	21,186	5,185
Master Meats Ghana	6,654	1,923
Total	783,855	194,248
Less: Intra/Inter Group Sales	(132,116)	
Group Total	651,739	194,248
Central operating costs		(176,982)
Operating profit		17,266
Foreign exchange losses		(10,610)
Finance costs		(14,639)
Loss before taxation		(7,983)

Operating assets/(liabilities)

	Zambeef	Retailing	Zamanita	Master Pork	Zampalm	Other	Total
	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>
Property plant and equipment	586,264	97,079	94,086	31,838	49,438	22,718	881,423
Biological assets and inventories	261,217	42,336	34,096	9,711	5,486	9,056	361,902
Cash, cash equivalents and bank overdrafts	(85,767)	(12,989)	(11,205)	(120)	(60)	3,973	(106,168)

Period ended 31 March 2012

(ii) in US Dollars

Segment	Revenue <i>USD'000s</i>	Gross Profit <i>USD'000s</i>
Beef	29,704	9,522
Chicken	18,396	4,845
Pork	10,196	3,138
Crops - row crops	23,067	8,495
Stock feed	16,965	4,283
Eggs	1,896	703
Fish	2,424	544
Milk	5,919	3,612
Zamchick Inn	943	419
Edible oils	28,483	(1,210)
Bakery & flour	8,386	1,620
Leather/shoe	1,665	675
Master Meats (Nigeria)	4,149	1,015
Master Meats (Ghana)	1,303	377
Total	153,496	38,038
Less: intra/inter Group sales	(25,871)	
Total	127,625	38,038
Central operating costs		(34,657)
Operating profit		3,381
Foreign exchange losses		(2,077)
Finance costs		(2,867)
Loss before taxation		(1,563)

Operating assets/(liabilities)

	Zambeef	Retailing	Zamanita	Master Pork	Zampalm	Other	Total
	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>
Property plant and equipment	111,246	18,421	17,853	6,041	9,381	4,311	167,253
Biological assets and inventories	49,567	8,033	6,470	1,843	1,041	1,719	68,673
Cash, cash equivalents and bank overdrafts	(16,275)	(2,465)	(2,126)	(23)	(11)	754	(20,146)

Period ended 31 March 2011

(i) in Zambian Kwacha

	Revenue	Gross Profit
Segment	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>
Beef	129,671	34,050
Chicken	46,787	12,732
Pork	39,281	13,588
Crops - Row Crops	37,929	3,497
Stock feed	53,276	12,900
Eggs	10,267	5,216
Fish	5,976	1,879
Milk	31,308	20,956
Zamchick Inn	4,169	1,855
Edible oils	146,852	28,412
Bakery & Flour	26,881	1,074
Leather	5,216	2,067
Master Meats Nigeria	10,949	3,268
Master Meats Ghana	6,844	2,166
Others	1,186	-
Total	556,592	143,660
Less: Intra/Inter Group Sales	(100,039)	
Group Total	456,553	143,660
Central operating costs		(117,080)
Operating profit		26,580
Foreign exchange gains		5,549
Finance costs		(7,113)
Profit before taxation		25,016

Operating assets/(liabilities)

	Zambeef	Retailing	Zamanita	Master Pork	Zampalm	Other	Total
	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>
Property plant and equipment	304,668	78,266	76,598	16,708	35,637	15,102	526,979
Biological assets and inventories	137,237	20,272	23,351	4,760	3,666	8,575	197,861
Cash, cash equivalents and bank overdrafts	(36,631)	(8,770)	(4,563)	231	61	4,279	(45,393)

Period ended 31 March 2011
(ii) in US Dollars

Segment	Revenue <i>USD'000s</i>	Gross Profit <i>USD'000s</i>
Beef	27,473	7,214
Chicken	9,913	2,697
Pork	8,322	2,879
Crops - row crops	8,036	741
Stock feed	11,287	2,733
Eggs	2,175	1,105
Fish	1,266	398
Milk	6,633	4,440
Zamchick Inn	883	393
Edible oils	31,113	6,019
Bakery & flour	5,695	228
Leather/shoe	1,105	438
Master Meats (Nigeria)	2,320	692
Master Meats (Ghana)	1,450	459
Others	251	-
Total	117,922	30,436
Less: intra/inter Group sales	(21,195)	
Total	96,727	30,436
Central operating costs		(24,805)
Operating profit		5,631
Foreign exchange gains		1,176
Finance costs		(1,507)
Profit before taxation		5,300

