



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

[INCORPORATED IN THE REPUBLIC OF ZAMBIA]
COMPANY REGISTRATION NUMBER: 31824
SHARE CODE: ZAMBEEF
ISIN: ZM0000000201

In accordance with the requirements of the Securities and Exchange Act No. 38, Zambeef Products PLC announces its unaudited results for the six months ended 31 March 2014.

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME	Unaudited Mar-14 K'000	Unaudited Mar-13 K'000	ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 March	Unaudited 2014 K'000	Unaudited 2013 K'000
Revenue	789,496	809,296	ASSETS		
Gross Profit	258,148	293,436	Goodwill	15,699	15,699
Operating profit	15,204	67,147	Property, plant and equipment	1,449,678	916,636
Exchange Gains/(loss) on translating foreign currency transactions and balances	(29,498)	(15,240)	Plantation development expenditure	57,380	44,993
Finance costs	(22,508)	(18,100)	Biological assets (non – current asset)	19,917	11,008
Profit before taxation	(36,802)	33,807	Biological assets (current asset)	213,297	198,295
Taxation (charge)/credit	(1,460)	973	Deferred tax assets	24,037	5,562
Group profit/(loss) for the year	(38,262)	34,780	Investments	5	-
Exchange gain/ (loss) on translating presentational currency	8,848	(6,006)	Inventories	293,894	371,345
Total comprehensive income for the year	(29,414)	28,774	Trade and other receivables	115,836	219,838
			Amounts due from related companies	17,215	8,442
Group profit/(loss) attributable to:			Income tax recoverable	9,546	1,232
Equity holders of the parent	(40,960)	34,968	Total assets	2,216,504	1,793,050
Non-controlling interest	2,698	(188)	EQUITY AND LIABILITIES		
	(38,262)	34,780	Capital and reserves	1,323,716	883,156
Other comprehensive income/(loss):			Interest bearing liabilities	374,838	337,514
Exchange losses on translating presentational currency	8,848	(6,006)	Obligations under finance leases	8,591	13,815
Total comprehensive income for the year	(29,414)	28,774	Deferred liability	7,510	7,180
			Deferred taxation	23,086	4,832
Total comprehensive income/(loss) attributable to:			Interest bearing liabilities	69,670	39,319
Equity holders of the parent	(32,484)	28,858	Collateral management agreement	88,373	166,574
Non-controlling interest	3,070	(84)	Obligations under finance leases	8,600	8,564
	(29,414)	28,774	Trade and other payables	189,480	170,507
Number of shares in issue (million)	247.98	247.98	Amounts due to related companies	-	1,578
Earnings Per Share			Taxation payable	9,091	3,566
Basic and diluted Earnings Per Share	(16.52)	14.10	Cash and cash equivalents	113,549	156,445
			Total equity and liabilities	2,216,504	1,793,050
			ABRIDGED GROUP STATEMENT OF CASH FLOW	Unaudited Mar - 2014 K'000	Unaudited Mar - 2013 K'000
			Net cash inflow/(outflow) from operating activities	63,409	21,715
			Net cash (outflow)/inflow (on)/from investing activities	(40,903)	(46,470)
			Net cash inflow/(outflow) before financing	22,507	(24,755)
			(Decrease)/increase in cash and cash equivalents	(55,413)	(65,638)
			Cash and cash equivalents at beginning of period	(44,216)	(98,552)
			Effects of exchange gains on balances held foreign currencies	(13,920)	7,745
			Cash and cash equivalents at end of period	(113,549)	(156,445)

Key Points

- Financial performance adversely impacted by macro-economic challenges, increased competition and external events.

Revenue	Down 2% to ZMW 789.5m	(2013: ZMW 809.2m)
Gross Profit	Down 12% to ZMW 258.1m	(2013: ZMW 293.4m)
EBITDA	Down 45% to ZMW 48.1m	(2013: ZMW 87.3m)
Pre Tax Profit/ Loss	ZMW 36.8m loss	(2013: ZMW 33.8m profit)
Net Cash Inflow Before Financing	ZMW 22.5m inflow	(2013: ZMW 24.8m outflow)

- Gross margins decreased from 36.3 per cent. for March 2013 to 32.7 per cent. for March 2014.
- Good performances from the cropping, milk/dairy and West Africa divisions.
- The two JVs with Rainbow (Zam Chick and Zamhatch) are progressing smoothly and we expect to see the full benefits over the next 12 months, when Zamhatch becomes operational.
- Export sales grew 27.8 per cent. to ZMW 123.4 million (USD 20.2 million) in H1 - now represent 15.6 per cent. of revenues.
- Net Cash Inflow Before Financing of ZMW 22.5 million (USD 4.0 million).
- Acceleration of longer term strategy to position Zambeef as a regional food producer – to generate geographically diversified revenue streams and leverage significant growth opportunity

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

“Our financial performance has been adversely impacted by macro-economic challenges and external events. These factors, together with increased competition, have resulted in the Group recording a loss before tax for the first half of the year. This is despite tight controls on costs. However, it was encouraging to see a positive net cash inflow before financing of ZMW 22.5 million. With the operational platform which we have established over the last few years and the demographic drivers for growth in Southern Africa, we believe that Zambeef is well placed to become a regional food player. With this goal in mind, we are actively looking at forging strategic alliances and partnerships with global industry players, as well as unlocking value and capital gains from within the Group.”

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Accordingly, investors in Zambeef Products PLC are advised to exercise caution when trading in the Company's shares and should seek the professional advice of a broker or investment advisor for guidance.

Further information can be found on www.zambeefplc.com