



29 September 2014

("Zambeef" or the "Group")

Year End Trading Update

Zambeef (AIM: ZAM), the fully integrated agribusiness with operations in Zambia, Nigeria and Ghana, is pleased to provide an update on its performance for the year ending 30 September 2014. The audited results are expected to be announced on 28 November 2014.

Group Overview

In the Interim results announced on 16 June 2014, Zambeef highlighted a number of issues which impacted the Group in the first half of the year. These included extreme exchange rate volatility, the effects of African Swine Fever, lower soya bean prices, and the imported beef products issue together with the resulting impact on retail sales.

It is pleasing to report that, during the second half of the financial year, the exchange rate has returned to relative stability, resulting in reduced foreign exchange losses compared with the first half, and the African Swine Fever outbreak in 2013, which inhibited the movement of livestock, has now been resolved by the Zambian government. Soya is a summer crop and therefore the impact of low prices on the Group is confined to the first half of the financial year; however, it is pleasing to report that an expected good wheat harvest and higher prices in the second half has meant the cropping division is likely to perform above expectations for the year as a whole. In addition, retail sales are now higher than prior to the imported beef products issue.

With the majority of sales made in Zambian Kwacha, the Group expects reported revenues for the year to 30 September 2014 to be slightly lower than market expectations on translation into US dollars; however, the relatively stable exchange rate in the second half has curtailed the previously notified escalation in Zambeef's dollar-denominated cost base and this has resulted in improved gross profit margins versus market expectations. This will, in turn, result in the Group's expected adjusted loss before tax (excluding unrealised exchange gains/losses) to be better than market consensus.

Senior Management Changes

On 23 September 2014, the Board approved the appointment of Carl Irwin (previously Director of Strategy and Development) to the position of Joint Chief Executive Officer. Carl, as well as retaining his existing responsibilities, will oversee the finance and administration aspects of the Group, whilst the other Joint CEO (Francis Grogan), will be responsible for the operational aspects of the Group.

Carl Irwin and Francis Grogan, the Joint CEOs of the Group, commented:

"We are pleased to say that following a difficult year in 2013, which continued into the first half of the current financial year, the macro-economic backdrop experienced in Zambia recently has been

stable and more helpful to Zambeef both operationally and financially and we are hopeful that this situation will continue into the 2015 financial year.

With the operational platform which we have established over the last few years, our focus on developing our offering generally and value-added products in particular will help to underpin our long-term performance. We look forward to making continued progress towards our aim of becoming a major African food producer, as well as unlocking value from within the Group.”

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