Operating assets/(liabilities)

	Zambeef <i>USD'000s</i>	Retailing <i>USD'000s</i>	Zamanita <i>USD'000s</i>	Master Pork <i>USD'000s</i>	Zampalm <i>USD'000s</i>	Other <i>USD'000s</i>	Total <i>USD'000s</i>
Property plant and equipment	64,961	16,688	16,332	3,562	7,598	3,221	112,362
Biological assets and inventories	29,262	4,322	4,979	1,015	782	1,828	42,188
Cash, cash equivalents and bank overdrafts	(7,811)	(1,870)	(973)	49	13	913	(9,679)

Year ended 30 September 2011

(i) in Zambian Kwacha

Segment	Revenue <i>ZMK'Ms</i>	Gross Profit <i>ZMK'Ms</i>
Beef	279,898	79,796
Chicken	106,108	26,571
Pork	84,169	25,848
Crops - Row Crops	110,400	41,008
Crops – Palm	-	(1,452)
Stock feed	127,808	27,493
Eggs	19,973	9,355
Fish	15,113	3,345
Milk	51,892	33,011
Zamchick Inn	8,327	3,600
Edible oils	279,643	62,317
Bakery & Flour	69,987	9,104
Leather	12,047	3,443
Master Meats Nigeria	24,741	6,969
Master Meats Ghana	14,109	4,539
Total	1,204,215	334,947
Less: intra/inter Group Sales	(221,077)	
Group Total	983,138	334,947
Central operating costs		(264,710)
Operating profit		70,237
Foreign exchange losses		(1,562)
Finance costs		(18,319)
Profit before taxation		50,356

Operating assets/(liabilities)

	Zambeef <i>ZMK'Ms</i>	Retailing <i>ZMK'Ms</i>	Zamanita <i>ZMK'Ms</i>	Master Pork <i>ZMK'Ms</i>	Zampalm <i>ZMK'Ms</i>	Other <i>ZMK'Ms</i>	Total <i>ZMK'Ms</i>
Property plant and equipment	552,424	89,513	74,265	19,206	43,705	20,026	799,139
Biological assets and inventories	195,404	24,598	49,372	5,779	2,573	9,129	286,855
Cash, cash equivalents and bank overdrafts	(56,625)	(1,486)	(20,406)	(150)	119	6,767	(71,781)

Year ended 30 September 2011

(ii) in US Dollars

Segment	Revenue <i>USD'000s</i>	Gross Profit <i>USD'000s</i>
Beef	58,876	16,785
Chicken	22,320	5,589
Pork	17,705	5,437
Crops - row crops	23,222	8,626
Crops - Palm	-	(305)
Stock feed	26,884	5,783
Eggs	4,201	1,968
Fish	3,179	704
Milk	10,915	6,944
Zamchick Inn	1,752	757
Edible oils	58,823	13,108
Bakery & flour	14,722	1,914
Leather/shoe	2,534	724
Master Meats (Nigeria)	5,204	1,466
Master Meats (Ghana)	2,968	955
Total	253,305	70,455
Less: intra/inter group sales	(46,503)	
Total	206,802	70,455
Central operating costs		(55,681)
Operating profit		14,774
Foreign exchange gains		(328)
Finance costs		(3,854)
Profit before taxation		10,592

Operating assets/(liabilities)

	Zambeef <i>USD'000s</i>	Retailing <i>USD'000s</i>	Zamanita <i>USD'000s</i>	Master Pork <i>USD'000s</i>	Zampalm <i>USD'000s</i>	Other <i>USD'000s</i>	Total <i>USD'000s</i>
Property plant and equipment	115,088	18,648	15,472	4,001	9,105	4,174	166,488
Biological assets and inventories	40,709	5,125	10,286	1,204	536	1,901	59,761
Cash, cash equivalents and bank overdrafts	(11,799)	(309)	(4,251)	(31)	25	1,411	(14,954)

The Group's revenue from external customers and its geographic allocation of non-current assets may be summarised as follows:

	31 March 2012		31 March 2011		30 September 2011	
	Revenues	Non-current assets	Revenues	Non-current assets	Revenues	Non-current assets
	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>
Zambia	617,800	902,898	423,752	538,684	918,578	803,541
West Africa	27,840	-	17,793	9,174	38,850	14,161
Rest of world	6,099	-	15,008	-	25,710	-
	<u>651,739</u>	<u>902,898</u>	<u>456,553</u>	<u>547,858</u>	<u>983,138</u>	<u>817,702</u>

