



## ("Zambeef" or the "Group") Results for the year ended 30 September 2012

Zambeef, the fully integrated agri-business with operations in Zambia, Nigeria and Ghana, is pleased to announce its results for the year ended 30 September 2012.

### Financial Highlights

Year Ended 30 September 2012	2012 ZMK bn	2011 ZMK bn	% Change
Revenue	1,296	983	32
Gross Profit*	480	335	43
EBITDA*	138	88	56
Profit after Tax *	63	45	41
Earnings per share*	257	243	6

\* Excludes the ZMK49bn Zamanita ZRA tax provision liability

### Operational Highlights

- Robust revenue growth was seen across most of the Group's business, in particular:
  - Cropping (up 102 per cent.) following successful integration of Mpongwe Farm acquisition (in June 2011)
  - Stock feed (up 47 per cent)
  - West Africa (up 65 per cent)
- Margins increased from 34.1 per cent to 37 per cent
- Continued expansion of production capacity to service buoyant and growing demand:
  - The upgrade and extension of Zamanita's soya crushing plant – doubling capacity and enabling more productive, higher margin crushing and processing activities
  - The upgrade and extension of Master Pork's processing plant and an additional pig abattoir
  - New broiler and layer houses to supply additional poultry and eggs
  - Seven new retail outlets as well as the refurbishment of two existing outlets
- Large capital investment programme now complete – Group expects a return to cash generation over next 12 months
- The hearing for the Zambian Revenue Authority ("ZRA") tax demand at the Revenue Appeals Tribunal has been concluded and the Group is awaiting judgement – liability has been provided for in full in the audited financial statements

- Group looks forward to the future with confidence

### Dividend

The increased farming operations and expansion of Zamanita has led to a large outflow of the Group's financial resources during the current financial year, however, the benefits of growth and expansion undertaken during FY2012 is expected to be received from FY2013 onwards. Accordingly there will be no final dividend.

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

*"Zambeef has continued to benefit from the growing Zambian economy which is driving buoyant demand for our products and services. This period has been one of unprecedented capital investment, aimed at expanding capacity to meet demand. Having now completed the large capital investment, we expect these efforts to be rewarded, both in terms of profitability and cash generation over the coming 12 months."*

*The strength of Zambeef's diversified business model, which enables us to maximise margins and control our supply chain, together with Zambia's natural and demographic advantages, means that we are well placed to achieve our ambition of becoming one of the largest food producers in the region."*

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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 5,000 employees.

Further information can be found on [www.zambeefplc.com](http://www.zambeefplc.com)