	31 March 2012		31 March 2011		30 September 2011	
	Revenues	Non-current assets	Revenues	Non-current assets	Revenues	Non-current assets
	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>
Zambia	120,979	168,121	89,778	114,858	193,222	167,405
West Africa	5,452	3,207	3,770	1,956	8,172	2,950
Rest of world	1,194	-	3,179	-	5,408	-
	<u>127,625</u>	<u>171,328</u>	<u>96,727</u>	<u>116,814</u>	<u>206,802</u>	<u>170,355</u>

6. Taxation

	March 2012	March 2011	September 2011
	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>	<i>ZMK'Ms</i>
Income tax expense			
(a) Tax charge			
Current tax:			
Tax charge	1,019	308	1,503
Under provision in prior period	-	130	11
	<u>1,019</u>	<u>438</u>	<u>1,514</u>
Deferred tax:			
Deferred taxation (note 6(e))	3,909	1,209	4,302
Tax charge for the period	<u>4,928</u>	<u>1,647</u>	<u>5,816</u>

	March 2012 ZMK'Ms	March 2011 ZMK'Ms	September 2011 ZMK'Ms
(b) Reconciliation of tax charge			
(Loss)/profit before taxation	(7,983)	25,016	50,356
Taxation on accounting profit	5,880	2,099	12,456
Effects of:			
Permanent differences:			
Disallowable expenses	1,485	5,302	1,887
Loss on sale of assets	-	-	(54)
Timing differences:			
Capital allowances and depreciation	(3,587)	(9,274)	(11,725)
Livestock and crop valuations adjustment	(4,939)	-	(2,366)
Under provision in prior periods	-	130	11
Other income	-	48	(21)
Unrealised exchange gains	572	(1,022)	(129)
Unrealised tax loss	1,608	3,155	1,455
Tax charge for the period	<u>1,019</u>	<u>438</u>	<u>1,514</u>
(c) Movement in taxation account			
Taxation payable at 1 October	716	362	362
Charge for the period	1,019	308	1,503
Under provision in the prior period	-	130	11
Arising on consolidation	-	25	-
Taxation paid	<u>(353)</u>	<u>(237)</u>	<u>(1,160)</u>
Taxation payable as at 31 March	<u>1,382</u>	<u>588</u>	<u>716</u>
Taxation payable	1,602	808	962
Taxation recoverable	<u>(220)</u>	<u>(220)</u>	<u>(246)</u>
Taxation payable	<u>1,382</u>	<u>588</u>	<u>716</u>

- (d) Income tax assessments have been agreed with the Zambia Revenue Authority (ZRA) up to and including the year ended 30 September 2006. Income tax returns have been filed with the ZRA for the years ended 30 September 2011. Quarterly tax returns for the year ended 30 September 2012 were made on the due dates during the period.

	March 2012 ZMK'Ms	March 2011 ZMK'Ms	September 2011 ZMK'Ms
(e) Deferred taxation			
Represented by:			
Biological valuation	744	-	1,653
Accelerated tax allowances	16,643	(1,015)	19,735
Tax loss	(10,324)	1,076	(18,235)
	<u>7,063</u>	<u>61</u>	<u>3,153</u>
Analysis of movement:			
Liability/(asset) as at 1 October	3,153	(1,147)	(1,147)
Charge to profit and loss account (note 6(a))	3,909	1,209	4,302
Arising on consolidation	1	(1)	(2)
Liability as at 31 March	<u>7,063</u>	<u>61</u>	<u>3,153</u>
Deferred tax asset	(291)	(1,514)	(291)
Deferred tax liability	7,354	1,575	3,444
	<u>7,063</u>	<u>61</u>	<u>3,153</u>

	March 2012 USD'000s	March 2011 USD'000s	September 2011 USD'000s
Income tax expense			
(a) Tax charge			
Current tax:			
Tax charge	200	65	316
Under provision in prior period	-	27	2
	<u>200</u>	<u>92</u>	<u>318</u>
Deferred tax:			
Deferred taxation (note 6(e))	765	256	905
Tax charge for the period	<u>965</u>	<u>348</u>	<u>1,223</u>
(b) Reconciliation of tax charge			
(Loss)/profit before taxation	(1,563)	5,300	10,592
Taxation on accounting profit	1,116	448	2,595
Effects of:			
Permanent differences:			
Disallowable expenses	282	1,130	393
Loss on sale of assets	-	-	(11)
Timing differences:			
Capital allowances and depreciation	(681)	(1,977)	(2,443)
Livestock and crop valuations adjustment	(937)	-	(493)
Under provision in prior periods	-	27	2
Other income	-	11	(4)
Unrealised exchange gains	109	(218)	(27)
Unrealised tax loss	311	671	306
Tax charge for the period	<u>200</u>	<u>92</u>	<u>318</u>

(c) **Movement in taxation account**

Taxation payable at 1 October	149	76	76
Charge for the period	200	65	316
Under provision in the prior periods	-	27	2
Arising on consolidation	-	5	-
Taxation paid	(69)	(50)	(244)
Foreign exchange	(18)	2	(1)
Taxation payable as at 31 March	<u>262</u>	<u>125</u>	<u>149</u>
Taxation payable	304	172	200
Taxation recoverable	(42)	(47)	(51)
Taxation payable	<u>262</u>	<u>125</u>	<u>149</u>

- (d) Income tax assessments have been agreed with the Zambia Revenue Authority (ZRA) up to and including the year ended 30 September 2006. Income tax returns have been filed with the ZRA for the years ended 30 September 2011. Quarterly tax returns for the year ended 30 September 2012 were made on the due dates during the period.

	March 2012 USD'000s	March 2011 USD'000s	September 2011 USD'000s
(e) Deferred taxation			
Represented by:			
Biological valuation	141	-	345
Accelerated tax allowances	3,158	(216)	4,111
Tax loss	(1,959)	229	(3,799)
	<u>1,340</u>	<u>13</u>	<u>657</u>
Analysis of movement:			
Liability/(asset) as at 1 October	657	(239)	(239)
Charge to profit and loss account (note 6(a))	765	256	905
Arising on consolidation	-	-	-
Foreign exchange	(82)	(4)	(9)
Liability as at 31 March	<u>1,340</u>	<u>13</u>	<u>657</u>
Deferred tax asset	(55)	(323)	(61)
Deferred tax liability	<u>1,395</u>	<u>336</u>	<u>718</u>
	<u>1,340</u>	<u>13</u>	<u>657</u>

7. **Equity dividends**

	2012		2011	
	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s
Declared and paid during the period				
Final dividend for 2011 [ZMK 21.40 per share, 0.45 cents per share]	5,306	1,039	-	-
Final dividend for 2010 [ZMK 49.88 per share, 1.04 cents per share]	-	-	7,916	1,649

8. Earnings/(loss) per share

Basic and diluted earnings/(loss) per share have been calculated in accordance with IAS 33 which requires that earnings should be based on the net profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period.

The calculation of the basic and diluted earnings/(loss) per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

The calculation of the basic and diluted earnings/(loss) per share is shown below:

	March 2012				March 2011		Sept 2011	
	ZMK'Ms excl. tax liability	ZMK'Ms incl. tax liability	USD'000s excl. tax liability	USD'000s incl. tax liability	ZMK'Ms	USD '000s	ZMK'Ms	USD'000
Basic earnings per share								
Profit/(loss) for the period	36,216	(12,934)	7,092	(2,533)	23,272	4,931	44,436	9,347
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	247,978,195	247,978,195	247,978,195	247,978,195	158,706,045	158,706,045	183,164,168	183,164,168
Basic and diluted earnings/(loss) per share (Kwacha & US Cents)	146.05	(52.16)	2.86	(1.02)	146.63	3.11	242.60	5.10

9. Biological assets

(a) 31 March 2012

Biological assets comprise standing crops, feedlot and standing cattle, dairy cattle, pigs, chickens and palm oil plantation. At 31 March 2012 there were 7,974 cattle (5,490 feedlot cattle, 821 standing cattle and 1,663 dairy cattle) and 339,821 chickens (108,397 layers and 231,424 broilers), and 3,453 pigs. A total of 10,838 feedlot cattle, 505 dairy cattle, 3,631 pigs and 1,006,152 chickens were culled during the period.

	As at 1 Oct 2011	Increase due to purchases	Gains/(losses) arising from changes attributable to physical changes	Gains arising from changes attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 31 March 2012
	ZMK'Ms	ZMK'Ms	ZMK'Ms	ZMK'Ms	ZMK'Ms	ZMK'Ms
Standing Crops	58,917	83,814	82,833	135	(119,190)	106,509
Feedlot cattle	33,699	32,640	10,999	-	(49,592)	27,746
Dairy Cattle	15,065	5,890	(93)	-	(6,618)	14,244
Pigs	2,254	2,365	1,576	163	(3,953)	2,405
Chickens	6,825	38,056	1,565	-	(39,884)	6,562
Palm Plantation	2,573	2,912	-	-	-	5,485
Total	119,333	165,677	96,880	298	(219,237)	162,951
Less: non-current biological assets	(2,573)	(2,912)	-	-	-	(5,485)
Total	116,760	162,765	96,880	298	(219,237)	157,466

	As at 1 Oct 2011 <i>USD'000s</i>	Foreign exchange <i>USD'000s</i>	Increase due to purchases <i>USD'000s</i>	Gains/(losses) arising from changes attributable to physical changes <i>USD'000s</i>	Gains arising from changes attributable to price changes <i>USD'000s</i>	Decrease due to harvest/ transferred to inventory <i>USD'000s</i>	As at 31 March 2012 <i>USD'000s</i>
Standing Crops	12,275	(881)	16,413	15,718	26	(23,340)	20,211
Feedlot cattle	7,021	(524)	6,392	2,087	-	(9,710)	5,266
Dairy Cattle	3,138	(275)	1,153	(18)	-	(1,296)	2,702
Pigs	469	(32)	463	299	31	(774)	456
Chickens	1,422	(116)	7,452	297	-	(7,810)	1,245
Palm Plantation	536	(65)	570	-	-	-	1,041
Total	24,861	(1,893)	32,443	18,383	57	(42,930)	30,921
Less: non-current biological assets	(536)	65	(570)	-	-	-	(1,041)
Total	24,325	(1,828)	31,873	18,383	57	(42,930)	29,880

(b) 31 March 2011

Biological assets comprise standing crops, feedlot cattle, dairy cattle and chickens. At 31 March 2011 there were 3,742 feedlot cattle 1,859 dairy cattle, 4,041 pigs and 328,897 chickens (133,279 layers and 195,618 broilers). A total of 6,876 feedlot cattle, 253 dairy cattle, 3,020 pigs and 642,930 chickens were culled during the period.

	As at 1 Oct 2010 <i>ZMK'Ms</i>	Increase due to purchases <i>ZMK'Ms</i>	Gains/(losses) arising from changes attributable to physical changes <i>ZMK'Ms</i>	Gains/(losses) arising from changes attributable to price changes <i>ZMK'Ms</i>	Decrease due to harvest/ transferred to inventory <i>ZMK'Ms</i>	As at 31 March 2011 <i>ZMK'Ms</i>
Standing Crops	30,959	28,625	(2,120)	(350)	(36,566)	20,548
Feedlot cattle	8,713	25,017	702	1,253	(18,937)	16,748
Dairy Cattle	12,222	-	(9)	2,470	(32)	14,651
Pigs	1,981	20	2,885	101	(2,768)	2,219
Chickens	5,918	23,111	16,108	-	(37,014)	8,123
Palm Plantation	3,666	-	-	-	-	3,666
Total	63,459	76,773	17,566	3,474	(95,317)	65,955
Less: non-current biological assets	(3,666)	-	-	-	-	(3,666)
Total	59,793	76,773	17,566	3,474	(95,317)	62,289

	As at 1 Oct 2010	Foreign exchange	Increase due to purchases	Gains/(losses) arising from changes attributable to physical changes	Gains/(losses) arising from changes attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 31 March 2011
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
Standing Crops	6,450	140	6,065	(452)	(75)	(7,747)	4,381
Feedlot cattle	1,815	51	5,300	150	267	(4,012)	3,571
Dairy Cattle	2,546	60	-	(2)	527	(7)	3,124
Pigs	413	6	4	615	22	(587)	473
Chickens	1,233	10	4,897	3,434	-	(7,842)	1,732
Palm Plantation	764	18	-	-	-	-	782
Total	13,221	285	16,266	3,745	741	(20,195)	14,063
Less: non-current biological assets	(764)	(18)					(782)
Total	12,457	267	16,266	3,745	741	(20,195)	13,281

(c) 30 September 2011

Biological assets comprise standing crops, feedlot and standing cattle, dairy cattle, pigs, chickens and palm oil plantation. At 30 September 2011 there were 9,535 cattle (7,095 feedlot cattle, 506 standing cattle and 1,934 dairy cattle) and 331,081 chickens (134,345 layers and 196,736 broilers), and 4,302 pigs. A total of 14,516 feedlot cattle, 579 dairy cattle, 6,240 pigs and 1,282,743 chickens were culled during the year.

	As at 1 Oct 2010	Increase due to purchases	Gains/(losses) arising from changes attributable to physical changes	Gains arising from changes attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 30 Sept 2011
	ZMK'Ms	ZMK'Ms	ZMK'Ms	ZMK'Ms	ZMK'Ms	ZMK'Ms
Standing Crops	30,959	84,968	42,096	11,533	(110,639)	58,917
Feedlot cattle	8,713	76,582	(113)	2,970	(54,453)	33,699
Dairy Cattle	12,222	11,684	5,687	2,463	(16,991)	15,065
Pigs	1,981	4,244	2,137	91	(6,199)	2,254
Chickens	5,918	90,339	(2,377)	-	(87,055)	6,825
Palm Plantation	3,666	359	(1,452)	-	-	2,573
Total	63,459	268,176	45,978	17,057	(275,337)	119,333
Less: non-current biological assets	(3,666)	(359)	1,452	-	-	(2,573)
Total	59,793	267,817	47,430	17,057	(275,337)	116,760

	As at 1 Oct 2010	Foreign exchange	Increase due to purchases	Gains/(losses) arising from changes attributable to physical changes	Gains arising from changes attributable to price changes	Decrease due to harvest/ transferred to inventory	As at 30 Sept 2011
	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>	<i>USD'000s</i>
Standing Crops	6,450	52	17,873	8,770	2,403	(23,273)	12,275
Feedlot cattle	1,815	(78)	16,109	(24)	653	(11,454)	7,021
Dairy Cattle	2,546	11	2,458	1,185	513	(3,575)	3,138
Pigs	413	4	893	445	18	(1,304)	469
Chickens	1,233	(7)	19,003	(494)	-	(18,313)	1,422
Palm Plantation	764	(2)	76	(302)	-	-	536
Total	13,221	(20)	56,412	9,580	3,587	(57,919)	24,861
Less: non-current biological assets	(764)	2	(76)	302	-	-	(536)
Total	12,457	(18)	56,336	9,882	3,587	(57,919)	24,325

10. Cash and cash equivalents

	Mar 2012	Mar 2012	Mar 2011	Mar 2011	Sept 2011	Sept 2011
	<i>ZMK'Ms</i>	<i>USD'000s</i>	<i>ZMK'Ms</i>	<i>USD '000s</i>	<i>ZMK'Ms</i>	<i>USD '000s</i>
Cash in hand and at bank	31,813	6,036	20,686	4,410	30,844	6,426
Bank overdrafts	(137,981)	(26,182)	(66,079)	(14,089)	(102,625)	(21,380)
	<u>(106,168)</u>	<u>(20,146)</u>	<u>(45,393)</u>	<u>(9,679)</u>	<u>(71,781)</u>	<u>(14,954)</u>

(a) Banking facilities

The Group has overdraft facilities totalling ZMK8.137 billion (March 2011 – ZMK8.137 billion, September 2011 – ZMK8.137 billion) and USD7.1 million (March 2011 – USD7.1 million, September 2011 – USD7.1 million) with Citibank Zambia Limited. The Citibank overdrafts bear interest rates of Bank of Zambia policy rate plus 5.75% for the Kwacha facility and 12 month LIBOR plus 4% for the United States Dollar facility.

The Group has overdraft facilities totalling ZMK4.5 billion (March 2011 – ZMK4.5 billion, September 2011 – ZMK4.5 billion) and USD8 million (March 2011 – USD3 million, September 2011 – USD8 million) with Standard Chartered Bank Zambia PLC. The Standard Chartered Bank overdrafts bear interest of Bank of Zambia policy rate plus 5% on the Kwacha facility and 1 month LIBOR plus 4.25% (USD3 million for Zambeef Products PLC) and 3 month LIBOR plus 4.5% (USD5 million for Zamanita Limited) on the USD facilities.

The Group has overdraft facilities totalling ZMK6 billion (March 2011 – ZMK6 billion, September 2011 – ZMK6 billion) and USD1.3 million (March 2011 – USD1.3 million, September 2011 – USD1.3 million) with Zanaco Bank PLC. The Zanaco Bank overdrafts bear interest rate of Bank of Zambia policy rate plus 5% on the Kwacha facility and 3 month LIBOR plus 4.25% on the USD facility.

The Group has overdraft facilities totalling ZMK5 billion (March 2011 – nil, September 2011 – ZMK5 billion) and USD8 million (March 2011 – nil, September 2011 – USD8 million) with Stanbic Bank Zambia Limited. The Stanbic Bank overdrafts bear interest rate of Bank of Zambia policy rate plus 2.25% on the Kwacha facility and 3 month LIBOR plus 4% on the USD facility.

The Group had overdraft facilities of USD2 million with First National Bank Zambia Limited as at March 2011. These facilities were repaid prior to September 2011.

(b) **Bank overdrafts**

	March 2012		March 2011		September 2011	
	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s
Bank overdrafts represented by:						
Zanaco Bank PLC	(11,070)	(2,101)	(6,332)	(1,350)	(7,762)	(1,617)
Citibank Zambia Limited	(41,331)	(7,842)	(36,901)	(7,868)	(37,930)	(7,902)
Stanbic Bank Zambia Limited	(46,966)	(8,912)	-	-	(18,573)	(3,869)
Standard Chartered Bank Zambia PLC	(38,614)	(7,327)	(18,037)	(3,846)	(38,360)	(7,992)
First National Bank Zambia Limited	-	-	(4,809)	(1,025)	-	-
	(137,981)	(26,182)	(66,079)	(14,089)	(102,625)	(21,380)

- (i) The bank overdrafts, excluding Stanbic Bank Zambia Limited, are secured by a first floating charge over all the assets of the Company. The floating charge ranks pari passu between Standard Chartered Bank Zambia PLC (USD5 million), Citibank Zambia Limited (USD9.5 million), Zanaco Bank PLC (USD1.5 million and ZMK6 billion) and DEG (USD5 million).
- (ii) The Zamanita facility at Standard Chartered Bank Plc is secured by a first legal mortgage over stand 5960 and 5001 Mumbwa Road, Lusaka and a floating charge over all other assets. The First National Bank Zambia Limited facilities were repaid during the year ended 30 September 2011.
- (iii) The Stanbic Bank Zambia Limited overdraft facility is secured by a first legal mortgage over F4450, F4451 and F5388 (Mpongwe Farms).

11. Interest bearing liabilities

	31 March 2012		31 March 2011		30 September 2011	
	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s	ZMK'Ms	USD'000s
DEG – Deutsche Investitious	116,725	22,149	124,524	26,551	116,880	24,350
GUD Entwicklungsgesellschaft MBH (note a)						
Commercial Paper (note b)	-	-	31,785	6,777	31,785	6,622
Zanaco Bank PLC (note c)	46,500	8,824	8,260	1,761	-	-
International Finance Corporation (note d)	46,376	8,800	-	-	42,240	8,800
Standard Chartered Bank Zambia PLC (note e)	18,198	3,453	-	-	7,647	1,593
Standard Bank South Africa (note f)	36,890	7,000	-	-	-	-
Standard Chartered Bank Zambia PLC (note e)	92,216	17,498	22,740	4,849	25,477	5,308
	<u>356,905</u>	<u>67,724</u>	<u>187,309</u>	<u>39,938</u>	<u>224,029</u>	<u>46,673</u>
Less: short term portion of long term funding (repayable within next 12 months)	(68,521)	(13,002)	(28,734)	(6,126)	(25,925)	(5,401)
Less: structured agricultural finance (repayable within next 12 months)	(92,216)	(17,498)	(22,740)	(4,849)	(25,477)	(5,308)
Long term portion (repayable after 12 months)	<u>196,168</u>	<u>37,224</u>	<u>135,835</u>	<u>28,963</u>	<u>172,627</u>	<u>35,964</u>

(a) (i) **DEG Term Loan 1**

The Group has a loan facility of USD2.5 million (31 March 2011 – USD3.3 million, 30 September 2011 – USD2.9 million and original amount USD5 million) from DEG. Interest on the loan is 2.75% above the six-month USD LIBOR rate per annum payable six-monthly in arrears. The principal is repayable in 12 equal bi-annual instalments commencing April 2009 and expiring in October 2014.

The DEG loan is secured by a floating charge/debenture of USD5 million ranking pari passu with Citibank Zambia Limited (USD9.5 million), Standard Chartered Bank Zambia PLC (USD5 million) and Zanaco Bank PLC (USD1.5 million and ZMK6 billion).

(ii) **DEG Term Loan 2**

The Group has a loan facility of USD19.6 million (31 March 2011 – USD23.2 million, 30 September 2011 – USD21.4 million and original amount USD25 million) from DEG. Interest on the loan is 4.55% above the six-month USD LIBOR rate per annum payable six-monthly in arrears. The principal is repayable in 14 bi-annual instalments commencing November 2010 and expiring in May 2017.

The USD25 million DEG term loan is secured by:

- First legal mortgage over Farm No. 4906, Lot No. 18835/M and Lot No. 18836/M (Sinazongwe farm); and
- First legal mortgage over Farm No. 10097, Farm No. 5063 and Lot No. 8409/M (Chiawa farm).

(b) **Commercial Paper**

The Group issued a commercial paper (CP) amounting to ZMK31.8 billion during the year ended 30 September 2011 at an interest rate of 12% fixed per annum which was to be restructured into a five year bond upon expiry of the CP. The CP was due to expire on 23 December 2011. The Group did not take up the option to restructure into the five year bond and the CP was repaid on 22 December 2011.

(c) **Zanaco Bank PLC**

The Group received a loan facility of ZMK46.5 billion with Zanaco Bank PLC in December 2011. Interest on the medium term loan is 5% above the Bank of Zambia policy rate. The loan was utilised to repay the CP and provide funding for capital projects. The principal is repayable on a monthly basis commencing January 2014 and expiring in December 2017.

The loan is secured by a first ranking mortgage over stand No. 4970, Industrial Area, Lusaka.

The Group had a loan facility of ZMK8.26 billion (with original amount ZMK11.8 billion) with Zanaco Bank PLC as at 31 March 2011. This facility was repaid during the year ended 30 September 2011.

(d) **International Finance Corporation**

The Group committed itself to a loan facility of USD10 million during the year ended 30 September 2010 from International Finance Corporation (IFC), of which USD7 million was drawn for the Zambian operations and USD1.8 million for the Nigeria operations during the year ended 30 September 2011 and after the period ended 31 March 2011.

The Group's facilities outstanding with IFC are USD8.8 million (31 March 2011 – nil, 30 September 2011 – USD8.8 million and available limit of USD10 million). Interest on the loan is 4.75% above the six-month USD LIBOR rate per annum payable six-monthly in arrears. The principal is repayable in 11 equal bi-annual instalments commencing June 2012 and expiring in June 2017.

The portion of the loan attributable to Zambia is secured through a first legal mortgage over Plot 9070, 9071 and 9074, off Mumbwa Road, Lusaka, and the portion of the loan attributable to the Nigerian operations is secured by a floating charge over all assets of Master Meat and Agro Production Co of Nigeria Limited and a parental guarantee from Zambeef Products PLC.

(e) **Standard Chartered Bank Zambia PLC**

Zamanita Limited, a subsidiary of the Group, has a loan facility of USD3.5 million (31 March 2011 – nil, 30 September 2011 – USD1.6 million) with Standard Chartered Bank Zambia PLC. Interest on the loan is 5% above 12 month LIBOR rate per annum, payable monthly in arrears and is secured by a first legal mortgage relating to stands 5960 and 5001 Mumbwa Road, Lusaka, and floating debenture over all assets of the company. The original limit of the loan was USD3.5 million which has been increased to USD8 million post period end in order to fund the expansion of production capacity and facilities at Zamanita.

The principal is repayable in amounts of USD0.3 million on a quarterly basis commencing April 2013 to January 2014 and thereafter 12 quarterly payments of USD0.57 million commencing April 2014 and expiring in January 2017.

The Group has structured agricultural facilities totalling USD49 million (31 March 2011 – USD5 million, 30 September 2011 – USD25 million) with Standard Chartered Bank Zambia PLC. The purpose of the facility is the financing of wheat, soya beans, and maize under collateral management agreements and is for 180 - 270 days. Interest on this facility is 3 month LIBOR plus 4% per annum calculated on the daily overdrawn balances.

(f) **Standard Bank South Africa Limited**

The Group has obtained during the period to 31 March 2012 funding for capital expenditure through a facility of USD7 million from Standard Bank South Africa Limited. Interest on the facility is 4% above 3 month LIBOR and the facility is secured through a first legal mortgage over assets at Mpongwe Farms. This facility was provided as a bridging finance to fund capital projects with the aim to be restructured into long term developmental finance. The facility is repayable in July 2012.

12. **Events subsequent to reporting date**

There has not arisen since the end of the 6 months period any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in the subsequent financial years except that on 7 June 2012, the Group formally accepted funding, subject to meeting funding condition precedents, for its upgrade, rehabilitation, and expansion of capital assets through a facility of USD30 million from the International Finance Corporation. This facility will also be used to restructure and repay the existing liability to Standard Bank South Africa Limited.